SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended December 31, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File No. 1-10410

CAESARS ENTERTAINMENT CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**62-1411755**
(State of incorporation)	(I.R.S. Employer Identification No.)
One Caesars Palace Drive, Las Vegas, Nevada	**89109**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code:
(702) 407-6000

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of each class	**Name of each exchange on which registered**
Common stock, $0.01 par value	**NASDAQ Global Select Market**

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of common stock held by non-affiliates of the registrant as of June 30, 2017 was $692 million.

As of March 1, 2018, the registrant had 696,735,401 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive proxy statement for the Proxy Statement for our 2018 Annual Meeting of Stockholders, which we expect to file with the Securities and Exchange Commission on or about April 4, 2018, are incorporated by reference into Part III.

CAESARS ENTERTAINMENT CORPORATION
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

PART I

In this filing, the name "CEC" refers to the parent holding company, Caesars Entertainment Corporation, exclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires. The words "Company," "Caesars," "Caesars Entertainment," "we," "our," and "us" refer to Caesars Entertainment Corporation, inclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires.

We also refer to (i) our Consolidated Financial Statements as our "Financial Statements," (ii) our Consolidated Statements of Operations and Comprehensive Income/(Loss) as our "Statements of Operations," (iii) our Consolidated Balance Sheets as our "Balance Sheets," and (iv) our Consolidated Statements of Cash Flows as our "Statements of Cash Flows." References to numbered "Notes" refer to Notes to our Consolidated Financial Statements included in Item 8.

Additionally, in this filing, except as the context otherwise requires, references to "VICI" or "PropCo" are references to VICI Properties Inc. and its subsidiaries, from which we lease a number of our properties.

ITEM 1. Business

Overview

Caesars Entertainment is a casino-entertainment and hospitality services provider with the world's most diversified portfolio and facilities in more areas throughout the United States than any other participant in the gaming industry. We have established a rich history of industry-leading growth and expansion since we commenced operations in 1937. Our facilities typically include gaming offerings, food and beverage outlets, hotel and convention space, and non-gaming entertainment options. In addition to our brick and mortar assets, we operate an online gaming business that provides real money games in certain jurisdictions.

CEC is primarily a holding company with no independent operations of its own. CEC operates the business primarily through its wholly owned subsidiaries CEOC, LLC ("CEOC LLC") and Caesars Resort Collection, LLC ("CRC").

Significant Events and Transactions in 2017

Transactions Related to CAC Merger and CEOC's Emergence from Bankruptcy

Merger with Caesars Acquisition Company

In 2014, CEC and Caesars Acquisition Company ("CAC") entered into a merger agreement, which was amended and restated in July 2016 and February 2017 (as amended, the "Merger Agreement"). Pursuant to the Merger Agreement, on October 6, 2017 (the "Effective Date"), CAC merged with and into CEC, with CEC as the surviving company (the "CAC Merger"), and each share of CAC common stock issued and outstanding immediately prior to the Effective Date was converted into, and became exchangeable for, 1.625 shares of CEC common stock on the Effective Date, which resulted in the issuance of 226 million shares of CEC common stock to the stockholders of CAC. See Note 4 for additional information.

CEOC's Emergence from Bankruptcy and Acquisition of OpCo

In addition, on the Effective Date, Caesars Entertainment Operating Company, Inc. ("CEOC") and certain of its United States subsidiaries (collectively, the "Debtors") emerged from bankruptcy. CEC made material financial commitments to support the reorganization of CEOC, as described in the Debtors' third amended joint plan of reorganization (the "Plan"). The total value of the consideration that was provided by CEC as of the Effective Date was $8.6 billion and included a combination of cash, shares of CEC common stock, and $1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 (the "CEC Convertible Notes"). See Note 1 for additional information.

As part of its emergence from bankruptcy, CEOC reorganized into an operating company ("OpCo") and PropCo. PropCo holds certain real property assets formerly held by CEOC and leases those assets to OpCo. See Note 10 for additional information. PropCo is a separate entity that is not consolidated by Caesars and, on the Effective Date, was sold to VICI Properties Inc., the real estate investment trust that was initially owned by certain former creditors of CEOC and is independent from CEC.

OpCo was acquired by CEC on the Effective Date for total consideration of $2.5 billion, which included a combination of cash and CEC common stock. OpCo operates the properties and facilities formerly held by CEOC and leases the properties and facilities from VICI. Upon acquisition, OpCo was immediately merged with and into CEOC LLC, with CEOC LLC as the surviving entity. See Note 4 for additional information.

As part of the acquisition of OpCo, we assumed $1.2 billion in debt that was issued in connection with CEOC's emergence from bankruptcy. See Note 12 for additional information.

Hamlet Holdings

The members of Hamlet Holdings LLC ("Hamlet Holdings") are comprised of affiliates of Apollo Global Management, LLC ("Apollo") and affiliates of TPG Global, LLC ("TPG") (collectively, the "Sponsors"). Hamlet Holdings contributed to CEC the 88 million shares of CEC common stock it owned prior to the CAC Merger, which CEC immediately canceled and retired. Hamlet Holdings controlled CEC prior to the CAC Merger. Upon completion of the CAC Merger and CEOC's emergence from bankruptcy, Hamlet Holdings beneficially owned approximately 20.8% of CEC common stock as a result of its former interest in CAC, and consequently, Hamlet Holdings no longer controls CEC.

CRC Merger and Related Debt Transactions

On October 16, 2017, CRC Escrow Issuer, LLC ("Escrow Issuer") and CRC Finco, Inc. ("Finance"), two wholly owned, indirect subsidiaries of CEC, issued $1.7 billion aggregate principal amount of 5.25% senior notes due 2025 (the "CRC Notes"). CRC, a wholly owned subsidiary of CEC, was created on December 22, 2017, with the merger of Caesars Entertainment Resort Properties, LLC ("CERP") into Caesars Growth Properties Holdings, LLC ("CGPH") (the "CRC Merger"). In conjunction with the CRC Merger, Escrow Issuer merged with and into CRC, with CRC as the surviving entity and borrower.

Additionally, on December 22, 2017, CRC entered into new senior secured credit facilities comprised of (i) a $1.0 billion senior secured revolving credit facility (the "CRC Revolving Credit Facility") and (ii) a $4.7 billion senior secured term loan credit facility (the "CRC Term Loan Facility"). The net proceeds of the CRC Notes and the CRC Term Loan Facility, as well as available cash and borrowings under the CRC Revolving Credit Facility, were used to repay the outstanding debt of CERP and CGPH. See Note 12 for additional information.

Other Events and Transactions

As of August 31, 2017, CR Baltimore Holdings, which indirectly owns the Horseshoe Baltimore Casino ("Horseshoe Baltimore"), was deconsolidated and is accounted for as an equity method investment subsequent to the deconsolidation. See Note 2 for additional information.

On November 16, 2017, we announced it entered into a definitive agreement to acquire Centaur Holdings, LLC ("Centaur") for $1.7 billion, including $1.6 billion in cash at closing and $75 million in deferred consideration. Centaur operates Hoosier Park Racing & Casino in Anderson, Indiana, and Indiana Grand Racing & Casino in Shelbyville, Indiana. The transaction is subject to receipt of regulatory approvals and other customary closing conditions and is expected to close in the first half of 2018.

On December 22, 2017, we sold the real estate assets of Harrah's Las Vegas for approximately $1.1 billion as part of a sale and leaseback transaction with VICI. See Note 1 and Note 10 for additional information.

On December 22, 2017, we acquired approximately 18 acres of land adjacent to Harrah's Las Vegas (the "Eastside Land") for $74 million in cash. We intend to use the Eastside Land as part of a new convention center development featuring approximately 300,000 square feet of flexible meeting space. See Note 1 for additional information.

Organizational Structure

As of December 31, 2017, through our consolidated entities, we operate 47 casino properties in 13 U.S. states and 4 countries outside of the United States. Our facilities had an aggregate of over 2.8 million square feet of gaming space and approximately 39,000 hotel rooms. Of the 47 casinos, 35 were in the United States and primarily consist of land-based and riverboat or dockside casinos. Our 12 international casinos are land-based casinos, most of which are located in the United Kingdom.

We view each casino property as an operating segment and aggregate them into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S., and (iii) All Other, which is consistent with how we manage the business. Within these segments, our properties are primarily categorized as Leased (where we lease real property assets from VICI), Owned-Domestic, Owned-International, and Managed. See Item 2, "Properties," for more information about our properties.

Our All Other segment includes managed and international properties as well as other businesses, such as Caesars Interactive Entertainment ("CIE").

Business Operations

Our consolidated business is composed of five complementary businesses that reinforce, cross-promote, and build upon each other: casino entertainment, food and beverage, rooms and hotel, casino management services, and entertainment and other business operations.

Casino Entertainment Operations

Our casino entertainment operations generate revenues from approximately 36,000 slot machines and 2,700 table games, as well as other games such as keno, poker, and race and sports books, all of which comprised approximately 52% of our total net revenues in 2017. Slot revenues generate the majority of our gaming revenues, particularly in our properties located outside of Las Vegas and Atlantic City. We are testing a number of skill-based games as we implement product offerings intended to appeal to all demographics, and we expect to expand these offerings as required regulatory approvals are obtained.

Food and Beverage Operations

Our food and beverage operations generate revenues from over 150 buffets, restaurants, bars, nightclubs, and lounges located throughout our casinos, as well as banquets and room service, and represented approximately 17% of our total net revenues in 2017. Many of our properties include several dining options, ranging from upscale dining experiences to moderately-priced restaurants and buffets.

Rooms and Hotel Operations

Rooms and hotel operations generate revenues from hotel stays at our casino properties in our approximately 36,000 guest rooms and suites worldwide and represented approximately 19% of our total net revenues in 2017. Our properties operate at various price and service points, allowing us to host a variety of casino guests who are visiting our properties for gaming and other casino entertainment options and non-casino guests who are visiting our properties for other purposes, such as vacation travel or conventions.

We have engaged in large capital reinvestment projects in recent years focusing primarily on our room product across the United States, including renovating nearly 11,000 rooms in Las Vegas since 2014 at properties such as Caesars Palace, The LINQ Hotel & Casino and Planet Hollywood Resort & Casino ("Planet Hollywood"). In addition, we continue the roll out of self-check-in kiosks in order to help reduce customer wait times and improve labor efficiencies.

Casino Management Services

We earn revenue from fees paid for the management of eight casinos. Managed properties represent Caesars-branded properties where Caesars Entertainment provides staffing and management services under management agreements.

Entertainment and Other Business Operations

We provide a variety of retail and entertainment offerings in our casinos and The LINQ Promenade. We offer various entertainment venues across the United States, including the Colosseum at Caesars Palace and Zappos Theater at Planet Hollywood, both of which were ranked among the top theater venues in the United States in 2017 based on ticket sales. These award-winning theaters have hosted prominent headliners, such as Celine Dion, the Backstreet Boys, and Jennifer Lopez.

The LINQ Promenade and our retail stores offer guests a wide range of options from high-end brands and accessories to souvenirs and decorative items. The LINQ Promenade is an open-air dining, entertainment, and retail development located between The LINQ Hotel & Casino and Flamingo Las Vegas, and it features The High Roller, a 550-foot observation wheel.

In addition, CIE operates a regulated online real money gaming business in Nevada and New Jersey and owns the World Series of Poker ("WSOP") tournaments and brand, and also licenses WSOP trademarks for a variety of products and businesses related to this brand.

Sales and Marketing

We believe our customer loyalty program Total Rewards enables us to capture a larger share of our customers' entertainment spending when they travel among regions versus that of a standalone property, which is core to our cross market strategy. We believe that operating multiple properties in the center of the Las Vegas Strip generates greater revenues than would be generated if the properties were operated separately.

We believe Total Rewards, in conjunction with this distribution system, enables us to capture a larger share of our customers' entertainment spending and compete more effectively. Members who have joined Total Rewards can earn Reward Credits for qualifying gaming activity and qualifying hotel, dining and retail spending at all Caesars-affiliated properties in the United States, Canada and the United Kingdom. Members can also earn additional Reward Credits when they use their Total Rewards VISA credit card or make a purchase through a Total Rewards partner. Members can redeem their earned Reward Credits with Caesars for hotel amenities, casino free play and other items such as merchandise, gift cards, and travel.

Total Rewards is structured in tiers (designated as Gold, Platinum, Diamond or Seven Stars), each with increasing member benefits and privileges. Members are provided promotional offers based on their Tier Level, their engagement with Caesars-affiliated properties, aspects of their casino gaming play, and their preferred spending choices outside of gaming. Member information is also used in connection with various marketing promotions, including campaigns involving direct mail, email, our websites, mobile devices, social media, and interactive slot machines.

Intellectual Property

The development of intellectual property is part of our overall business strategy. We regard our intellectual property to be an important element of our success. While our business as a whole is not substantially dependent on any one patent, trademark, copyright, or combination of several of our intellectual property rights, we seek to establish and maintain our proprietary rights in our business operations and technology through the use of patents, trademarks, copyrights, and trade secret laws. We file applications for and obtain patents, trademarks, and copyrights in the United States and foreign countries where we believe filing for such protection is appropriate, including United States and foreign patent applications covering certain proprietary technology of Caesars Enterprise Services, LLC ("CES"). We also seek to maintain our trade secrets and confidential information by nondisclosure policies and through the use of appropriate confidentiality agreements. CES' United States patents have varying expiration dates, the last of which is 2031.

We have not applied for the registration of all of our trademarks, copyrights, proprietary technology, or other intellectual property rights, as the case may be, and may not be successful in obtaining all intellectual property rights for which we have applied. Despite our efforts to protect our proprietary rights, parties may infringe upon our intellectual property and use information that we regard as proprietary, and our rights may be invalidated or unenforceable. The laws of some foreign countries do not protect proprietary rights or intellectual property to as great an extent as do the laws of the United States. In addition, others may independently develop substantially equivalent intellectual property.

We own or have the right to use proprietary rights to a number of trademarks that we consider, along with the associated name recognition, to be valuable to our business, including Bally's, Caesars, Flamingo, Harrah's, Horseshoe, Paris, Rio, Total Rewards, WSOP, and a license for the Planet Hollywood trademark used in connection with the Planet Hollywood in Las Vegas.

Competition

The casino entertainment business is highly competitive. The industry is comprised of a diverse group of competitors that vary considerably in size and geographic diversity, quality of facilities and amenities available, marketing and growth strategies, and financial condition. In most regions, we compete directly with other casino facilities operating in the immediate and surrounding areas. In Las Vegas, our largest jurisdiction, competition has increased significantly. For example, the Genting Group is developing a casino and hotel called Resorts World Las Vegas and Marriott International and New York-based global real estate firm Witkoff are developing a casino and hotel called The Drew Las Vegas. Both are expected to open in 2020 on the northern end of the Las Vegas Strip. Further, Wynn Resorts has begun construction on Wynn Paradise Park adjacent to its existing property and announced plans for a Wynn West casino and hotel property. In response to changing trends, Las Vegas operators have been focused on expanding their non-gaming offerings, including upgrades to hotel rooms, new food and beverage offerings, and new entertainment offerings. In June 2016, MGM announced that the Monte Carlo Resort and Casino will undergo $450 million in non-gaming renovations focused on room, food and beverage and entertainment enhancements and is expected to re-open in late 2018 as two newly branded hotels. There have also been proposals for other large scale non-gaming development projects in Las Vegas by various other developers. Our Las Vegas Strip hotels and casinos also compete, in part, with each other.

In recent years, many casino operators, including us, have been reinvesting in existing facilities, developing new casinos or complementary facilities, and acquiring established facilities. These reinvestment and expansion efforts combined with aggressive marketing strategies by us and many of our competitors have resulted in increased competition in many regions. As companies have completed new expansion projects, supply has typically grown at a faster pace than demand in some areas. For example, in Baltimore, Maryland, the opening of MGM Resorts National Harbor Resort & Casino has resulted in significant declines in revenue at our Horseshoe Baltimore property. The expansion of casino properties and entertainment venues into new jurisdictions also presents competitive issues. Atlantic City, in particular, has seen a significant decline primarily due to the addition of gaming and

room capacity associated with the expansion of gaming in Maryland, New York, and Pennsylvania. This has resulted in several casino closings in recent years.

Our properties also compete with legalized gaming from casinos located on Native American tribal lands. While the competitive impact on operations in Las Vegas from the continued growth of Native American gaming establishments in California remains uncertain, the proliferation of gaming in California and other areas located in the same regions as our properties could have an adverse effect on our results of operations. In addition, certain states have legalized, and others may legalize, casino gaming in specific areas, including metropolitan areas from which we traditionally attract customers.

We also compete with other non-gaming resorts and vacation areas, various other entertainment businesses, and other forms of gaming, such as state lotteries, on-and off-track wagering, video lottery terminals, and card parlors. Our non-gaming offerings also compete with other retail facilities, amusement attractions, food and beverage offerings, and entertainment venues. While we do not believe it to be the case, some have suggested that internet gaming could also create additional competition for us and could adversely affect our brick-and-mortar operations. We believe that internet gaming complements brick-and-mortar operations.

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." See also Exhibit 99.1, "Gaming Overview," to this Form 10-K. In addition, for a summary of key developments in 2017, see "Summary of Significant Events" in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Seasonality

We believe that business at our regional properties outside of Las Vegas is subject to seasonality, including seasonality based on the weather in the markets in which they operate and the travel habits of visitors. Business in our properties can also fluctuate due to specific holidays or other significant events, such as Easter (particularly when the holiday falls in a different quarter than the prior year), the World Series of Poker tournament (with respect to our Las Vegas properties), city-wide conventions, a large sporting event or a concert, or visits by our premium players. We also believe that any seasonality, holiday, or other significant event may affect our various properties or regions differently.

Governmental Regulation

The gaming industry is highly regulated, and we must maintain our licenses and pay gaming taxes to continue our operations. Each of our casinos is subject to extensive regulation under the laws, rules, and regulations of the jurisdiction in which it is located. These laws, rules, and regulations generally concern the responsibility, financial stability, and character of the owners, managers, and persons with financial interests in the gaming operations. Violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. A more detailed description of the regulations to which we are subject is contained in Exhibit 99.1, "Gaming Overview," to this Form 10-K.

Our businesses are subject to various foreign, federal, state, and local laws and regulations, in addition to gaming regulations. These laws and regulations include, but are not limited to, restrictions and conditions concerning alcoholic beverages, smoking, environmental matters, employees, currency transactions, taxation, zoning and building codes, construction, land use, and marketing and advertising. We also deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering regulations. Such laws and regulations could change or could be interpreted differently in the future, or new laws and regulations could be enacted. Material changes, new laws or regulations, or material differences in interpretations by courts or governmental authorities could adversely affect our operating results. See Item 1A, "Risk Factors," for additional discussion.

Employee Relations

We have approximately 65,000 employees throughout our organization. Approximately 28,000 of our employees are covered by collective bargaining agreements with certain of our subsidiaries relating to certain casino, hotel, and restaurant employees. The majority of these employees are covered by the following agreements:

Employee Group	Approximate Number of Active Employees Represented	Union	Date on which Collective Bargaining Agreement Becomes Amendable
Las Vegas Culinary Employees	13,000	Culinary Workers Union, Local 226	Various up to July 31, 2018
Atlantic City Food & Beverage and Hotel Employees	3,500	UNITE HERE, Local 54	February 28, 2020
Las Vegas Bartenders	1,600	Bartenders Union, Local 165	Various up to July 31, 2018
Las Vegas Dealers	3,900	Transport Workers Union of America and UAW	Various up to September 30, 2019

Corporate Citizenship, Social Responsibility and Sustainability

CEC's Board of Directors the ("Board") and senior executives are committed to maintaining our position as an industry leader in corporate citizenship, corporate social responsibility, and sustainability. In 2017, we continued to engage with our CEO-level external environmental sustainability advisory board with experts representing non-governmental organizations, business strategy, academia, and investors, and used their guidance to confirm our citizenship priorities. These priorities are reflected in our eighth annual citizenship report, published in 2017 in accordance with Global Reporting Initiative Standards.

In 2017, we also launched our new corporate citizenship framework under the branded theme of People Planet Play. This approach unites all our properties and business activities behind a common language to more effectively support sustainable and ethical profitable business growth:

- People: supporting the wellbeing of our team members, guests and local communities.
- Planet: caring for our planet so our guests don't need to worry.
- Play: creating memorable experiences for our guests and leading Responsible Gaming practices in the industry.

We introduced targets to 2020 and 2030 across all elements of People Planet Play, including science-based emissions-reduction targets, aligning with global best practices on climate change action. We enjoy strong support from our team members for People Planet Play activities, with 46% of team members participating in our HERO volunteering and/or CodeGreen environmental programs in 2016. Additionally, we aim to raise awareness and gain support from our guests for People Planet Play initiatives. In 2016, guest perception improved in that 59% strongly agreed that our company made a positive impact in economic development, responsible gaming, environmental impact and overall responsible conduct (versus 55% in 2015).

Code of Commitment

Our Code of Commitment to our employees, guests and communities has guided our approach to responsible and ethical business, compliance, anti-corruption and whistleblower processes. Training reinforces our expectations of all employees. Caesars was the first company to develop responsible gaming programs informed by science, evaluated objectively and created in conjunction with leading researchers. All of our gaming offerings are underpinned by comprehensive Responsible Gaming programs that provide advice for those who need it (see more on our website: *http://caesarscorporate.com/about-caesars/responsible-gaming/*) with fully trained team members. In 2016, team members participated in 64,700 hours of training in Responsible Gaming.

Over the past several years, with the engagement and support of the Board, we have further intensified our anti-money-laundering ("AML") compliance activities. We doubled the number of qualified staff in dedicated AML compliance roles to around 90 experts by the middle of 2016 and approved more than $5 million in technology investments to implement new systems to improve transparency and information sharing within the Company, increase automation and enhance analytics, all to ensure we are an industry leader when it comes to AML compliance.

For the third year running, we were recognized on the Civic 50, an initiative organized by Points of Light and Bloomberg that recognizes companies for their commitment to improving the quality of life in their home communities. In 2016, we reconfirmed our support for the UN Sustainable Development Goals and highlighted three goals where we can make the most significant contribution and expand our impact in coming years.

- #3: Good Health And Well-Being
- #8: Decent Work And Economic Growth
- #11: Sustainable Cities And Communities

Environmental Stewardship

Our structured, data-driven CodeGreen strategy leverages the passion of our team members and engages our guests and suppliers.

In 2017, we set a science-based target to reduce Scope 1 and 2 absolute greenhouse gas emissions by 30% by 2025 (over a 2011 baseline). Between 2007 and 2016, we reduced energy consumption across our U.S. and international properties by 21% and greenhouse gas emissions by 34% (against the U.S. only baseline year, 2007). Since 2008, we have reduced water consumption by 20%. In 2016, 43% of our total waste in North America was diverted from landfill, bringing our cumulative waste diversion from landfill to 268,900 tons since 2012.

In 2017, 100% of owned or managed North American hotel resort properties achieved a 4 Green Key rating or higher. Recently recognized by the Global Sustainable Tourism Council, Green Key is a rigorous program that ranks, certifies and inspects hotels and resorts based on their commitment to sustainable operations. Green Key uses a rating system of 1 to 5 Keys, with 5 being the highest possible attainment.

For our work in disclosure of our environmental impacts, Caesars Entertainment received an "A" score for water impact and A- in carbon reporting from the formerly named Carbon Disclosure Project ("CDP"), an international not-for-profit that drives sustainable economies. Thousands of companies submit annual disclosures to CDP for independent assessment against its scoring methodology. We joined the A List for Water for the first time this year and are among 10% of companies participating in CDP's water program to receive this honor.

In order to both enhance our offerings and engage guests in our citizenship efforts, we have branded our hotel rooms with our citizenship messaging under the theme of People Planet Play, inviting guests to play a role by using water, air-conditioning and towels with the environment in mind. We promote sustainable sourcing of key food ingredients for our menus from sustainably managed farms and fisheries, in response to the growing number of consumers who value such options. Additionally, to address concerns from animal rights groups, we have committed to source cage-free eggs across all our properties by 2025.

Diversity, Inclusion, and Employee Wellbeing

We seek to create a dynamic and innovative working culture where individual growth is rewarded, recognized, and celebrated. Caesars is the only company in the casino entertainment industry to receive perfect scores on the Human Rights Campaign Corporate Equality Index for eleven consecutive years, including 2018. We encourage diversity and the advancement of women, and in 2016, 37% of our manager level employees belonged to minority groups and 44% were women. In November 2017, we announced our goal to achieve gender equity in management by 2025. This initiative embodies Caesars' commitment to identifying, hiring, developing, and retaining great talent. This will enable our organization to be best in class, be more innovative, make better decisions, and better reflect our diverse clients and communities. Our Employee Wellness Program, includes 26 nurses and coaches across our properties. The program demonstrates results each year with improved health metrics for participating employees, and insurance savings for Caesars through lower health risk.

Community Investment

Caesars Entertainment consistently makes significant contributions to our local communities to help them develop and prosper. We do this through funding of community projects, employee volunteering hours and cash donations from the Caesars Foundation (a private foundation funded by a portion of our operating income and has gifted more than $74 million since its inception in 2002). In 2017, we contributed a total of $63 million to communities through all these channels, including 331,000 reported employee volunteer hours.

Available Information

Our Internet address is *www.caesars.com*. We make available free of charge, on or through our website, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished

pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the "SEC"). We also make available through our website all filings of our executive officers and directors on Forms 3, 4, and 5 under Section 16 of the Exchange Act. These filings are also available on the SEC's website at *www.sec.gov*. Our Code of Business Conduct and Ethics is available on our website under the "Investor Relations" link. We will provide a copy of these documents without charge to any person upon receipt of a written request addressed to Caesars Entertainment Corporation, Attn: Corporate Secretary, One Caesars Palace Drive, Las Vegas, Nevada 89109. Reference in this document to our website address does not constitute incorporation by reference of the information contained on the website.

ITEM 1A. Risk Factors

Risks Related to Our Business

Our substantial indebtedness and the fact that a significant portion of our cash flow is used to make interest payments and rent payments under the Lease Agreements could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our industry and prevent us from making debt service payments and rent payments.

Caesars Entertainment is a highly-leveraged company and had $9.0 billion in debt outstanding under credit facilities and notes (including our convertible notes) as of December 31, 2017. As a result, a significant portion of our liquidity needs are for debt service on such indebtedness, including significant interest payments. Our estimated debt service (including principal and interest) on our credit facilities and notes (including our convertible notes) is $504 million for 2018 and $11.8 billion thereafter to maturity for our currently outstanding indebtedness under our credit facilities and notes (including our convertible notes).

See Note 12 for details of our debt outstanding and related restrictive covenants.

Our substantial indebtedness and the restrictive covenants under the agreements governing such indebtedness could:

- limit our ability to borrow money for our working capital, capital expenditures, development projects, debt service requirements, rent payment requirements, strategic initiatives or other purposes;
- make it more difficult for us to satisfy our obligations with respect to our indebtedness and the Lease Agreements (defined below), and any failure to comply with the obligations of any of our debt instruments or Lease Agreements, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing our indebtedness or such Lease Agreements;
- require that a substantial portion of our cash flow from operations be dedicated to the payment of rent and interest and repayment of our indebtedness, thereby reducing funds available to us for other purposes;
- limit our flexibility in planning for, or reacting to, changes in our operations or business;
- make us more highly-leveraged than certain of our competitors, which may place us at a competitive disadvantage;
- make us more vulnerable to downturns in our business or the economy;
- restrict the availability for us to make strategic acquisitions, develop new gaming facilities, introduce new technologies or exploit business opportunities;
- affect our ability to renew certain gaming and other licenses;
- limit, along with the financial and other restrictive covenants in our indebtedness and the Lease Agreements, among other things, our ability to borrow additional funds or dispose of assets; and
- expose us to the risk of increased interest rates as certain of our borrowings are at variable rates of interest.

Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, prospects and ability to satisfy our outstanding debt obligations and lease obligations.

Our ability to satisfy our debt obligations and lease obligations will depend upon, among other things:

- our future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, many of which are beyond our control; and
- our future ability to borrow under our credit facilities, the availability of which depends on, among other things, our complying with the covenants thereunder.

Our debt agreements contain restrictions that limit our flexibility in operating our business and operations.

Our debt agreements contain, and the agreements governing any future indebtedness of ours would likely contain, a number of covenants that impose significant operating and financial restrictions, including restrictions on the issuer of the debt's ability to, among other things:

- incur additional debt or issue certain preferred shares;
- pay dividends on or make distributions in respect of our capital stock or make other restricted payments;
- make certain investments;
- sell certain assets;
- create liens on certain assets;
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets;
- enter into certain transactions with our affiliates; and
- designate our subsidiaries as unrestricted subsidiaries.

As a result of these covenants, we are limited in the manner in which we conduct our business, and we may be unable to engage in favorable business activities or finance future operations or capital needs.

We have pledged a significant portion of our assets as collateral under our subsidiaries' secured debt agreements. If any of our lenders accelerate the repayment of borrowings, there can be no assurance that we will have sufficient assets to repay our indebtedness.

We are required to satisfy and maintain specified financial ratios under the agreements governing our revolving credit facilities if and when specified amounts are drawn and outstanding under our revolving credit facilities. See Note 12 for further information. Our ability to meet the financial ratios under our debt agreements can be affected by events beyond our control, and there can be no assurance that we will be able to continue to meet those ratios.

A failure to comply with the covenants contained in the agreements that govern our indebtedness could result in an event of default thereunder, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations. In the event of any default under the indebtedness of CRC or CEOC LLC, the lenders or noteholders thereunder:

- will not be required to lend any additional amounts to such borrowers;
- could elect to declare all indebtedness outstanding, together with accrued and unpaid interest and fees, to be due and payable and terminate all commitments to extend further credit; or
- require such borrowers to apply all of our available cash to repay such indebtedness.

Such actions by the lenders or noteholders under CRC's or CEOC LLC's indebtedness could cause cross defaults under the other indebtedness of CRC or CEOC LLC, respectively. For instance, if CRC were unable to repay those amounts, the lenders under CRC's secured credit facilities could proceed against the collateral granted to them to secure that indebtedness.

If the indebtedness under CRC's or CEOC LLC's credit facilities or other indebtedness were to be accelerated, there can be no assurance that their assets would be sufficient to repay such indebtedness in full.

CEC, CEOC LLC, and CRC are parties to certain leasing and related arrangements that may have a negative effect on CEC's business and operations.

CEC, CEOC LLC, CRC, and certain of their subsidiaries are parties to certain leasing and financial commitments, including three lease agreements relating to properties operated by CEOC LLC or its subsidiaries (the "CEOC LLC Lease Agreements"), three related management and lease support agreements, a lease agreement relating to a property operated by a subsidiary of CRC (the "HLV Lease Agreement" and collectively with the CEOC LLC Lease Agreements, the "Lease Agreements") and a related guaranty (collectively, the "Lease Documents"). Pursuant to the CEOC LLC Lease Agreements, certain subsidiaries of PropCo lease properties to CEOC LLC (or the applicable subsidiaries of CEOC LLC) and CEOC LLC (or the applicable subsidiaries of CEOC LLC) is responsible for lease payments and other monetary obligations: (1) for Caesars Palace Las Vegas; (2) for substantially all domestic properties previously owned by CEOC other than Caesars Palace Las Vegas; and (3) for Harrah's Joliet Hotel & Casino

in Joliet, Illinois. CEC guarantees the payment and performance of all monetary obligations of CEOC LLC and its subsidiaries under the CEOC LLC Lease Agreements. Pursuant to the HLV Lease Agreement, PropCo leases Harrah's Las Vegas to a subsidiary of CRC, which is responsible for lease payments and other obligations for Harrah's Las Vegas. CRC guarantees the payment and performance of all monetary obligations of its subsidiary under the HLV Lease Agreement.

CEC has entered into call right agreements with PropCo pursuant to which PropCo has the right to purchase and lease to CEC or one of its subsidiaries interests in the real property assets associated with Harrah's Laughlin, Harrah's Atlantic City and Harrah's New Orleans, which could also impose additional lease payments and other obligations on CEC. CEC and PropCo also entered into a right of first refusal agreement that provides, among other things, for (a) a grant by CEC (on behalf of itself and all of its majority owned subsidiaries) to PropCo (on behalf of itself and all of its majority owned subsidiaries) of a right of first refusal to own and lease to an affiliate of CEC certain non-Las Vegas domestic real estate that CEC or its affiliates may have the opportunity to acquire or develop and (b) a grant by PropCo to CEC of a right of first refusal to lease and manage certain non-Las Vegas domestic real estate that PropCo may have the opportunity to acquire or develop.

Pursuant to the Lease Agreements, CEC's subsidiaries are obligated to pay, in the aggregate, approximately $727 million in fixed annual rents, subject to certain escalators and adjustments beginning at various points in the initial term and continuing through the renewal terms equal to the greater of either: (i) 1% or 2% (varies by lease) or (ii) the Consumer Price Index. If CEC's businesses and properties fail to generate sufficient earnings, the payments required to service these leasing commitments may materially and adversely limit the ability of CEC to make investments to maintain and grow its portfolio of businesses and properties. Additionally, CEC may be subject to other significant obligations under its guarantees if its subsidiaries are unable to satisfy their lease payments and other monetary obligations which could materially and adversely affect CEC's business and operating results.

CEC's guarantees of the CEOC LLC Lease Agreements impose restrictions on certain business activities of CEC, including restrictions on sales of assets and making dividends and distributions. The Lease Documents generally impose restrictions on the business activities of CEOC LLC, CRC and their applicable subsidiaries, including restrictions on transfers of the leased properties, requirements to make specified minimum levels of capital expenditures and limitations regarding how the leased properties may be operated. Compliance with the restrictions in the Lease Documents may constrain the ability of CEC to implement any growth plans as well as its flexibility to react and adapt to unexpected operational challenges and adverse changes in economic and legal conditions. Additionally, with respect to properties leased pursuant to the Lease Agreements, CEOC LLC or CRC (or their applicable subsidiaries) generally will be required to restore properties that are damaged by casualties regardless of whether any insurance proceeds are sufficient to pay for the restoration.

Each of CEOC LLC and CRC are required to pay a significant portion of their cash flow from operations to PropCo pursuant to and subject to the terms and conditions of the Lease Agreements, which could adversely affect our ability to fund our operations or development projects, raise capital, make acquisitions, and otherwise respond to competitive and economic changes.

Each of CEOC LLC and CRC are required to pay a significant portion of their cash flow from operations to PropCo pursuant to and subject to the terms and conditions of the Lease Agreements. As a result of this commitment, their ability to fund their own operations or development projects, raise capital, make acquisitions and otherwise respond to competitive and economic changes may be adversely affected. For example, their obligations under the Lease Agreements may:

- make it more difficult for the applicable entity to satisfy their obligations with respect to their indebtedness and to obtain additional indebtedness;
- increase the applicable entity's vulnerability to general or regional adverse economic and industry conditions or a downturn in its business;
- require the applicable entity to dedicate a substantial portion of its cash flow from operations to making lease payments, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit the applicable entity's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates; and
- restrict the applicable entity's ability to raise capital, make acquisitions and divestitures and engage in other significant transactions.

In addition, the annual rent escalations under the Lease Agreements will continue to apply regardless of the amount of cash flows generated by the properties that are subject to the Lease Agreements. Accordingly, if the cash flows generated by such properties decrease, or do not increase at the same rate as the rent escalations, the rents payable under the Lease Agreements could comprise

a higher percentage of the cash flows generated by the applicable entity, which could exacerbate, perhaps materially, the issues described above.

Any of the above listed factors could have a material adverse effect on CEOC LLC's and CRC's respective business, financial condition, and results of operations.

The CEC Convertible Notes are exercisable for shares of our common stock. The exercise of such equity instruments would have a dilutive effect to stockholders of CEC.

The CEC Convertible Notes are exercisable for shares of our common stock. The exercise of such equity instruments would have a dilutive effect to stockholders of CEC. In accordance with the terms of the Plan, on the Effective Date, we issued approximately $1.1 billion aggregate principal amount of CEC Convertible Notes that are convertible at the option of holders into a number of shares of our common stock that is initially equal to 0.139 shares of our common stock per $1.00 principal amount of CEC Convertible Notes, or approximately 156 million shares. If all the shares were issued on the Effective Date, they would have represented approximately 17.9% of the shares of our common stock outstanding after giving effect to the shares issued in accordance with the Plan. The CEC Convertibles Notes are subject to conversion at our option following the third anniversary of the issuance of the CEC Convertible Notes if the last reported sale price of our common stock equals or exceeds 140% of the conversion price for the CEC Convertible Notes in effect on each of at least 20 trading days during any 30 consecutive trading day period. CEC does not have any other redemption rights. As of December 31, 2017, the remaining life of the CEC Convertible Notes is 6.75 years.

Most of CEOC LLC's U.S. gaming facilities, as well as Harrah's Las Vegas, are leased and could experience risks associated with leased property, including risks relating to lease termination, lease extensions, consents and approvals, charges and our relationship with PropCo, which could have a material adverse effect on our business, financial position or results of operations.

Most of CEOC LLC's U.S. gaming facilities are leased and could experience risks associated with leased property, including risks relating to lease termination, lease extensions, consents and approvals, charges and our relationship with PropCo, which could have a material adverse effect on our business, financial position, or results of operations. CEOC LLC and its subsidiaries lease most of the gaming facilities they operate pursuant to the CEOC LLC Lease Agreements. Termination of any or all of the CEOC LLC Lease Agreements would result in CEOC LLC or its applicable subsidiaries losing some or all of their rights with respect to the applicable properties, could result in a default under CEOC LLC's debt agreements, and could have a material adverse effect on CEOC LLC's business, financial position, or results of operations. In the event of certain terminations of the CEOC LLC Lease Agreements, CEOC LLC or its applicable subsidiaries may be required to cooperate to transfer all personal property located at the applicable facility to a designated successor. In addition, CEOC LLC or its applicable subsidiaries have granted to PropCo liens on substantially all personal property located at the leased facilities, which would allow PropCo to take possession of that property upon a termination of the applicable CEOC LLC Lease Agreement. Moreover, since as a lessee CEOC LLC and its subsidiaries do not completely control the land and improvements underlying their operations, PropCo, as lessor, could take certain actions to disrupt CEOC LLC and its subsidiaries' rights in the facilities leased under the CEOC LLC Lease Agreements, which are beyond our control. If PropCo chose to disrupt CEOC LLC and its subsidiaries' use either permanently or for a significant period of time, then the value of their assets could be impaired and their business and operations could be adversely affected. There can also be no assurance that CEOC LLC and its subsidiaries will be able to comply with their obligations under the CEOC LLC Lease Agreements in the future. In addition, if PropCo has financial, operational, regulatory or other challenges there can be no assurance that PropCo will be able to comply with its obligations under its agreements with CEC, CEOC LLC, or their subsidiaries.

CRC's subsidiary leases Harrah's Las Vegas from PropCo pursuant to the HLV Lease Agreement on terms that are similar to those of the CEOC LLC Lease Agreements. CRC and its subsidiary, therefore, are subject to many of the same risks described above with respect to Harrah's Las Vegas.

The Lease Agreements are a type of lease that is commonly known as a triple net lease. Accordingly, in addition to rent, the tenants under the Lease Agreements are required to pay all operating costs associated with the respective facilities, including the payment of taxes, insurance, and all repairs, and providing indemnities to PropCo against liabilities associated with the operations of each facility. CEC's applicable subsidiaries are responsible for incurring the costs described in the preceding sentence notwithstanding the fact that many of the benefits received in exchange for such costs may in part accrue to PropCo as owner of the associated facilities. In addition, if some of the leased facilities should prove to be unprofitable, CEOC LLC and its subsidiaries or CRC's subsidiary, as applicable, could remain obligated for lease payments and other obligations under the Lease Agreements even if they decided to withdraw from those locations. CEOC LLC and its subsidiaries or CRC's subsidiary, as applicable, could incur special charges relating to the closing of such facilities including lease termination costs, impairment charges, and other special charges that would reduce their net income and could have a material adverse effect on our business, financial condition and results of operations.

We may be unable to generate sufficient cash to service all of our indebtedness and lease commitments, and may be forced to take other actions to satisfy our obligations under our indebtedness and lease commitments that may not be successful.

We may be unable to generate sufficient cash flow from operations, or may be unable to draw under our credit facilities or otherwise, in an amount sufficient to fund our liquidity needs. Our operating cash inflows are typically used for operating expenses, debt service costs, lease payments, working capital needs, and capital expenditures in the normal course of business. Our estimated debt service (including principal and interest) is $504 million for 2018 and $11.8 billion thereafter to maturity for our outstanding indebtedness and our estimated financing obligations are $666 million for 2018 and $39.3 billion thereafter to maturity for our outstanding lease arrangements. If we are unable to service our debt obligations or pay our financing obligations, there can be no assurances that our business will continue in its current state.

See Note 12 for details of our debt outstanding and Note 10 for details of our lease commitments.

We may incur additional indebtedness and lease commitments, which could adversely affect our ability to pursue certain business opportunities.

We and our subsidiaries may incur additional indebtedness and lease commitments at any time and from time to time in the future. Although the terms of the agreements governing our indebtedness and lease commitments contain restrictions on our ability to incur additional indebtedness and certain types of lease commitments, these restrictions are subject to a number of important qualifications and exceptions, and the indebtedness and lease commitments incurred in compliance with these restrictions could be substantial. For example, as of December 31, 2017, CRC had $1 billion of additional borrowing capacity available under its senior secured credit facility, and CEOC LLC had a total of $150 million of additional borrowing capacity available under its senior secured credit facility, net of $50 million committed to outstanding letters of credit. We may consider incurring additional indebtedness in the future to fund our growth strategy, including without limitation, our pending acquisition of Centaur Holdings, LLC.

Our subsidiary debt agreements allow for limited future issuances of additional secured or unsecured indebtedness, which may include, in each case, indebtedness secured on a pari passu basis with the obligations under CRC's or CEOC LLC's credit facilities. This indebtedness could be used for a variety of purposes, including financing capital expenditures, refinancing or repurchasing our outstanding indebtedness, including existing unsecured indebtedness, or for general corporate purposes. We have raised and expect to continue to raise debt, including secured debt, to directly or indirectly refinance our outstanding unsecured debt on an opportunistic basis, as well as development and acquisition opportunities. Additional indebtedness would require greater servicing payments, and accordingly, may affect our future liquidity and limit our ability to pursue certain opportunities and implement any growth plans in the future.

Repayment of our and our subsidiaries' debt is dependent on cash flow generated by our subsidiaries.

Our subsidiaries currently own a significant portion of our assets and conduct a significant portion of our operations. Accordingly, repayment of our and our subsidiaries' indebtedness is dependent, to a significant extent, on the generation of cash flow by our subsidiaries and, in the case of CEC's debt, their ability to make such cash available to us by dividend, if needed, or otherwise. Our subsidiaries do not have any obligation to pay amounts due on our other subsidiaries' indebtedness or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our or our other subsidiaries' indebtedness. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries.

We may not realize any or all of our anticipated value creation opportunities, which would have a negative effect on our results of operations.

As part of our enterprise-wide strategy, we have implemented a program of continuous improvement designed to identify value creation opportunities to improve operations and results, including without limitation through identifying opportunities to improve profitability by reducing costs. Any cost savings or other value creation that we ultimately realize from such efforts may differ materially from originally anticipated amounts or be offset by other unanticipated developments. These plans are subject to numerous risks and uncertainties that may change at any time. We cannot assure you that cost-savings or other value creation initiatives will be completed as anticipated or that the benefits we expect will be achieved on a timely basis or at all.

It is unclear what long-term impact our business structure will have on our key business relationships and our ability to compete with other gaming operators.

As a result of the consummation of the Plan, we are among a few gaming operators that lease a significant portion of its properties from a single lessor under lease arrangements. As a result, it is difficult to predict whether and to what extent our relationship with PropCo, including any actual or perceived conflicts of interest, will affect our relationships with suppliers, customers, or regulators

or our ability to compete with other gaming operators that are not subject to a master lease arrangement with a single lessor. In addition, PropCo has numerous consent, audit, and other rights under the Lease Documents. As a result, a number of CEOC LLC's and CRC's strategic and operational decisions are subject to review and/or agreement with PropCo, and there can be no assurance that PropCo's exercise of its rights under the Lease Documents will not be adverse to CEOC LLC's or CRC's business or operations, particularly where our interests and the interests of PropCo (or those who control it) are not aligned.

The development and construction of new hotels, casinos, and gaming and non-gaming venues and the expansion of existing ones could have an adverse effect on our business, financial condition, and results of operations due to various factors including delays, cost overruns, and other uncertainties.

We intend to develop, construct, and open new hotels, casinos, and other gaming venues and develop and manage non-gaming venues in response to opportunities that may arise. Future development projects may require significant capital commitments, the incurrence of additional debt, guarantees of third-party debt, the incurrence of contingent liabilities and an increase in depreciation and amortization expense, which could have an adverse effect upon our business, financial condition, results of operations, and cash flow. The development and construction of new hotels, casinos and gaming venues and the expansion of existing ones is susceptible to various risks and uncertainties, such as:

- the existence of acceptable market conditions and demand for the completed project;
- general construction risks, including cost overruns, change orders and plan or specification modification, shortages of construction resources, labor disputes, unforeseen environmental, engineering or geological problems, work stoppages, fire and other natural disasters, construction scheduling problems, and weather interferences;
- changes and concessions required by governmental or regulatory authorities;
- the ability to finance the projects, especially in light of our substantial indebtedness;
- delays in obtaining, or inability to obtain, all licenses, permits and authorizations required to complete and/or operate the project; and
- disruption of our existing operations and facilities.

Moreover, our development and expansion projects are sometimes jointly pursued with third parties or by licensing our brands to third parties. These joint development, expansion project, or license agreements are subject to risks, in addition to those disclosed above, as they are dependent on our ability to reach and maintain agreements with third parties.

Our failure to complete any new development or expansion project, or complete any joint development or expansion projects or projects where we license our brands, as planned, on schedule, within budget, or in a manner that generates anticipated profits, could have an adverse effect on our business, financial condition, results of operations, and cash flow.

We may pursue strategic acquisitions of third-party assets and businesses as a complement to our future growth strategy, which could raise material investment risk and affect our businesses and operations, if integration is unsuccessful or the acquired assets and businesses perform poorly.

We intend to implement a growth plan centered on an organic growth strategy for our non-gaming entertainment, hospitality, and leisure offerings. We also intend to pursue strategic acquisitions as a complement to the extent such acquisitions present attractive opportunities that would bolster our organic growth strategy. Additionally, we will also look to become a more active participant in certain high-growth social and mobile gaming opportunities in order to leverage our extensive experience and management expertise in the gaming industry and build an enhanced high-growth portfolio.

Our ability to realize the anticipated benefits of acquisitions will depend, in part, on our ability to integrate the acquired businesses with our businesses. The combination of two independent companies is a complex, costly, and time-consuming process. This process may disrupt the business of either or both of the companies and may not result in the full benefits expected. The difficulties of combining the operations of the companies include, among other things:

- coordinating marketing functions;
- undisclosed liabilities;
- unanticipated issues in integrating information, communications and other systems;
- unanticipated incompatibility of purchasing, logistics, marketing, and administration methods;

- retaining key employees;
- consolidating corporate and administrative infrastructures;
- the diversion of management attention from ongoing business concerns; and
- coordinating geographically separate organizations.

Additionally, even if integration is successful, the overall integration of acquired assets and businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer and other business relationships and diversion of management attention. There is also no guarantee that the acquired assets or businesses will generate any of the projected synergies and earnings growth, and the failure to realize such projected synergies and earnings growth may adversely affect our operating and financial results and derail any growth plans.

The risks associated with our existing and potential future international operations could reduce our profits.

Some of our properties are located outside the United States, and we are currently pursuing additional international opportunities. International operations are subject to inherent risks including:

- political and economic instability;
- variation in local economies;
- currency fluctuation;
- greater difficulty in accounts receivable collection;
- trade barriers; and
- burden of complying with a variety of international laws.

For example, the political instability in Egypt due to the uprising in January 2011 has negatively affected our properties there.

We are or may become involved in legal proceedings that, if adversely adjudicated or settled, could have a material adverse effect on our business, financial condition, results of operations, and prospects.

From time to time, we are a defendant in various lawsuits or other legal proceedings relating to matters incidental to our business. Some of these matters involve commercial or contractual disputes, intellectual property claims, legal compliance, personal injury claims, and employment claims. As with all legal proceedings, no assurance can be provided as to the outcome of these matters and, in general, legal proceedings can be expensive and time consuming. We may not be successful in the defense or prosecution of these lawsuits, which could result in settlements or damages that could significantly impact our business, financial condition, and results of operations.

Compromises of our information systems or unauthorized access to confidential information or our customers' personal information could materially harm our reputation and business.

We collect and store confidential, personal information relating to our customers for various business purposes, including marketing and financial purposes, and credit card information for processing payments. For example, we handle, collect and store personal information in connection with our customers staying at our hotels and enrolling in Total Rewards. We may share this personal and confidential information with vendors or other third parties in connection with processing of transactions, operating certain aspects of our business, or for marketing purposes. Our collection and use of personal data are governed by state and federal privacy laws and regulations as well as the applicable laws and regulations in other countries in which we operate. Privacy law is an area that changes often and varies significantly by jurisdiction. We may incur significant costs in order to ensure compliance with the various applicable privacy requirements. In addition, privacy laws and regulations may limit our ability to market to our customers.

We assess and monitor the security of collection, storage, and transmission of customer information on an ongoing basis. We utilize commercially available software and technologies to monitor, assess and secure our network. Further, some of the systems currently used for transmission and approval of payment card transactions and the technology utilized in payment cards themselves, all of which can put payment card data at risk, are determined and controlled by the payment card industry, and other such systems are determined and controlled by us. Although we have taken steps designed to safeguard our customers' confidential personal information and important internal company data, our network and other systems and those of third parties, such as service providers, could be compromised, damaged, or disrupted by a third-party breach of our system security or that of a third-party provider or

as a result of purposeful or accidental actions of third parties, our employees, or those employees of a third party, power outages, computer viruses, system failures, natural disasters, or other catastrophic events. Our third-party information system service providers face risks relating to cybersecurity similar to ours, and we do not directly control any of such parties' information security operations. Advances in computer and software capabilities and encryption technology, new tools, and other developments may increase the risk of a security breach. As a result of any security breach, customer information or other proprietary data may be accessed or transmitted by or to a third party. Despite these measures, there can be no assurance that we are adequately protecting our information.

Any loss, disclosure of, misappropriation of, or access to customers' or other proprietary information or other breach of our information security could result in legal claims or legal proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, including for failure to protect personal information or for misusing personal information, which could disrupt our operations, damage our reputation, and expose us to claims from customers, financial institutions, regulators, payment card associations, employees, and other persons, any of which could have an adverse effect on our financial condition, results of operations, and cash flow.

Our reliance on our computer systems and software could expose us to great financial harm if any of our computer systems or software were subject to any material disruption or corruption.

We rely significantly on our computer systems and software to receive and properly process internal and external data, including data related to Total Rewards. A disruption or corruption of the proper functioning of our computer systems or software could cause us to lose data or record erroneous data, which could result in material losses. We cannot guarantee that our efforts to maintain competitive computer systems and software will be successful. Our computer systems and software may fail or be subject to bugs or other errors, resulting in service interruptions or other unintended consequences. If any of these risks materialize, they could have a material adverse effect on our business, financial condition, and results of operations.

We may sell or divest different properties or assets as a result of our evaluation of our portfolio of businesses. Such sales or divestitures could affect our costs, revenues, profitability, and financial position.

From time to time, we evaluate our properties and our portfolio of businesses and may, as a result, sell or attempt to sell, divest, or spin-off different properties or assets (subject to any restrictions in the agreements governing our indebtedness and leases). These sales or divestitures affect our costs, revenues, profitability, financial position, liquidity, and our ability to comply with our debt covenants. Divestitures have inherent risks, including possible delays in closing transactions (including potential difficulties in obtaining regulatory approvals), the risk of lower-than-expected sales proceeds for the divested businesses, and potential post-closing claims for indemnification. In addition, current economic conditions and relatively illiquid real estate markets may result in fewer potential bidders and unsuccessful sales efforts. Expected costs savings, which are offset by revenue losses from divested properties, may also be difficult to achieve or maximize due to our fixed cost structure.

Reduction in discretionary consumer spending resulting from a downturn in the national economy, the volatility and disruption of the capital and credit markets, adverse changes in the global economy, and other factors could negatively impact our financial performance and our ability to access financing.

Changes in discretionary consumer spending or consumer preferences are driven by factors beyond our control, such as perceived or actual general economic conditions; high energy, fuel and other commodity costs; the cost of travel; the potential for bank failures; a soft job market; an actual or perceived decrease in disposable consumer income and wealth; increases in payroll taxes; increases in gaming taxes or fees; fears of recession and changes in consumer confidence in the economy; and terrorist attacks or other global events. Our business is susceptible to any such changes because our casino properties offer a highly-discretionary set of entertainment and leisure activities and amenities. Gaming and other leisure activities we offer represent discretionary expenditures and participation in such activities may decline if discretionary consumer spending declines, including during economic downturns, during which consumers generally earn less disposable income. Particularly, we have business concentrations in gaming offerings and in Las Vegas, which are sensitive to declines in discretionary consumer spending and changes in consumer preferences. During periods of economic contraction, our revenues may decrease while most of our costs remain fixed and some costs even increase, resulting in decreased earnings. While economic conditions have improved, there are no assurances that the gaming industry will continue to grow.

Our strategies to grow our business may be unsuccessful, which could have an adverse effect on our results of operations.

Our success depends in part on our ability to grow our business. In addition to increasing our revenues from operations, we plan to grow our business through (i) real estate development domestically and internationally, (ii) traditional mergers and acquisitions, (iii) expanding our Total Rewards partnerships, and (iv) pursuing licensing and management agreements to utilize our brands on third party-owned properties. Our ability to execute on our growth strategy is dependent upon, among other things, our ability to

finance development projects and to obtain all necessary zoning, land-use, building, occupancy and other governmental permits and authorizations, and upon risks inherent in acquisitions including the ability to finance acquisitions, the ability to integrate acquisitions, the ability to realize anticipated benefits of the acquisitions and the diversion of management's attention from Company resources. In addition, we may be unsuccessful in identifying acceptable third parties for Total Rewards and for licensing and managing properties. As a result, we may not be able to realize the growth we expect from our strategies, which could have an adverse effect on our results of operations.

We are subject to extensive governmental regulation and taxation policies, the enforcement of which could adversely impact our business, financial condition, and results of operations.

We are subject to extensive gaming regulations and political and regulatory uncertainty. Regulatory authorities in the jurisdictions where we operate have broad powers with respect to the licensing of casino operations and may revoke, suspend, condition, or limit our gaming or other licenses, impose substantial fines and take other actions, any one of which could adversely impact our business, financial condition, and results of operations. Furthermore, in many jurisdictions where we operate, licenses are granted for limited durations and require renewal from time to time. There can be no assurance that continued gaming activity will be approved in any referendum in the future. If we do not obtain the requisite approval in any future referendum, we will not be able to operate our gaming operations in Iowa, which would negatively impact our future performance.

From time to time, individual jurisdictions have also considered legislation or referendums, such as bans on smoking in casinos and other entertainment and dining facilities, which could adversely impact our operations. These smoking bans have adversely affected revenues and operating results at our properties. The likelihood or outcome of similar legislation in other jurisdictions and referendums in the future cannot be predicted, though any smoking ban would be expected to negatively impact our financial performance.

Furthermore, because we are subject to regulation in each jurisdiction in which we operate, and because regulatory agencies within each jurisdiction review our compliance with gaming laws in other jurisdictions, it is possible that gaming compliance issues in one jurisdiction may lead to reviews and compliance issues in other jurisdictions.

The casino entertainment industry represents a significant source of tax revenues to the various jurisdictions in which casinos operate. From time to time, various state and federal legislators and officials have proposed changes in tax laws, or in the administration of such laws, including increases in tax rates, which would affect the industry. If adopted, such changes could adversely impact our business, financial condition, and results of operations.

Our ability to utilize net operating loss ("NOL") carryforwards may be limited as a result of the CAC Merger and CEOC's emergence from bankruptcy.

In general, Section 382 of the Internal Revenue Code provides an annual limitation with respect to the ability of a corporation to utilize its tax attributes, as well as certain built-in losses, against future taxable income in the event of a change in ownership. CEOC's emergence from bankruptcy and the CAC Merger resulted in a change in ownership for purposes of Section 382. The Company analyzed alternatives available to CEC within the Internal Revenue Code to minimize the impact of the ownership change and cancellation of indebtedness income on its tax attributes. The Company anticipates a limitation that subjects existing tax attributes at emergence to a Section 382 limitation but will not result in any of the NOL carryforwards expiring unused.

Limitations imposed on our ability to use NOLs to offset future taxable income may cause U.S. federal income taxes to be paid earlier than otherwise would be paid if such limitations were not in effect. Similar rules and limitations may apply for state income tax purposes.

Any violation of the Bank Secrecy Act or other similar anti-money laundering laws and regulations could have a negative impact on us.

We deal with significant amounts of cash in our operations and are subject to various reporting and anti-money laundering ("AML") regulations. In recent years, governmental authorities have been increasingly focused on AML policies and procedures, with a particular focus on the gaming industry. Any violation of AML or regulations by any of our resorts could have a negative effect on our results of operations.

Any violation of the Foreign Corrupt Practices Act or other similar anti-corruption laws and regulations could have a negative impact on us.

We are subject to risks associated with doing business outside of the United States, which exposes us to complex foreign and U.S. regulations inherent in doing business cross-border and in each of the countries in which we conduct business. We are subject to requirements imposed by the Foreign Corrupt Practices Act ("FCPA") and other anti-corruption laws that generally prohibit U.S.

companies and their affiliates from offering, promising, authorizing, or making improper payments to foreign government officials for the purpose of obtaining or retaining business. Violations of the FCPA and other anti-corruption laws may result in severe criminal and civil sanctions and other penalties, and the SEC and U.S. Department of Justice have increased their enforcement activities with respect to the FCPA. Policies and procedures and employee training and compliance programs that we have implemented to deter prohibited practices may not be effective in prohibiting our employees, contractors, or agents from violating or circumventing our policies and the law. If our employees or agents fail to comply with applicable laws or company policies governing our international operations, we may face investigations, prosecutions, and other legal proceedings and actions that could result in civil penalties, administrative remedies, and criminal sanctions. Any determination that we have violated any anti-corruption laws could have a material adverse effect on our financial condition. Compliance with international and U.S. laws and regulations that apply to our international operations increases our cost of doing business in foreign jurisdictions.

Our stockholders are subject to extensive governmental regulation, and if a stockholder is found unsuitable by the gaming authority, that stockholder would not be able to beneficially own our common stock directly or indirectly.

In many jurisdictions, gaming laws can require any of our stockholders to file an application, be investigated, and qualify or have his, her or its suitability determined by gaming authorities. Gaming authorities have very broad discretion in determining whether an applicant should be deemed suitable. For any cause deemed reasonable by the gaming authorities, subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application; limit, condition, restrict, revoke, or suspend any license, registration, finding of suitability or approval; or fine any person licensed, registered, or found suitable or approved. For additional information on the criteria used in making determinations regarding suitability, see "Governmental Regulation."

For example, under Nevada gaming laws, each person who acquires, directly or indirectly, beneficial ownership of any voting security, or beneficial or record ownership of any non-voting security or any debt security, in a public corporation that is registered with the Nevada Gaming Commission ("NGC"), may be required to be found suitable if the NGC has reason to believe that his or her acquisition of that ownership, or his or her continued ownership in general, would be inconsistent with the declared public policy of Nevada, in the sole discretion of the NGC. Any person required by the NGC to be found suitable must apply for a finding of suitability within 30 days after the NGC's request that he or she should do so and, together with his or her application for suitability, deposit with the Nevada Gaming Control Board ("NGCB") a sum of money which, in the sole discretion of the NGCB, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of that application for suitability, and deposit such additional sums as are required by the NGCB to pay final costs and charges.

Furthermore, any person required by a gaming authority to be found suitable, who is found unsuitable by the gaming authority, may not hold, directly or indirectly, the beneficial ownership of any voting security or the beneficial or record ownership of any non-voting security or any debt security of any public corporation that is registered with the gaming authority beyond the time prescribed by the gaming authority. A violation of the foregoing may constitute a criminal offense. A finding of unsuitability by a particular gaming authority impacts that person's ability to associate or affiliate with gaming licensees in that particular jurisdiction and could impact the person's ability to associate or affiliate with gaming licensees in other jurisdictions.

Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of voting securities of a gaming company and, in some jurisdictions, non-voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability, subject to limited exceptions for "institutional investors" that hold a company's voting securities for investment purposes only. Under Maryland gaming laws, we may not sell or otherwise transfer more than 5% of the legal or beneficial interest in Horseshoe Baltimore without the approval of the Maryland Lottery and Gaming Control Commission after they determine that the transferee is qualified or grants the transferee an institutional investor waiver.

Some jurisdictions may also limit the number of gaming licenses in which a person may hold an ownership or a controlling interest. For example, in Indiana, a person may not have an ownership interest in more than two Indiana riverboat owner's licenses, and in Maryland, an individual or business entity may not own an interest in more than one video lottery facility.

If we are unable to effectively compete against our competitors, our profits will decline.

The gaming industry is highly competitive and our competitors vary considerably in size, quality of facilities, number of operations, brand identities, marketing and growth strategies, financial strength and capabilities, and geographic diversity. We also compete with other non-gaming resorts and vacation areas, and with various other entertainment businesses. Our competitors in each region in which we participate may have greater financial, marketing, or other resources than we do, and there can be no assurance that they will not engage in aggressive pricing action to compete with us. Although we believe we are currently able to compete effectively in each of the various regions in which we participate, we cannot ensure that we will be able to continue to do so or

that we will be capable of maintaining or further increasing our current market share. Our failure to compete successfully in our various regions could adversely affect our business, financial condition, results of operations, and cash flow.

In recent years, many casino operators, including us, have been reinvesting in existing jurisdictions to attract new customers or to gain market share, thereby increasing competition in those jurisdictions. As companies have completed new expansion projects, supply has typically grown at a faster pace than demand in some areas. For example, in Baltimore, Maryland, the opening of MGM Resorts National Harbor Resort & Casino has resulted in significant declines in revenue at our Horseshoe Baltimore property. In Las Vegas, our largest jurisdiction, competition has increased significantly. For example, the Genting Group is developing a casino and hotel called Resorts World Las Vegas and Marriott International and New York-based global real estate firm Witkoff are developing a casino and hotel called The Drew Las Vegas. Both are expected to open in 2020 on the northern end of the Las Vegas Strip. Further, Wynn Resorts has begun construction on Wynn Paradise Park adjacent to its existing property and announced plans for a Wynn West casino and hotel property. In response to changing trends, Las Vegas operators have been focused on expanding their non-gaming offerings, including upgrades to hotel rooms, new food and beverage offerings, and new entertainment offerings. In June 2016, MGM announced that the Monte Carlo Resort and Casino will undergo $450 million in non-gaming renovations focused on room, food and beverage and entertainment enhancements and is expected to re-open in late 2018 as two newly branded hotels. There have also been proposals for other large scale non-gaming development projects in Las Vegas by various other developers. The expansion of existing casino entertainment properties, the increase in the number of properties, and the aggressive marketing strategies of many of our competitors have increased competition in many markets in which we operate, and this intense competition is expected to continue. These competitive pressures have and are expected to continue to adversely affect our financial performance in certain areas, including Atlantic City. Growth in consumer demand for non-gaming offerings could also negatively impact our gaming revenue.

In particular, our business may be adversely impacted by the additional gaming and room capacity in Nevada, Louisiana, and Atlantic City and by the initiation and growth of online gaming in Nevada, Louisiana and other states. In addition, our operations located in New Jersey may be adversely impacted by the expansion of gaming in Maryland, New York, and Pennsylvania, our operations in Louisiana may be adversely impacted by the expansion of gaming in Mississippi and the Gulf Coast, and our operations located in Nevada may be adversely impacted by the expansion of gaming in California. We also anticipate additional competition in Atlantic City as the Hard Rock (formerly the Taj Mahal) is anticipated to open in the summer of 2018 and the Revel casino is anticipated to reopen at some point in the near future. Both openings will add competition and will negatively impact our Atlantic City operations.

In addition, the gaming industry has expanded into new jurisdictions in which gaming was not previously permitted. This growth is likely to continue in the future and will result in increased competition for our facilities in the jurisdictions in which we operate.

The loss of the services of key personnel could have a material adverse effect on our business.

We believe that the leadership of our executive officers has been a critical element of our success. Any unforeseen loss of our chief executive officer's services, or any negative market or industry perception with respect to him or arising from his loss, could have a material adverse effect on our businesses. Our other executive officers and other members of senior management have substantial experience and expertise in our businesses that we believe will make significant contributions to our growth and success. The unexpected loss of services of one or more of these individuals could also adversely affect us. We do not have key man or similar life insurance policies covering members of our senior management. We have employment agreements with our executive officers, but these agreements do not guarantee that any given executive will remain with us, and there can be no assurance that any such officers will remain with us.

If we cannot attract, retain, and motivate employees, we may be unable to compete effectively, and lose the ability to improve and expand our businesses.

Our success and ability to grow depend, in part, on our ability to hire, retain, and motivate sufficient numbers of talented people with the increasingly diverse skills needed to serve clients and expand our business in many locations around the world. We face intense competition for highly qualified, specialized technical, managerial, and consulting personnel. Recruiting, training, retention, and benefit costs place significant demands on our resources. Additionally, our substantial indebtedness and CEOC's Chapter 11 proceedings have made recruiting executives to our businesses more difficult. The inability to attract qualified employees in sufficient numbers to meet particular demands or the loss of a significant number of our employees could have an adverse effect on us.

Our business may be subject to seasonal fluctuations that could result in volatility and have an adverse effect on our operating results.

Our business may be subject to some degree of seasonality. Weather conditions may deter or prevent customers from reaching

the facilities or undertaking trips. Such conditions would particularly affect customers who are traveling longer distances to visit our casino properties. Seasonality may cause our casino properties working capital cash flow requirements to vary from quarter to quarter depending on the variability in the volume and timing of sales. Business in our properties can also fluctuate due to specific holidays or other significant events, such as Easter (particularly when the holiday falls in a different quarter than the prior year), the World Series of Poker tournament (with respect to our Las Vegas properties), city-wide conventions, a large sporting event or a concert, or visits by our premium players. We also believe that any seasonality, holiday, or other significant event may affect our various properties or regions differently. These factors, among other things, make forecasting more difficult and may adversely affect our casino properties ability to manage working capital and to predict financial results accurately, which could adversely affect our business, financial condition, and operating results.

Our business is particularly sensitive to energy prices and a rise in energy prices could harm our operating results.

We are a large consumer of electricity and other energy and, therefore, higher energy prices may have an adverse effect on our results of operations. Accordingly, increases in energy costs may have a negative impact on our operating results. Additionally, higher electricity and gasoline prices that affect our customers may result in reduced visitation to our resorts and a reduction in our revenues. We may be indirectly impacted by regulatory requirements aimed at reducing the impacts of climate change directed at up-stream utility providers, as we could experience potentially higher utility, fuel, and transportation costs.

Win rates (hold rates) for our casino operations depend on a variety of factors, some of which are beyond our control.

The gaming industry is characterized by an element of chance. Accordingly, we employ theoretical win rates to estimate what a certain type of game, on average, will win or lose in the long run. In addition to the element of chance, win rates (hold percentages) are also affected by the spread of table limits and factors that are beyond our control, such as a player's skill, experience, and behavior, the mix of games played, the financial resources of players, the volume of bets placed, and the amount of time players spend gambling. As a result of the variability in these factors, the actual win rates at our casinos may differ from the theoretical win rates we have estimated and could result in the winnings of our gaming customers exceeding those anticipated. The variability of win rates (hold rates) also have the potential to negatively impact our financial condition, results of operations, and cash flows.

We face the risk of fraud, theft, and cheating.

We face the risk that gaming customers may attempt or commit fraud or theft or cheat in order to increase winnings. Such acts of fraud, theft, or cheating could involve the use of counterfeit chips or other tactics, possibly in collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers, or other casino or gaming area staff. Additionally, we also face the risk that customers may attempt or commit fraud or theft with respect to our non-gaming offerings or against other customers. Such risks include stolen credit or charge cards or cash, falsified checks, theft of retail inventory and purchased goods, and unpaid or counterfeit receipts. Failure to discover such acts or schemes in a timely manner could result in losses in our operations. Negative publicity related to such acts or schemes could have an adverse effect on our reputation, potentially causing a material adverse effect on our business, financial condition, results of operations, and cash flows.

We may not be able to protect the intellectual property rights we own or may be prevented from using intellectual property necessary for our business.

The development of intellectual property is part of our overall business strategy, and we regard our intellectual property to be an important element of our success. We rely primarily on trade secret, trademark, domain name, copyright, and contract law to protect the intellectual property and proprietary technology we own. We also actively pursue business opportunities in the United States and in international jurisdictions involving the licensing of our trademarks to third parties. It is possible that third parties may copy or otherwise obtain and use our intellectual property or proprietary technology without authorization or otherwise infringe on our rights. For example, while we have a policy of entering into confidentiality, intellectual property invention assignment, and/or non-competition and non-solicitation agreements or restrictions with our employees, independent contractors, and business partners, such agreements may not provide adequate protection or may be breached, or our proprietary technology may otherwise become available to or be independently developed by our competitors. The laws of some foreign countries may not protect proprietary rights or intellectual property to as great an extent as do the laws of the United States. Despite our efforts to protect our proprietary rights, the unauthorized use or reproduction of our trademarks could diminish the value of our trademarks and our market acceptance, competitive advantages, or goodwill, which could adversely affect our business.

Third parties have alleged and may in the future allege that we are infringing, misappropriating, or otherwise violating their intellectual property rights. Third parties may initiate litigation against us without warning or may send us letters or other communications that make allegations without initiating litigation. We may elect not to respond to these letters or other communications if we believe they are without merit, or we may attempt to resolve these disputes out of court by negotiating a

license, but in either case it is possible that such disputes will ultimately result in litigation. Any such claims could interfere with our ability to use technology or intellectual property that is material to the operation of our business. Such claims may be made by competitors seeking to obtain a competitive advantage or by other parties, such as entities that purchase intellectual property assets for the purpose of bringing infringement claims. We also periodically employ individuals who were previously employed by our competitors or potential competitors, and we may therefore be subject to claims that such employees have used or disclosed the alleged trade secrets or other proprietary information of their former employers.

In the future, we may have to rely on litigation to enforce our intellectual property rights, protect our trade secrets, determine the validity and scope of the proprietary rights of others, or defend against claims of infringement or invalidity. Any such litigation, whether successful or unsuccessful, could result in substantial costs and the diversion of resources and the attention of management. If unsuccessful, such litigation could result in the loss of important intellectual property rights, require us to pay substantial damages, subject us to injunctions that prevent us from using certain intellectual property, require us to make admissions that affect our reputation in the marketplace, and require us to enter into license agreements that may not be available on favorable terms. Finally, even if we prevail in any litigation, the remedy may not be commercially meaningful or fully compensate us for the harm we suffer or the costs we incur. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

We cannot assure you that we will be able to retain our performers and other entertainment offerings on acceptable terms or at all.

Our properties' entertainment offerings are only under contract for a limited time. For example, our contract with Britney Spears expired in December 2017, and our contract with Jennifer Lopez is set to expire in 2018. These and other of our performers draw customers to our properties and are a significant source of our revenue. We cannot assure you that we will be able to retain our performers or other shows on acceptable terms or at all. In addition, the third parties that we depend on for our properties' entertainment offerings may become incapable or unwilling to provide their services at the level agreed upon or at all. These and other of our entertainment offerings draw customers to the properties and are a significant source of our revenue.

We extend credit to a portion of our customers, and we may not be able to collect gaming receivables from our credit customers.

We conduct our gaming activities on a credit and cash basis at many of our properties. Any such credit we extend is unsecured. Table games players typically are extended more credit than slot players, and high-stakes players typically are extended more credit than customers who tend to wager lower amounts. High-end gaming is more volatile than other forms of gaming, and variances in win-loss results attributable to high-end gaming may have a significant positive or negative impact on cash flow and earnings in a particular quarter. We extend credit to those customers whose level of play and financial resources warrant, in the opinion of management, an extension of credit. These large receivables could have a significant impact on our results of operations if deemed uncollectible. Gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," judgments on gaming debts are enforceable under the current laws of the jurisdictions in which we allow play on a credit basis, and judgments on gaming debts in such jurisdictions are enforceable in all U.S. states under the Full Faith and Credit Clause of the U.S. Constitution. However, other jurisdictions may determine that enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the U.S. of foreign debtors may be reached to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations.

Acts of terrorism, war, natural disasters, severe weather, and political, economic and military conditions may impede our ability to operate or may negatively impact our financial results.

Terrorist attacks and other acts of war or hostility have created many economic and political uncertainties. For example, a substantial number of the customers of our properties in Las Vegas use air travel. As a result of terrorist acts that occurred on September 11, 2001, domestic and international travel was severely disrupted, which resulted in a decrease in customer visits to our properties in Las Vegas. Visitation to Las Vegas also declined following the mass shooting tragedy on October 1, 2017. We cannot predict the extent to which disruptions in air or other forms of travel as a result of any further terrorist act, security alerts or war, uprisings, or hostilities in places such as Iraq, Afghanistan, and/or Syria or other countries throughout the world, and governmental responses to those acts or hostilities, will directly or indirectly impact our business and operating results. For example, our operations in Cairo, Egypt, were negatively affected from the uprising there in January 2011. As a consequence of the threat of terrorist attacks and other acts of war or hostility in the future, premiums for a variety of insurance products have increased, and some types of insurance are no longer available. If any such event were to affect our properties, we would likely be adversely affected.

In addition, natural and man-made disasters such as major fires, floods, severe snowstorms, hurricanes, earthquakes, and oil spills could also adversely impact our business and operating results. For example, Harrah's Metropolis Hotel & Casino and Horseshoe Southern Indiana each closed in late February 2018 for an extended period of time due to flooding from the Ohio River. In most cases, we have insurance that covers portions of any losses from a natural disaster, but it is subject to deductibles and maximum

payouts in many cases. Although we may be covered by insurance from a natural disaster, the timing of our receipt of insurance proceeds, if any, may be out of our control. In some cases, however, we may receive no proceeds from insurance.

Additionally, a natural disaster affecting one or more of our properties may affect the level and cost of insurance coverage we may be able to obtain in the future, which may adversely affect our financial position.

As our operations depend in part on our customers' ability to travel, severe or inclement weather can also have a negative impact on our results of operations.

We may incur impairments to goodwill, indefinite-lived intangible assets, or long-lived assets, which could negatively affect our future profits.

We perform our annual goodwill impairment assessment as of October 1. We perform this assessment more frequently if impairment indicators exist. We performed our annual goodwill impairment test by comparing the fair value of each reporting unit with its carrying amount. We determine the estimated fair value of each reporting unit based on a combination of earnings before interest, taxes, depreciation, and amortization ("EBITDA"), valuation multiples, and estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general. We also evaluate the aggregate fair value of all of our reporting units and other non-operating assets in comparison to our aggregate debt and equity market capitalization at the test date. EBITDA multiples and discounted cash flows are common measures used to value businesses in our industry.

We perform our annual impairment assessment of other non-amortizing intangible assets as of October 1. We perform this assessment more frequently if impairment indicators exist. We determine the estimated fair value of our non-amortizing intangible assets by primarily using the "Relief from Royalty Method" and "Excess Earnings Method" under the income approach.

We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. As necessary, we typically estimate the fair value of assets starting with a "Replacement Cost New" approach and then deduct appropriate amounts for both functional and economic obsolescence to arrive at the fair value estimates. Other factors considered by management in performing this assessment, may include current operating results, trends, prospects, and third-party appraisals, as well as the effect of demand, competition, and other economic, legal, and regulatory factors.

Significant negative industry or economic trends, reduced estimates of future cash flows, disruptions to our business, slower growth rates or lack of growth in our business resulted in impairment charges during the year ended December 31, 2014. If one or more of such events occurs in the future, additional impairment charges may be required in future periods. If we are required to record additional impairment charges, this could have a material adverse impact on our consolidated financial statements.

Work stoppages and other labor problems could negatively impact our future profits.

Some of our employees are represented by labor unions and, accordingly, we are subject to the risk of work stoppages or other labor disruptions from time to time. Approximately half of our hourly Team members employed in the U.S. are covered by a collective bargaining agreement ("CBA"). Our CBAs are the product of good faith negotiations with the respective unions that represent employees in many of our facilities.

We currently have 32 CBAs covering various employees in Las Vegas expiring in 2018. Three unions represent the employees covered by 30 of those expiring agreements. Five agreements covering employees outside of Las Vegas will expire in 2018. All agreements are subject to automatic extension unless one party gives 60 days' prior notice of intent to terminate. No such notice has been given. We intend to negotiate renewal agreements or agree to extensions for all CBAs expiring and are hopeful that we will be able to reach agreements with the respective unions without any work stoppage. Work stoppages and other labor disruptions could have a material adverse impact on our operations.

From time to time, we have also experienced attempts by labor organizations to organize certain of our non-union employees. These efforts have achieved some success to date. We cannot provide any assurance that we will not experience additional and successful union activity in the future. The impact of this union activity is undetermined and could negatively impact our profits.

We may be subject to material environmental liability, including as a result of unknown environmental contamination.

Our business is subject to certain federal, state, and local environmental, health, and safety laws, regulations, and ordinances that govern activities or operations that may have adverse environmental effects, such as emissions to air, discharges to streams and rivers, and releases of hazardous substances and pollutants into the environment, as well as handling and disposal from municipal/non-hazardous waste, and that also apply to current and previous owners or operators of real estate generally. Federal examples

of these laws include the Clean Air Act, the Clean Water Act, the Resource Conservation Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, and the Oil Pollution Act of 1990. Our failure to comply with these laws, including any required permits or licenses, could result in substantial fines or possible revocation of our authority to conduct some of our operations. Certain of these laws may impose cleanup responsibility and liability without regard to whether the owner or operator knew of or caused particular contamination or release of hazardous substances and regardless of whether the practices that resulted in the contamination were legal at the time that they occurred. Should unknown contamination be discovered on any of the properties, or should a release of hazardous substances occur on any of the properties, we could be required to investigate and clean up the contamination and could also be held responsible to a governmental entity or third parties for property damage, personal injury, or investigation and cleanup costs incurred in connection with the contamination or release, which may be substantial. Moreover, such contamination may also impair our ability to use or develop the affected property. Such liability could be joint and several in nature, regardless of fault, and could affect us even if such property is vacated. The potential for substantial costs and an inability to use the property could adversely affect our business. New and more stringent environmental, health, and safety regulations and permit requirements or stricter interpretations of current laws or regulations, such as those related to climate change, could also impose substantial additional costs on our business.

Our insurance coverage may not be adequate to cover all possible losses we could suffer, and, in the future, our insurance costs may increase significantly, or we may be unable to obtain the same level of insurance coverage.

We may suffer damage to our property caused by a casualty loss (such as fire, natural disasters, and acts of war or terrorism) that could severely disrupt our business or subject it to claims by third parties who are injured or harmed. Although we maintain insurance (including property, casualty, terrorism, and business interruption), it may be inadequate or unavailable to cover all of the risks to which our business and assets may be exposed. In several cases, we maintain extremely high deductibles or self-insure against specific losses. Should an uninsured loss (including a loss that is less than our deductible) or loss in excess of insured limits occur, it could have a significant adverse impact on our operations and revenues.

We generally renew our insurance policies on an annual basis. If the cost of coverage becomes too high, we may need to reduce our policy limits or agree to certain exclusions from our coverage in order to reduce the premiums to an acceptable amount. Among other factors, homeland security concerns, other catastrophic events, or any change in the current U.S. statutory requirement that insurance carriers offer coverage for certain acts of terrorism could adversely affect available insurance coverage and result in increased premiums on available coverage (which may cause us to elect to reduce our policy limits) and additional exclusions from coverage. Among other potential future adverse changes, in the future we may elect to not, or may be unable to, obtain any coverage for losses due to acts of terrorism.

The success of third parties adjacent to our properties is important to our ability to generate revenue and operate our business and any deterioration to their success could materially adversely affect our revenue and result of operations.

In certain cases, we do not own the businesses and amenities adjacent to our properties. However, the adjacent third-party businesses and amenities stimulate additional traffic through our complexes, including the casinos, which are our largest generators of revenue. Any decrease in the popularity of, or the number of customers visiting, these adjacent businesses and amenities may lead to a corresponding decrease in the traffic through our complexes, which would negatively affect our business and operating results. Further, if newly opened properties are not as popular as expected, we will not realize the increase in traffic through our properties that we expect as a result of their opening, which would negatively affect our business projections.

We may require additional capital to support business growth, and this capital might not be available on acceptable terms or at all.

We intend to continue to make significant investments to support our business growth and may require additional funds to respond to business challenges, expand into new markets, improve our operating infrastructure, or acquire complementary businesses, personnel, and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. Any debt financing we secure in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult to obtain additional capital and to pursue business opportunities, including potential acquisitions. We may not be able to obtain additional financing on favorable terms, if at all. There can be no assurances that we could pursue a future offering of securities at an appropriate price to raise the necessary financing. If we are unable to obtain adequate financing or financing on terms satisfactory to us when required, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, which could have a material adverse effect on our respective business, financial condition, and operating results.

Our obligation to contribute to multi-employer pension plans, or discontinuance of such obligations, may have an adverse impact on us.

We contribute to and participate in various multi-employer pension plans for employees represented by certain unions. We are required to make contributions to these plans in amounts established under CBAs. We do not administer these plans and, generally, are not represented on the boards of trustees of these plans. The Pension Protection Act enacted in 2006 ("PPA") requires under-funded pension plans to improve their funding ratios. Based on the information available to us, some of the multi-employer plans to which we contribute are either "critical" or "endangered" as those terms are defined in the PPA. Specifically, the HEREIU Intermediary Plan (a spin-off of the Pension Plan of the UNITE HERE National Retirement Fund, effective January 1, 2018) is less than 65% funded. We cannot determine at this time the amount of additional funding, if any, we may be required to make to these plans. However, plan assessments could have an adverse impact on our results of operations or cash flows for a given period. Furthermore, under current law, upon the termination of a multi-employer pension plan, due to the withdrawal of all its contributing employers (a mass withdrawal), or in the event of a withdrawal by us, which we consider from time to time, we would be required to make payments to the plan for our proportionate share of the plan's unfunded vested liabilities, and that would have a material adverse impact on our consolidated financial condition, results of operations, and cash flows.

Future sales or the possibility of future sales of a substantial amount of our common stock may depress the price of shares of our common stock.

Future sales or the availability for sale of substantial amounts of our common stock in the public market could adversely affect the prevailing market price of our common stock and could impair our ability to raise capital through future sales of equity securities.

As of March 1, 2018, there were 697 million shares of our common stock outstanding, all of which are the same class of voting common stock. All of the outstanding shares of our common stock will be eligible for resale under Rule 144 or Rule 701 of the Securities Act of 1933, as amended ("Securities Act"), subject to volume limitations, applicable holding period requirements or other contractual restrictions.

In connection with the CAC Merger, the Plan, and CEOC's emergence from bankruptcy, we issued a significant number of shares of our common stock and a significant amount of notes that are convertible into shares of our common stock. We may issue shares of common stock or other securities from time to time as consideration for future acquisitions and investments or for any other reason that our Board of Directors deems advisable. If any such acquisition or investment is significant, the number of shares of our common stock, or the number or aggregate principal amount, as the case may be, of other securities that we may issue may in turn be substantial. We may also grant registration rights covering those shares of common stock or other securities in connection with any such acquisitions and investments.

We cannot predict the size of future issuances of our common stock or other securities or the effect, if any, that future issuances and sales of our common stock or other securities will have on the market price of our common stock. Sales of substantial amounts of common stock (including shares of common stock issued in connection with an acquisition), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock.

The price and trading volume of our common stock may fluctuate significantly.

The market price of our common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume of our common stock may fluctuate and cause significant price variations to occur. Volatility in the market price of our common stock may prevent a holder of our common stock from being able to sell their shares. The market price for our common stock could fluctuate significantly for various reasons, including:

- our operating and financial performance and prospects;
- our quarterly or annual earnings or those of other companies in our industry;
- conditions that impact demand for our products and services;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- changes in earnings estimates or recommendations by securities analysts who track our common stock;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in government and environmental regulation, including gaming taxes;

- changes in accounting standards, policies, guidance, interpretations, or principles;
- arrival and departure of key personnel;
- changes in our capital structure;
- sales of common stock by us or members of our management team;
- the expiration of contractual lockup agreements; and
- changes in general market, economic, and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war, and responses to such events.

In addition, the stock market experiences significant price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in the gaming, lodging, hospitality, and entertainment industries. The changes frequently appear to occur without regard to the operating performance of the affected companies. Hence, the price of our common stock could fluctuate based upon factors that have little or nothing to do with us, and these fluctuations could materially reduce our share price.

Holders of our common stock should not expect to receive dividends on shares of our common stock.

We have no present plans to pay cash dividends to our stockholders and, for the foreseeable future, intend to retain all of our earnings for use in our business. The declaration of any future dividends by us is within the discretion of our Board and will be dependent on our earnings, financial condition and capital requirements, as well as any other factors deemed relevant by our board of directors.

Our actual financial results after CEOC's emergence from bankruptcy may not be comparable to our historical financial information as a result of the implementation of the Plan and the transactions contemplated thereby.

In connection with the disclosure statement CEOC filed with the Bankruptcy Court, and the hearing to consider confirmation of the Plan, CEOC prepared projected financial information to demonstrate to the Bankruptcy Court the feasibility of the Plan and CEOC's ability to continue operations upon its emergence from bankruptcy. In connection with the proxy statement/prospectus relating to the merger of CAC and CEC filed with the SEC, we also disclosed certain projections. These projections were prepared solely for the purpose for which they were filed and have not been, and will not be, updated on an ongoing basis and should not be relied upon by investors. Although the financial projections disclosed in the disclosure statement filed with the Bankruptcy Court and the proxy statement/prospectus relating to the merger of CAC and CEC represented certain views based on then current known facts and assumptions about the future operations of CEOC and the Company, there is no guarantee that the financial projections will be realized. We may not be able to meet the projected financial results or achieve projected revenues and cash flows assumed in projecting future business prospects. To the extent we do not meet the projected financial results or achieve projected revenues and cash flows, we may lack sufficient liquidity to continue operating as planned and may be unable to service our debt obligations as they come due or may not be able to meet our operational needs. Any one of these failures may preclude us from, among other things: (a) taking advantage of future opportunities; (b) growing our businesses; or (c) responding to future changes in the gaming industry. Further, our failure to meet the projected financial results or achieve projected revenues and cash flows could lead to cash flow and working capital constraints, which constraints may require us to seek additional working capital. We may not be able to obtain such working capital, when it is required.

PRIVATE SECURITIES LITIGATION REFORM ACT

This Form 10-K contains or may contain "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. We have based these forward-looking statements on our current expectations about future events. Further, statements that include words such as "may," "will," "project," "might," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "continue," "present," or "pursue," or the negative of these words or other words or expressions of similar meaning may identify forward-looking statements. These forward-looking statements are found at various places throughout this report. These forward-looking statements, including, without limitation, those relating to future actions, new projects, strategies, future performance, the outcome of contingencies such as legal proceedings, and future financial results, wherever they occur in this report, are necessarily estimates reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors set forth above and from time to time in our filings with the Securities and Exchange Commission.

In addition to the risk factors set forth above, important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include without limitation:

- the impact of our new operating structure following CEOC's emergence from bankruptcy;
- the effects of local and national economic, credit, and capital market conditions on the economy, in general, and on the gaming industry, in particular;
- the effect of reductions in consumer discretionary spending due to economic downturns or other factors and changes in consumer demands;
- the ability to realize improvements in our business and results of operations through our property renovation investments, technology deployments, business process improvement initiatives, and other continuous improvement initiatives;
- the ability to take advantage of opportunities to grow our revenue;
- the ability to use NOLs to offset future taxable income as anticipated;
- the ability to realize all of the anticipated benefits of current or potential future acquisitions;
- the ability to effectively compete against our competitors;
- the financial results of our consolidated businesses;
- the impact of our substantial indebtedness, including its impact on our ability to raise additional capital in the future and react to changes in the economy, and lease obligations and the restrictions in our debt and lease agreements;
- the ability to access available and reasonable financing or additional capital on a timely basis and on acceptable terms or at all, including our ability to refinance our indebtedness on acceptable terms;
- the ability of our customer tracking, customer loyalty, and yield management programs to continue to increase customer loyalty and same-store or hotel sales;
- changes in the extensive governmental regulations to which we are subject and changes in laws, including increased tax rates, smoking bans, regulations, or accounting standards; third-party relations; and approvals, and decisions, disciplines and fines of courts, regulators, and governmental bodies;
- compliance with the extensive laws and regulations to which we are subject, including applicable gaming laws, the Foreign Corrupt Practices Act and other anti-corruption laws, and the Bank Secrecy Act and other anti-money laundering laws;
- our ability to recoup costs of capital investments through higher revenues;
- growth in consumer demand for non-gaming offerings;
- abnormal gaming holds ("gaming hold" is the amount of money that is retained by the casino from wagers by customers);
- the effects of competition, including locations of competitors, growth of online gaming, competition for new licenses, and operating and market competition;

- our ability to protect our intellectual property rights and damages caused to our brands due to the unauthorized use of our brand names by third parties in ways outside of our control;
- the ability to timely and cost-effectively integrate companies that we acquire into our operations;
- the potential difficulties in employee retention, recruitment, and motivation;
- our ability to retain our performers or other entertainment offerings on acceptable terms or at all;
- the risk of fraud, theft, and cheating;
- seasonal fluctuations resulting in volatility and an adverse effect on our operating results;
- any impairments to goodwill, indefinite-lived intangible assets, or long-lived assets that we may incur;
- construction factors, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters, and building permit issues;
- the impact of adverse legal proceedings and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions, and fines and taxation;
- acts of war or terrorist incidents (including the impact of the recent mass shooting in Las Vegas on tourism), severe weather conditions, uprisings, or natural disasters, including losses therefrom, losses in revenues and damage to property, and the impact of severe weather conditions on our ability to attract customers to certain of our facilities;
- fluctuations in energy prices;
- work stoppages and other labor problems;
- our ability to collect on credit extended to our customers;
- the effects of environmental and structural building conditions relating to our properties and our exposure to environmental liability, including as a result of unknown environmental contamination;
- a disruption, failure, or breach of our network, information systems, or other technology, or those of our vendors, on which we are dependent;
- risks and costs associated with protecting the integrity and security of internal, employee, and customer data;
- access to insurance for our assets on reasonable terms;
- the impact, if any, of unfunded pension benefits under multi-employer pension plans; and
- the other factors set forth under Item 1A, “Risk Factors.”

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Form 10-K. We undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Form 10-K or to reflect the occurrence of unanticipated events, except as required by law.

ITEM 1B. Unresolved Staff Comments

None.

ITEM 2. Properties

As of December 31, 2017, the following are our casino properties. All amounts are approximations.

Property	Location	Casino Space–Sq. Ft.	Slot Machines	Table Games	Hotel Rooms and Suites
Las Vegas Segment					
Owned-Domestic					
Bally's Las Vegas	Las Vegas, NV	68,400	950	70	2,810
The Cromwell	Las Vegas, NV	40,000	340	50	190
Flamingo Las Vegas	Las Vegas, NV	72,300	1,100	110	3,460
The LINQ Hotel & Casino	Las Vegas, NV	32,900	790	70	2,250
Paris Las Vegas	Las Vegas, NV	95,300	960	100	2,920
Planet Hollywood Resort & Casino	Las Vegas, NV	64,500	1,020	100	2,500
Rio All-Suites Hotel & Casino	Las Vegas, NV	117,300	1,060	70	2,520
Leased from VICI Properties Inc.					
Caesars Palace Las Vegas	Las Vegas, NV	124,200	1,300	160	3,970
Harrah's Las Vegas	Las Vegas, NV	88,800	1,200	90	2,540
Other U.S. Segment					
Owned-Domestic					
Harrah's Atlantic City	Atlantic City, NJ	156,300	2,140	170	2,590
Harrah's Laughlin	Laughlin, NV	56,000	880	40	1,510
Harrah's New Orleans	New Orleans, LA	125,100	1,580	150	450
Harrah's Philadelphia	Chester, PA	112,600	2,450	110	—
Leased from VICI Properties Inc.					
Bally's Atlantic City	Atlantic City, NJ	122,800	1,770	160	1,250
Caesars Atlantic City	Atlantic City, NJ	115,200	1,850	130	1,140
Harrah's Council Bluffs	Council Bluffs, IA	21,200	540	20	250
Harrah's Gulf Coast	Biloxi, MS	31,400	770	30	500
Harrah's Joliet	Joliet, IL	39,000	1,100	40	200
Harrah's Lake Tahoe	Lake Tahoe, NV	45,100	800	70	510
Harrah's Louisiana Downs	Bossier City, LA	12,000	830	—	—
Harrah's Metropolis	Metropolis, IL	23,700	840	30	260
Harrah's North Kansas City	N. Kansas City, MO	60,100	1,300	60	390
Harrah's Reno	Reno, NV	40,200	640	30	930
Harveys Lake Tahoe	Lake Tahoe, NV	44,200	740	50	740
Horseshoe Bossier City	Bossier City, LA	28,100	1,170	70	600
Horseshoe Council Bluffs	Council Bluffs, IA	60,000	1,410	60	—
Horseshoe Hammond	Hammond, IN	121,500	2,370	150	—
Horseshoe Southern Indiana	Elizabeth, IN	86,600	1,590	100	500
Horseshoe Tunica	Tunica, MS	63,000	1,070	100	510
Tunica Roadhouse	Tunica, MS	33,000	690	20	140

Property	Location	Casino Space–Sq. Ft.	Slot Machines	Table Games	Hotel Rooms and Suites
All Other Segment					
Owned-International					
Alea Glasgow	United Kingdom	22,000	50	30	—
Alea Nottingham	United Kingdom	15,200	50	30	—
The Casino at the Empire	United Kingdom	20,400	130	50	—
Emerald Safari	South Africa	37,700	470	30	190
Manchester235	United Kingdom	17,600	50	40	—
Playboy Club London	United Kingdom	10,000	20	20	—
Rendezvous Brighton	United Kingdom	15,000	50	30	—
Rendezvous Southend-on-Sea	United Kingdom	10,300	40	20	—
The Sportsman	United Kingdom	5,800	40	20	—
Managed					
Caesars Cairo	Egypt	5,500	30	20	—
Caesars Windsor	Ontario, Canada	100,000	2,260	90	760
Harrah's Ak-Chin	Phoenix, AZ	38,800	1,090	10	300
Harrah's Cherokee	Cherokee, NC	176,800	3,320	160	1,110
Harrah's Cherokee Valley River	Murphy, NC	65,000	1,020	60	300
Harrah's Resort Southern California	San Diego, CA	72,900	1,650	70	1,090
Horseshoe Baltimore [(1)]	Baltimore, MD	122,000	2,200	200	—
The London Clubs Cairo-Ramses	Egypt	2,700	50	20	—

[(1)] *Horseshoe Baltimore is 41% owned, and was deconsolidated and held as an equity-method investment effective August 31, 2017.*

The LINQ Promenade. We own The LINQ Promenade, which is an open-air dining, entertainment, and retail promenade located on the east side of the Las Vegas Strip between The LINQ Hotel & Casino and the Flamingo Las Vegas. It also features the High Roller, a 550-foot observation wheel.

ITEM 3. Legal Proceedings

From time to time, we are a defendant in various lawsuits or other legal proceedings relating to matters incidental to our business. Some of these matters involve commercial or contractual disputes, intellectual property claims, legal compliance, personal injury claims, and employment claims. As with all legal proceedings, no assurance can be provided as to the outcome of these matters and in general, legal proceedings can be expensive and time consuming. We may not be successful in the defense or prosecution of these lawsuits, which could result in settlements or damages that could significantly impact our business, financial condition, and results of operations. See Note 11 for full details of the litigation matters.

ITEM 4. Mine Safety Disclosures

Not applicable.

PART II

ITEM 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock trades on the NASDAQ under the ticker symbol "CZR." The following table sets forth the high and low sales prices for our common stock on the NASDAQ for each quarter during 2017 and 2016.

	2017		2016	
	High	Low	High	Low
First Quarter	$ 10.50	$ 8.18	$ 9.64	$ 5.65
Second Quarter	13.05	9.20	8.86	6.24
Third Quarter	13.45	10.95	10.84	5.39
Fourth Quarter	13.60	11.60	8.50	6.70

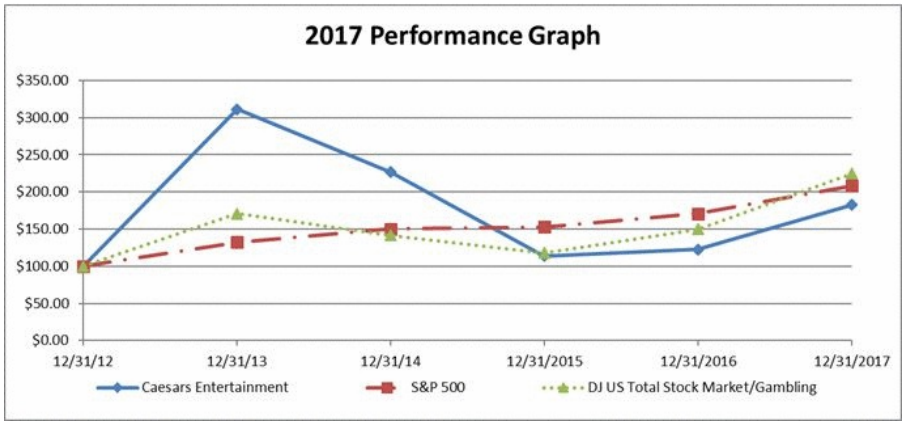
As of March 1, 2018, there were 696,735,401 shares of common stock issued and outstanding that were held by approximately 1,030 stockholders of record.

To date, we have not paid a cash dividend. Certain of our borrowings have covenants and requirements restricting or limiting the ability of CEC and its subsidiaries to, among other things, pay dividends on or make distributions in respect of their capital stock or make other restricted payments. See Note 12 for additional information on our covenants and restrictions.

Except as described below, there have not been any sales by CEC of equity securities during the years ended December 31, 2017, 2016, or 2015, that have not been registered under the Securities Act. In addition, CEC did not repurchase shares of its common stock during the three months ended December 31, 2017.

Performance Graph

The graph depicted below compares the cumulative total stockholder return on our common stock with the cumulative total return on the Standard & Poor's 500 Stock Index ("S&P 500") and the Dow Jones U.S. Gambling Total Stock Market Index ("Dow Jones U.S. Gambling") for the period beginning on December 31, 2012 and ending on December 31, 2017. NASDAQ OMX furnished the data. The performance graph assumes a $100 investment in our stock and each of the two indices, respectively, on December 31, 2012, and that all dividends were reinvested. Stock price performance, presented for the period from December 31, 2012 to December 31, 2017, is not necessarily indicative of future results.



	As of December 31,					
	2012	2013	2014	2015	2016	2017
CZR	$ 100.00	$ 311.27	$ 226.73	$ 114.02	$ 122.83	$ 182.80
S&P 500 Index	100.00	132.39	150.51	152.59	170.84	208.14
Dow Jones U.S. Gambling	100.00	170.68	141.58	117.96	149.62	224.40

The performance graph should not be deemed filed or incorporated by reference into any other of our filings under the Securities Act or the Exchange Act, unless we specifically incorporate the performance graph by reference therein.

Equity Compensation Plan Information

We maintain a long-term incentive plan for management, other personnel, and key service providers. The plan allows for granting stock-based compensation awards, including time-based and performance-based stock options, restricted stock units, restricted stock awards, stock grants, or a combination of awards. See Note 15 for a description of our stock-based compensation plan.

Equity compensation plans approved by security holders	Number of securities to be issued upon exercise of outstanding options or vesting of restricted stock units	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans [2]
Stock options [1]	9,227,890	$ 10.36	12,851,385
Restricted stock units	17,274,659	N/A	N/A

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[1] *The weighted average remaining contractual life for the options set forth in this row is 3.9 years.*

[2] *Under the 2017 Incentive Plan, the type and form of awards that can be granted includes, but is not limited to, stock options, stock appreciation rights, restricted stock awards, and restricted stock units.*

Merger with Caesars Acquisition Company

Upon consummation of the CAC Merger, each share of Class A common stock, par value $0.001 per share, of CAC ("CAC common stock") issued and outstanding immediately prior to the effective time of the CAC Merger was converted into, and became exchangeable for, 1.625 shares (the "Exchange Ratio") of common stock, par value $0.01 per share, of CEC ("CEC common stock"), resulting in CEC issuing 226 million shares of CEC common stock to the holders of CAC common stock. This transaction was registered under the Securities Act. See Note 1 for additional information.

Issuance of CEC Common Stock to Certain Creditors of the Debtors

Consideration to support the reorganization of CEOC that was provided by CEC as of the Effective Date included 268 million shares of CEC common stock (valued at $12.80 per share), consideration provided by CEC to acquire OpCo on the Effective Date included 139 million shares of CEC common stock (valued at $12.80 per share), and CEC deposited approximately 9 million shares of CEC common stock (valued at $12.80 per share) into an escrow account in order to satisfy obligations related to unresolved claims that are subject to the bankruptcy claims reconciliation process to be distributed to unsecured claims (excluding debt claims) as they become allowed. These transactions were not registered under the Securities Act. See Note 1 for additional information.

Transactions Related to our CEC Convertible Notes

On the Effective Date, CEC issued $1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 to the creditors of CEOC pursuant to the terms of the Plan. The CEC Convertible Notes were issued pursuant to the Indenture, dated as of October 6, 2017, between CEC and Delaware Trust Company, as trustee. As of December 31, 2017, an immaterial amount of the CEC Convertible Notes were converted into shares of CEC common stock. See Note 1 for additional information.

Hamlet Holdings

The members of Hamlet Holdings LLC are comprised of affiliates of the Sponsors. Hamlet Holdings contributed to CEC the 88 million shares of CEC common stock it owned prior to the CAC Merger, which CEC immediately canceled and retired. Hamlet Holdings controlled CEC prior to the CAC Merger. Upon completion of the CAC Merger and CEOC's emergence from bankruptcy, Hamlet Holdings beneficially owned approximately 20.8% of CEC common stock as a result of its former interest in CAC, and consequently, Hamlet Holdings no longer controls CEC.

ITEM 6. Selected Financial Data

The following table includes OpCo's (which immediately merged with and into CEOC LLC upon acquisition) results after the Effective Date and the consolidated results of CAC for all periods. See Note 2 for additional information.

The following selected financial data should be read in conjunction with the consolidated financial statements and Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of this Form 10-K.

(In millions, except per share data)	2017 [1]	2016	2015 [2]	2014	2013
OPERATING DATA					
Net revenues	$ 4,852	$ 3,877	$ 3,929	$ 7,967	$ 7,917
Impairment of goodwill	—	—	—	695	104
Impairment of tangible and other intangible assets	—	—	—	299	2,727
Income/(loss) from operations	532	227	315	(580)	(2,047)
Interest expense	(774)	(599)	(683)	(2,669)	(2,252)
Gain on deconsolidation of subsidiaries	30	—	7,125	—	—
Restructuring and support expenses [3]	(2,028)	(5,729)	(1,017)	—	—
Loss on extinguishment of debt	(232)	—	—	(96)	(30)
Other income/(loss)	95	(29)	7	1	58
Income/(loss) from continuing operations, net of income taxes	(382)	(6,457)	5,853	(2,995)	(2,762)
Discontinued operations, net of income taxes [4]	—	3,380	155	(143)	(192)
Net income/(loss)	(382)	(3,077)	6,008	(3,138)	(2,954)
Net income/(loss) attributable to Caesars	(375)	(3,048)	6,009	(2,941)	(2,955)
COMMON STOCK DATA					
Basic earnings/(loss) per share from:					
Continuing operations	$ (1.35)	$ (43.96)	$ 40.42	$ (19.64)	$ (21.48)
Discontinued operations [4]	—	23.11	1.07	(1.00)	(1.50)
Net income/(loss)	$ (1.35)	$ (20.85)	$ 41.49	$ (20.64)	$ (22.98)
Diluted earnings/(loss) per share from:					
Continuing operations	$ (1.35)	$ (43.96)	$ 39.81	$ (19.64)	$ (21.48)
Discontinued operations [4]	—	23.11	1.06	(1.00)	(1.50)
Net income/(loss)	$ (1.35)	$ (20.85)	$ 40.87	$ (20.64)	$ (22.98)
FINANCIAL POSITION DATA					
Total assets	$ 25,512	$ 14,923	$ 12,246	$ 23,368	$ 24,500
Current portion of long-term debt [5]	64	89	187	15,779	197
Long-term debt [5]	8,849	6,749	6,777	7,230	20,715
Financing obligations [6]	9,429	—	—	—	—
Noncontrolling interests [7]	71	53	80	(809)	76
Stockholders' equity/(deficit)	3,225	(1,662)	1,958	(4,140)	(1,983)

[1] *2017 reflects the consolidation of OpCo subsequent to the Effective Date (see Note 1).*
[2] *2015 reflects the deconsolidation of CEOC (see Note 1).*
[3] *See Note 1.*
[4] *See Note 18.*
[5] *See Note 12.*
[6] *See Note 10.*
[7] *The decrease in 2014 was primarily due to the sale and grant of CEOC shares in May 2014, which reduced CEC's ownership to approximately 89%.*

ITEM 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this filing, the name "CEC" refers to the parent holding company, Caesars Entertainment Corporation, exclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires. The words "Company," "Caesars," "Caesars Entertainment," "we," "our," and "us" refer to Caesars Entertainment Corporation, inclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires.

We also refer to (i) our Consolidated Financial Statements as our "Financial Statements," (ii) our Consolidated Statements of Operations and Comprehensive Income/(Loss) as our "Statements of Operations," (iii) our Consolidated Balance Sheets as our "Balance Sheets," and (iv) our Consolidated Statements of Cash Flows as our "Statements of Cash Flows." References to numbered "Notes" refer to Notes to our Consolidated Financial Statements included in Item 8.

In this filing, except as the context otherwise requires, references to "VICI" or "PropCo" are references to VICI Properties Inc. and its subsidiaries, from which we lease a number of our properties.

The following discussion should be read in conjunction with, and is qualified in its entirety by, the audited consolidated financial statements and the notes thereto and other financial information included elsewhere in this Form 10-K.

The statements in this discussion regarding our expectations regarding our future performance, liquidity and capital resources, and other non-historical statements are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties. Our actual results may differ materially from those contained in or implied by any forward-looking statements. See Item 1A, "Risk Factors—PRIVATE SECURITIES LITIGATION REFORM ACT" of this report.

Overview

CEC is primarily a holding company with no independent operations of its own. CEC operates its business primarily through its wholly owned subsidiaries CEOC, LLC ("CEOC LLC") and Caesars Resort Collection, LLC ("CRC").

We view each casino property as an operating segment and aggregate such casino properties into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S., and (iii) All Other, which is consistent with how we manage the business. We revised our reportable segments during the fourth quarter of 2017 in conjunction with the merger with Caesars Acquisition Company ("CAC") and Caesars Entertainment Operating Company Inc.'s ("CEOC") emergence from bankruptcy, both of which are described in more detail below. The way in which Caesars management assesses results and allocates resources is aligned with these segments.

Reportable Segments

Las Vegas	Other U.S.	All Other	
Bally's Las Vegas	Bally's Atlantic City	*Management Companies*	*Other*
Caesars Palace Las Vegas	Caesars Atlantic City	Caesars Cairo	Caesars Interactive Entertainment
The Cromwell	Harrah's Atlantic City	Caesars Windsor	
Flamingo Las Vegas	Harrah's Council Bluffs	Harrah's Ak-Chin	
Harrah's Las Vegas	Harrah's Gulf Coast	Harrah's Cherokee	
The LINQ Hotel & Casino	Harrah's Joliet	Harrah's Cherokee Valley River	
Paris Las Vegas	Harrah's Lake Tahoe	Harrah's Resort Southern California	
Planet Hollywood Resort & Casino	Harrah's Laughlin	Horseshoe Baltimore [(1)]	
Rio All-Suites Hotel & Casino	Harrah's Louisiana Downs	The London Clubs Cairo-Ramses	
LINQ Promenade/High Roller	Harrah's Metropolis		
	Harrah's New Orleans	*International*	
	Harrah's North Kansas City	Alea Glasgow	
	Harrah's Philadelphia	Alea Nottingham	
	Harrah's Reno	The Casino at the Empire	
	Harveys Lake Tahoe	Emerald Safari	
	Horseshoe Baltimore (until Q3) [(1)]	Manchester235	
	Horseshoe Bossier City	Playboy Club London	
	Horseshoe Council Bluffs	Rendezvous Brighton	
	Horseshoe Hammond	Rendezvous Southend-on-Sea	
	Horseshoe Southern Indiana	The Sportsman	
	Horseshoe Tunica		
	Tunica Roadhouse		

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[(1)] *Horseshoe Baltimore is 41% owned, and was deconsolidated and held as an equity-method investment effective August 31, 2017.*

Summary of Significant Events

The following are the significant events and drivers of performance. Accordingly, the remainder of the discussion and analysis of results in this Item 7 should be read in conjunction with these explanations.

Year Ended December 31, 2017

Merger with CAC and CEOC's Emergence from Bankruptcy

As described in Note 1, on October 6, 2017 (the "Effective Date"), CEC, CAC, and CEOC completed several transactions pursuant to the merger agreement between CEC and CAC and pursuant to CEOC's third amended joint plan of reorganization (the "Plan"), including the following:

- CAC merged with and into CEC, with CEC as the surviving company (the "CAC Merger"), and each share of CAC common stock issued and outstanding was exchanged for 1.625 shares of CEC common stock (see Note 4 for additional information);
- Pursuant to the Plan, we settled all claims CEOC and certain of its United States subsidiaries (the "Debtors") may have had against CEC and its affiliates;
- Comprehensive releases for CEC and its affiliates and CAC and its affiliates;
- The emergence from bankruptcy and reorganization of CEOC into an operating company ("OpCo") and PropCo. PropCo holds certain real property assets formerly held by CEOC and leases those assets to OpCo. PropCo is a separate entity that is not consolidated by Caesars and, on the Effective Date, was sold to VICI Properties Inc., the real estate investment trust that was initially owned by certain former creditors of CEOC and is independent from CEC;
- OpCo was acquired by CEC on the Effective Date for total consideration of $2.5 billion, which included a combination of cash and CEC common stock. OpCo operates the properties and facilities formerly held by CEOC and leases the

properties and facilities from VICI. Upon acquisition, OpCo was immediately merged with and into CEOC LLC, with CEOC LLC as the surviving entity (see Note 4 for additional information); and

- OpCo established an escrow trust that will be used to fund the resolution of unsecured claims that were unresolved at the time of CEOC's emergence from bankruptcy. The consideration that was deposited into the escrow trust totaled $234 million (see Note 11 for additional information).

As previously disclosed, we accrued certain obligations described in the Plan that were estimable in accrued restructuring and support expenses on the Balance Sheets. These obligations were settled for total consideration of $8.6 billion on the Effective Date with a combination of primarily cash, CEC common stock, and CEC convertible notes. The restructuring and support expenses exclude consideration related to the acquisition of OpCo and establishing the escrow trust. Restructuring and support expenses recorded in the Statements of Operations for the years ended December 31, 2017, 2016, and 2015 totaled $2.0 billion, $5.7 billion, and $1.0 billion, respectively. See Note 1 for additional information.

CAC's primary asset was its membership interest in Caesars Growth Partners, LLC ("CGP"). As described in Note 4, the CAC Merger was accounted for as a reorganization among entities under common control; therefore, the financial information herein includes the financial results of CAC as if it were consolidated for all periods presented. In addition, as a result of the CAC Merger, CGP, which was consolidated by CEC as a variable interest entity ("VIE") prior to the CAC Merger, is no longer a VIE and is now presented as a wholly owned subsidiary for all periods presented. CAC's contractual claim on CGP's financial results, which was reflected as noncontrolling interests in our Balance Sheets and Statements of Operations, has been eliminated upon consolidation of CAC.

CEOC was deconsolidated effective January 15, 2015 (the "Petition Date"), when the Debtors voluntarily filed for reorganization under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for Northern District of Illinois in Chicago (the "Bankruptcy Court"). As a result of CEC's acquisition of OpCo and its subsequent merger with and into CEOC LLC, CEC's consolidated financial results include the results of OpCo subsequent to the Effective Date.

Failed Sale-Leaseback Financing Obligation

As mentioned above and further described in Note 10, in conjunction with CEOC's emergence from bankruptcy, OpCo entered into leases with VICI on the Effective Date related to certain real property assets formerly held by CEOC: (i) for Caesars Palace; (ii) for a portfolio of casino properties at various locations throughout the United States; and (iii) for Harrah's Joliet Hotel & Casino (collectively, the "CEOC LLC Leases"). Subject to certain exceptions, the payment of all monetary obligations under the CEOC LLC Leases is guaranteed by CEC. The leases were evaluated as a sale-leaseback of real estate, and we determined that these transactions did not qualify for sale-leaseback accounting.

For the CEOC LLC Leases transaction, the real estate assets that were sold to VICI and leased back by OpCo were first adjusted to fair value upon CEOC's emergence from bankruptcy and the failed sale-leaseback financing obligation was recognized at an amount equal to this fair value. The real estate assets continue to be depreciated over their remaining useful lives; however, as a result of the fair value adjustment, we are recognizing a higher amount of depreciation expense for these assets compared with what CEOC would have recognized prior to its emergence. The amount recognized for interest and depreciation expense substantially exceeds our periodic rental payments. During 2017, depreciation expense and interest expense related to these failed sale-leaseback transactions were $118 million and $185 million, respectively. Our rental payments during 2017 totaled $204 million.

Hamlet Holdings

The members of Hamlet Holdings LLC ("Hamlet Holdings") are comprised of affiliates of Apollo Global Management, LLC ("Apollo") and affiliates of TPG Global, LLC ("TPG") (collectively, the "Sponsors"). Hamlet Holdings contributed to CEC the 88 million shares of CEC common stock it owned prior to the CAC Merger, which CEC immediately canceled and retired. Hamlet Holdings controlled CEC prior to the CAC Merger. Upon completion of the CAC Merger and CEOC's emergence from bankruptcy, Hamlet Holdings beneficially owned approximately 20.8% of CEC common stock as a result of its former interest in CAC, and consequently, Hamlet Holdings no longer controls CEC.

Summary of CAC Merger and CEOC Emergence Transactions

(In millions)	**CAC Merger**	**Restructuring Support Settlement**	**OpCo Acquisition**	**Total**
Cash	$ —	$ 2,787	$ 700	$ 3,487
CEC common stock (value)	2,894	3,435	1,774	8,103
CEC convertible notes (fair value)	—	2,172	—	2,172
Other consideration	—	177	—	177
Total consideration	$ 2,894	$ 8,571	$ 2,474	$ 13,939
CEC common stock (shares)	226	268	139	633

Other Events and Transactions

On November 16, 2017, CEC announced it entered into a definitive agreement to acquire Centaur Holdings, LLC ("Centaur") for $1.7 billion, including $1.6 billion in cash at closing and $75 million in deferred consideration. Centaur operates Hoosier Park Racing & Casino in Anderson, Indiana, and Indiana Grand Racing & Casino in Shelbyville, Indiana. The transaction is subject to receipt of regulatory approvals and other customary closing conditions and is expected to close in the first half of 2018.

On December 22, 2017, we acquired approximately 18 acres of land adjacent to Harrah's Las Vegas (the "Eastside Land") for $74 million in cash. We intend to use the Eastside Land as part of a new convention center development featuring approximately 300,000 square feet of flexible meeting space. See Note 1 for additional information.

On December 22, 2017, we completed the sale to VICI of the real estate assets of Harrah's Las Vegas for approximately $1.1 billion in cash proceeds. As part of the Harrah's Las Vegas property sale and leaseback transaction, Harrah's Las Vegas entered into a lease with VICI (the "HLV Lease"). The lease was evaluated as a sale-leaseback of real estate, and we determined that this transaction did not qualify for sale-leaseback accounting. The Harrah's Las Vegas real estate assets remain on our consolidated balance sheet at their historical net book value and are depreciated over their remaining useful lives, while a failed sale-leaseback financing obligation is recognized for the proceeds received. Subsequent to December 22, 2017, depreciation expense and interest expense related to the Harrah's Las Vegas failed sale-leaseback transaction was immaterial and $2 million, respectively. Our rental payments during 2017 totaled $10 million. See Note 10 for further details.

Debt Activity

During the year ended December 31, 2017, proceeds received from the issuance of new debt was $7.6 billion and cash paid to extinguish debt was $7.8 billion. In addition, as part of the acquisition of OpCo, we assumed $1.2 billion in debt that was issued in connection with CEOC's emergence from bankruptcy. See Note 12 for additional information on our debt transactions.

Horseshoe Baltimore Deconsolidation

As of August 31, 2017, Horseshoe Baltimore was deconsolidated and is accounted for as an equity method investment subsequent to the deconsolidation. Upon deconsolidation, we derecognized total assets and liabilities of $350 million and $354 million, respectively, including long-term debt totaling $294 million. The equity method investment was recorded at its estimated fair value of $28 million, and we recognized a gain on deconsolidation of $30 million. See Note 2 for further details.

Horseshoe Baltimore Operating Results through August 31, 2017

(In millions)	**2017**	**2016**	**2015**
Casino revenues	$ 178	$ 309	$ 286
Food and beverage revenues	14	21	24
Other revenue	3	5	6
Less: casino promotional allowances	(7)	(8)	(9)
Net revenues	$ 188	$ 327	$ 307
Income from operations	$ 18	$ 36	$ 8
Net income/(loss) attributable to Caesars	(6)	3	(9)

Year Ended December 31, 2016

Sale of the SMG Business

On September 23, 2016, Caesars Interactive Entertainment ("CIE") sold its social and mobile games business (the "SMG Business") to Alpha Frontier Limited ("Alpha Frontier") for cash consideration of $4.4 billion, pursuant to the Stock Purchase Agreement dated as of July 30, 2016 (the "Purchase Agreement"), which resulted in a pre-tax gain of approximately $4.2 billion. The SMG Business represented the majority of CIE's operations and was classified as discontinued operations effective beginning in the third quarter of 2016. See "Discontinued Operations, net of Income Taxes" in the Discussion of Operating Results section below and Note 18 for further details.

Upon closing the sale of the SMG Business, all outstanding CIE stock-based compensation awards were deemed fully vested and subsequently canceled in return for the right to receive a cash payment. CIE's stock-based compensation expense directly identifiable with employees of the SMG Business was $264 million and $29 million, respectively, during the years ended December 31, 2016 and 2015. This expense amount was reclassified to discontinued operations. Stock-based compensation expense not directly identifiable with employees of the SMG Business was $189 million and $31 million, respectively, during the years ended December 31, 2016 and 2015 and was included in property, general, administrative, and other in the Statements of Operations. In 2017, there were no amounts related to CIE's stock-based compensation expense.

Approximately $259 million was held as of December 31, 2016, in an escrow account to fund potential indemnity claims of Alpha Frontier under the Purchase Agreement. In the third quarter of 2017, the escrow funds were released to CIE and $63 million was distributed to the minority investors and former holders of CIE equity awards.

Year Ended December 31, 2015

CEOC Chapter 11 Reorganization

On the Petition Date, the Debtors voluntarily filed for reorganization with the Bankruptcy Court. As a result, the results of CEOC and its subsidiaries were not consolidated with Caesars subsequent to the Petition Date, and we recognized a gain of $7.1 billion in 2015 related to deconsolidation.

Discussion of Operating Results

Segment results in this Management's Discussion and Analysis of Financial Condition and Results of Operations are presented consistent with the way Caesars' management assesses the Company's results and allocates resources, which is a consolidated view that adjusts for the effect of certain transactions related to reportable segments within Caesars. We view each casino property as an operating segment and aggregate such casino properties into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S., and (iii) All Other. "All Other" includes managed, international and other properties as well as parent, consolidating, and other adjustments to reconcile to the consolidated Caesars results.

Analysis of Key Drivers of Consolidated Operating Results

The following represents the discussion and analysis of the results of operations and key metrics focusing on the key drivers of performance.

Consolidated Operating Results

	Years Ended December 31,			2017 vs. 2016		2016 vs. 2015	
(Dollars in millions)	**2017**	**2016**	**2015**	**Fav/(Unfav)**		**Fav/(Unfav)**	
Casino revenues	$ 2,865	$ 2,177	$ 2,286	$ 688	31.6 %	$ (109)	(4.8)%
Net revenues	4,852	3,877	3,929	975	25.1 %	(52)	(1.3)%
Income from operations	532	227	315	305	134.4 %	(88)	(27.9)%
Gain on deconsolidation of subsidiaries	30	—	7,125	30	*	(7,125)	(100.0)%
Restructuring and support expenses	(2,028)	(5,729)	(1,017)	3,701	64.6 %	(4,712)	*
Loss on extinguishment of debt	(232)	—	—	(232)	*	—	*
Other income/(loss)	95	(29)	7	124	*	(36)	*
Income/(loss) from continuing operations, net of income taxes	(382)	(6,457)	5,853	6,075	94.1 %	(12,310)	*
Discontinued operations, net of income taxes	—	3,380	155	(3,380)	(100.0)%	3,225	*
Net income/(loss) attributable to Caesars	(375)	(3,048)	6,009	2,673	87.7 %	(9,057)	*
Adjusted EBITDA [1]	1,357	1,070	1,016	287	26.8 %	54	5.3 %
Operating Margin [2]	11.0%	5.9%	8.0%	--	5.1 pts	--	(2.1) pts

CEOC LLC and CEOC Operating Results

	CEOC LLC	CEOC
(Dollars in millions)	**October 6 - December 31, 2017**	**January 1 - January 15, 2015**
Casino revenues	$ 776	$ 118
Food and beverage revenues	165	25
Rooms revenues	112	18
Other revenue	66	9
Reimbursed management costs	48	9
Less: casino promotional allowances	(132)	(21)
Net revenues	$ 1,035	$ 158
Income from operations	$ 51	$ 9
Interest expense	(208)	(87)
Restructuring and support expenses	(9)	—
Loss on extinguishment of debt	(1)	—
Other income	3	—
Loss from continuing operations, net of income taxes	(165)	(78)
Net loss attributable to Caesars	(166)	(85)
Operating Margin [2]	4.9%	5.7%

* *Not meaningful.*

[1] *See the "Reconciliation of Non-GAAP Financial Measures" discussion later in this Management's Discussion and Analysis of Financial Condition and Results of Operations for a reconciliation of Adjusted EBITDA.*

[2] *Operating margin is calculated as income from operations divided by net revenues.*

Analysis of Key Drivers of Revenue Performance

Our gaming-related revenues, rooms revenues, and operating performance are dependent upon the volume and spend behavior of customers at our resort properties, which affects the price we can charge for our hotel rooms and other amenities, and directly affects our gaming volumes. Our food and beverage revenues are generated primarily from our buffets, restaurants, bars, nightclubs, and lounges located throughout our casinos, as well as banquets and room service. Our other revenues are generated primarily from third-party real estate leasing arrangements at our casino properties, revenue from company-operated retail stores, revenue from parking and revenue from our entertainment venues and The High Roller observation wheel and, subsequent to the Effective Date, revenue earned from CEOC LLC's casino management service fees charged to third parties.

Net Revenues - Consolidated

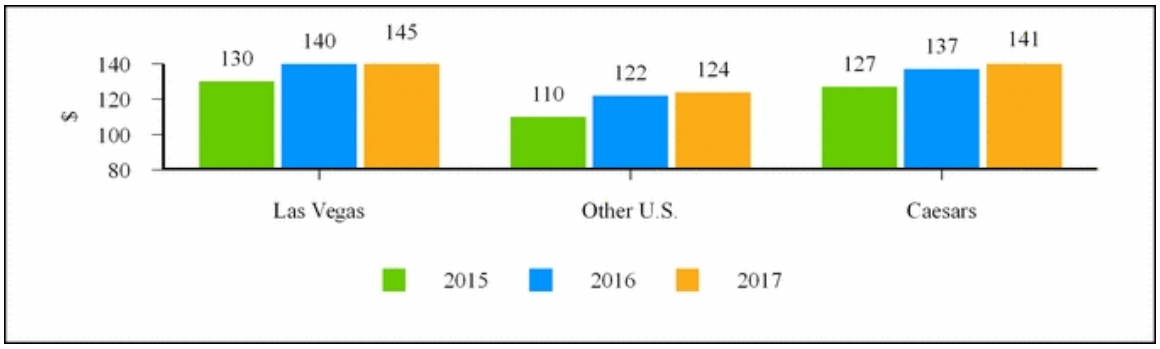
	Years Ended December 31,			2017 vs. 2016		2016 vs. 2015	
(Dollars in millions)	**2017**	**2016**	**2015**	**Fav/(Unfav)**		**Fav/(Unfav)**	
Casino	$ 2,865	$ 2,177	$ 2,286	$ 688	31.6 %	$ (109)	(4.8)%
Food and beverage	938	788	823	150	19.0 %	(35)	(4.3)%
Rooms	1,054	923	878	131	14.2 %	45	5.1 %
Other	626	527	495	99	18.8 %	32	6.5 %
Reimbursed management costs	48	—	10	48	*	(10)	(100.0)%
Less: casino promotional allowances	(679)	(538)	(563)	(141)	(26.2)%	25	4.4 %
Net revenues	$ 4,852	$ 3,877	$ 3,929	$ 975	25.1 %	$ (52)	(1.3)%

Net Revenues - Segment

	Years Ended December 31,			2017 vs. 2016		2016 vs. 2015	
(Dollars in millions)	**2017**	**2016**	**2015**	**Fav/(Unfav)**		**Fav/(Unfav)**	
Las Vegas	$ 2,897	$ 2,625	$ 2,543	$ 272	10.4%	$ 82	3.2 %
Other U.S.	1,756	1,205	1,308	551	45.7%	(103)	(7.9)%
All Other	199	47	78	152	*	(31)	(39.7)%
Net revenues	$ 4,852	$ 3,877	$ 3,929	$ 975	25.1%	$ (52)	(1.3)%

* *Not meaningful.*

Cash ADR [(1)]
Years Ended December 31, 2015, 2016, and 2017



[(1)] *Average cash daily rate ("cash ADR") is a key indicator by which we evaluate the performance of our properties and is determined by room revenue and rooms occupied.*

Year Ended December 31, 2017 versus 2016

Due to the acquisition of OpCo on the Effective Date, the results for the year ended December 31, 2017 are not comparable with the year ended December 31, 2016.

Net revenue increased $975 million, or 25.1%, in 2017 compared with 2016 primarily due to the consolidation of CEOC LLC's results following the Effective Date, which contributed $1.0 billion to net revenues, partially offset by a decrease of $139 million in net revenue due to the deconsolidation of Horseshoe Baltimore's results subsequent to August 31, 2017. In addition to the effect of CEOC LLC and Horseshoe Baltimore, net revenues increased by $79 million primarily due to:

- $43 million increase in casino revenues during 2017 primarily resulting from increases in gaming volume and gross casino hold;
- Increased rooms revenues of $19 million during 2017 resulting from an increase in resort fees and occupancy rates, as well as improved hotel yield. Room revenues also benefitted from completed room renovations at Planet Hollywood, Harrah's Las Vegas, and Paris Las Vegas, which resulted an increase in cash ADR from $137 in 2016 to $141 in 2017; and
- Revenue from valet and self-parking fees that were fully implemented in Las Vegas in April 2017, as well as amounts related to a sub-license agreement extending the right to use various brands of Caesars Entertainment in connection with social and mobile games to the buyer of the SMG Business contributed to an increase in other revenues of $35 million.

Year Ended December 31, 2016 versus 2015

Due to the deconsolidation of CEOC subsequent to the Petition Date, the results of operations for the year ended December 31, 2016 are not comparable with year ended December 31, 2015.

Net revenues decreased $52 million, or 1.3%, in 2016 compared with 2015. In 2015, we recognized $158 million of net revenues related to CEOC prior to the deconsolidation. Horseshoe Baltimore's net revenues increased $20 million in 2016 compared with 2015. In addition to the impact of CEOC and Horseshoe Baltimore, net revenues increased $86 million, primarily due to:

- $63 million in higher rooms revenues primarily due to (i) the expansion of resort fees to all properties during 2015; (ii) improved hotel yield as a result of newly renovated rooms becoming available during 2016 at Harrah's Las Vegas and The LINQ Hotel & Casino; and (iii) the opening of the Harrah's Atlantic City Waterfront Conference Center (the "Atlantic City Conference Center") in the third quarter 2015, which drove an increase in cash ADR from $127 in 2015 to $137 in 2016. In addition, room nights available increased approximately 14% in 2016 compared with 2015 because room renovations at The LINQ Hotel & Casino were substantially completed and available to guests in early May 2015; and
- $42 million increase in other revenue primarily due to new performers and additional scheduled performances by entertainers in Las Vegas.

Analysis of Key Drivers of Income from Operations Performance

Income from Operations by Category - Consolidated

	Years Ended December 31,			2017 vs. 2016		2016 vs. 2015	
(Dollars in millions)	**2017**	**2016**	**2015**	**Fav/(Unfav)**		**Fav/(Unfav)**	
Net revenues	$ 4,852	$ 3,877	$ 3,929	$ 975	25.1 %	$ (52)	(1.3)%
Operating expenses							
Casino	1,521	1,128	1,194	(393)	(34.8)%	66	5.5 %
Food and beverage	446	383	399	(63)	(16.4)%	16	4.0 %
Rooms	276	249	227	(27)	(10.8)%	(22)	(9.7)%
Property, general, administrative, and other	1,133	1,166	1,053	33	2.8 %	(113)	(10.7)%
Reimbursable management costs	48	—	10	(48)	*	10	100.0 %
Depreciation and amortization	628	439	374	(189)	(43.1)%	(65)	(17.4)%
Corporate expense	204	194	196	(10)	(5.2)%	2	1.0 %
Other operating costs	64	91	161	27	29.7 %	70	43.5 %
Total operating expenses	4,320	3,650	3,614	(670)	(18.4)%	(36)	(1.0)%
Income from operations	$ 532	$ 227	$ 315	$ 305	134.4 %	$ (88)	(27.9)%

Income from Operations - Segment

(Dollars in millions)	Years Ended December 31, 2017	2016	2015	2017 vs. 2016 Fav/(Unfav)		2016 vs. 2015 Fav/(Unfav)	
Las Vegas	$ 546	$ 526	$ 533	$ 20	3.8%	$ (7)	(1.3)%
Other U.S.	198	163	191	35	21.5%	(28)	(14.7)%
All Other	(212)	(462)	(409)	250	54.1%	(53)	(13.0)%
Income from operations	$ 532	$ 227	$ 315	$ 305	134.4%	$ (88)	(27.9)%

Year Ended December 31, 2017 versus 2016

Income from operations increased $305 million, or 134.4%, in 2017 compared with 2016 partially due to the consolidation of CEOC LLC's results following the Effective Date, which contributed $51 million to income from operations, partially offset by an $18 million decrease in income from operations due to the deconsolidation of Horseshoe Baltimore's results subsequent to August 31, 2017. In addition to the effect of CEOC LLC and Horseshoe Baltimore, income from operations increased $272 million primarily due to:

- Property, general, administrative, and other expenses decreased as a result of CIE's stock-based compensation expense recorded in the prior year of $189 million compared with no CIE stock-based compensation recognized in the current year.
- Other operating costs decreased $24 million primarily due to:
    - $36 million less in expenses incurred by CEC in 2017 compared with 2016 related to CEOC's bankruptcy activity and other expenses related to ongoing litigation, $18 million of costs related to the sale of the SMG Business that were incurred during 2016, and CEC was reimbursed $19 million in 2017 for amounts related to a joint venture development in Korea that were previously deemed uncollectible and written off in 2015;
    - partially offset by accrued exit fees of $26 million for amounts payable to NV Energy (see Note 11) and a $19 million increase in demolition costs for ongoing renovations.
- These decreases were partially offset by a $25 million increase in depreciation expense that was accelerated in 2017 compared with 2016 due to the removal and replacement of certain assets in connection with ongoing property renovation projects primarily at Flamingo Las Vegas, Bally's Las Vegas, and Harrah's Las Vegas.

Year Ended December 31, 2016 versus 2015

Income from operations decreased $88 million, or 27.9%, in 2016 compared with 2015. In addition to the effect of the $9 million generated by CEOC in 2015 and the $28 million increase in income from operations attributable to Horseshoe Baltimore in 2016 compared with 2015, income from operations decreased $107 million, primarily due to:

- The accelerated vesting of CIE equity awards resulting in stock-based compensation expense of $189 million in 2016 compared with $31 million in 2015. In addition, CIE incurred $18 million in costs during 2016 related to the sale of the SMG Business; and
- Depreciation and amortization expense in 2016 included an increase of $49 million of depreciation that was accelerated due to the removal and replacement of certain assets in connection with ongoing property renovation projects primarily in Las Vegas, as well as depreciation expense related to the Atlantic City Conference Center, which opened during 2015.

Other Factors that Affect Net Income/(Loss)

Other Factors Affecting Net Income/(Loss) - Consolidated

	Years Ended December 31,			2017 vs. 2016		2016 vs. 2015	
(Dollars in millions)	**2017**	**2016**	**2015**	**Fav/(Unfav)**		**Fav/(Unfav)**	
Interest expense	$ (774)	$ (599)	$ (683)	$ (175)	(29.2)%	$ 84	12.3 %
Gain on deconsolidation of subsidiaries	30	—	7,125	30	*	(7,125)	(100.0)%
Restructuring and support expenses	(2,028)	(5,729)	(1,017)	3,701	64.6 %	(4,712)	*
Loss on extinguishment of debt	(232)	—	—	(232)	*	—	*
Other income/(loss)	95	(29)	7	124	*	(36)	*
Income tax benefit/(provision)	1,995	(327)	106	2,322	*	(433)	*
Discontinued operations, net of income taxes	—	3,380	155	(3,380)	(100.0)%	3,225	*

* *Not meaningful.*

Interest Expense

Interest expense increased $175 million in 2017 compared with 2016 primarily due to $187 million recognized as interest expense related to our lease agreements with VICI that are accounted for as failed sale-leaseback financing obligations in 2017 (see Note 10) and $3 million recognized as interest expense related to the Golf Course Use Agreements (as defined and further described in Note 11). In addition to interest expense related to the failed sale-leaseback financing obligation and Golf Course Use Agreements, interest expense is primarily attributable to debt described in Note 12. Excluding the impact of interest expense related to the failed sale-leaseback financing obligation and Golf Course Use Agreements, interest expense decreased in 2017 compared with 2016 primarily due to the following:

- A $64 million decrease at CRC primarily due to the refinancing of the previously outstanding CGPH and CERP debt which reduced the interest rate margins in the second quarter of 2017 as well as repayment of the CERP, CGPH and Cromwell loans during the year; and
- An $11 million decrease in interest expense related to the Horseshoe Baltimore debt resulting from the deconsolidation of Horseshoe Baltimore in August 2017.
- These decreases were mostly offset by $24 million in interest expense recognized related to the CRC Term Loan Facility and CRC Notes, $13 million in interest expense recognized for the CEC Convertible Notes, $12 million in interest expense recognized for the CEOC LLC Term Loan and $6 million in interest expense recognized for the Chester Downs Senior Secured Notes.

Interest expense decreased $84 million in 2016 compared with 2015 primarily due to the deconsolidation of CEOC. Excluding the effect of the CEOC deconsolidation, interest expense increased $3 million in 2016.

Gain on Deconsolidation of Subsidiaries

As described in Note 2, we deconsolidated Horseshoe Baltimore in 2017 and recognized a gain of $30 million, and we deconsolidated CEOC in 2015 and recognized a gain of $7.1 billion.

Restructuring and Support Expenses

As described in Note 1, we recognized certain obligations that were ultimately settled upon CEOC's emergence from bankruptcy on the Effective Date. As a result, during the years ended December 31, 2017, 2016, and 2015, we incurred expenses associated with the CEOC restructuring. A portion of the obligations we recognized reflected our estimates of the fair value of the consideration CEC agreed to provide in exchange for the resolution of litigation claims and potential claims against CEC and its affiliates.

Loss on Extinguishment of Debt

We recognized losses on extinguishment of debt totaling $232 million in 2017 relating to early debt redemption charges as well as the write-off of debt discounts and deferred financing costs associated with the extinguishment of the outstanding debt of CGPH and CERP in conjunction with the refinancing during the year. See the Liquidity and Capital Resources section below and the Debt Repayments and Refinancing in 2017 section in Note 12 for further details.

Other Income/(Loss)

Other income in 2017 primarily relates to a benefit of $64 million due to a change in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes (see Note 8 for further details), a $17 million gain for an interest swap payment CEC made on behalf of CEOC that was recovered with interest, and $14 million for interest income earned on the proceeds from the sale of the SMG Business described above (see Note 18). Other loss in 2016 relates primarily to a $30 million accrual pursuant to the NRF Settlement Agreement for the litigation settlement, the legal fee reimbursement, and the withdrawal liability (see Note 11 for additional information). Other income in 2015 primarily relates to a $5 million gain recorded by CIE for a Wynn license application withdrawal.

Income Tax Benefit/(Provision)

The effective tax rate was 83.9% for 2017, negative 5.3% for 2016, and negative 1.8% for 2015. The effective tax rate in 2017 differed from the statutory rate of 35% primarily due to nondeductible restructuring expenses, the acquisition of OpCo and the tax reform bill passed in 2017. The effective tax rate in 2016 differed from the statutory rate of 35% primarily due to nondeductible restructuring expenses and other pre-tax losses for which the Company could not recognize a tax benefit. The effective tax rate in 2015 differed from the statutory rate of 35% primarily due to the deconsolidation of CEOC. See Note 17 for a detailed discussion of income taxes and the effective tax rate.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code that affected our year ended December 31, 2017, including, but not limited to (1) reducing the U.S. federal corporate tax rate, (2) changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017, (3) bonus depreciation that will allow for full expensing of qualified property, (4) generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries, (5) a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings accumulated post 1986 through 2017 that were previously deferred from U.S. income taxes, and (6) a tax on Global Intangible Low-Taxed Income ("GILTI") which imposes taxes on foreign income in excess of a deemed return on tangible assets of foreign corporations.

As of December 31, 2017, the Company had not completed the accounting for the tax effects of the Tax Act; however, the Company has made a reasonable estimate of the effects on the existing deferred tax balances and accrued a provisional income tax benefit of approximately $1.2 billion in the period ended December 31, 2017. The amount of the estimated income tax benefit is (i) $797 million related to the net deferred tax benefit of the corporate rate reduction and (ii) $442 million related to the net deferred tax benefit of deferred tax assets which are now realizable due to the changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017. There is no tax expense related to the one-time transitional tax as the Company does not have a net positive accumulated earnings and profits in its foreign subsidiaries post 1986. The Company does not expect the impact of GILTI to be material to the Company's tax rate in future periods.

Discontinued Operations, net of Income Taxes

Discontinued operations primarily represent CIE's SMG Business, which was sold in September 2016, as well as activity for certain properties owned by CEOC that occurred prior to its deconsolidation in January 2015. See Note 18 for additional information.

Reconciliation of Non-GAAP Financial Measures

Adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") is presented as a measure of the Company's performance. Adjusted EBITDA is defined as revenues less operating expenses and is comprised of net income/(loss) before (i) interest expense, net of interest capitalized and interest income, (ii) income tax (benefit)/provision, (iii) depreciation and amortization, (iv) corporate expenses, and (v) certain items that we do not consider indicative of its ongoing operating performance at an operating property level.

In evaluating Adjusted EBITDA you should be aware that, in the future, we may incur expenses that are the same or similar to some of the adjustments in this presentation. The presentation of Adjusted EBITDA should not be construed as an inference that future results will be unaffected by unusual or unexpected items.

Adjusted EBITDA is a non-GAAP financial measure commonly used in our industry and should not be construed as an alternative to net income/(loss) as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with generally accepted accounting principles, "GAAP"). Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies within the industry. Adjusted EBITDA is included because management uses Adjusted EBITDA to measure performance and allocate resources, and believes that Adjusted EBITDA provides investors with additional information consistent with that used by management.

Reconciliation of Adjusted EBITDA

(In millions)	Years Ended December 31, 2017	2016	2015
Net income/(loss) attributable to Caesars	$ (375)	$ (3,048)	$ 6,009
Net loss attributable to noncontrolling interests	(7)	(29)	(1)
Discontinued operations, net of income taxes	—	(3,380)	(155)
Income tax (benefit)/provision	(1,995)	327	(106)
Gain on deconsolidation of subsidiaries	(30)	—	(7,125)
Restructuring and support expenses	2,028	5,729	1,017
Loss on extinguishment of debt	232	—	—
Other (income)/loss	(95)	29	(7)
Interest expense	774	599	683
Depreciation and amortization	628	439	374
Other operating costs [1]	64	91	161
CIE stock-based compensation	—	189	31
Stock-based compensation expense	43	43	71
Other items [2]	90	81	64
Adjusted EBITDA	$ 1,357	$ 1,070	$ 1,016

[1] *Amounts primarily represent costs incurred in connection with property openings and expansion projects at existing properties, costs associated with the development activities and reorganization activities, and/or recoveries associated with such items.*

[2] *Other items includes other add-backs and deductions to arrive at Adjusted EBITDA but not separately identified such as litigation awards and settlements, costs associated with CEOC's restructuring and related litigation, severance and relocation costs, sign-on and retention bonuses, permit remediation costs, and business optimization expenses.*

Segment Adjusted EBITDA [1]

(Dollars in millions)	Years Ended December 31, 2017	2016	2015	2017 vs. 2016 Fav/(Unfav)		2016 vs. 2015 Fav/(Unfav)	
Las Vegas	$ 1,000	$ 881	$ 827	$ 119	13.5%	$ 54	6.5 %
Other U.S.	394	259	280	135	52.1%	(21)	(7.5)%
All Other	(37)	(70)	(91)	33	47.1%	21	23.1 %
Adjusted EBITDA	$ 1,357	$ 1,070	$ 1,016	$ 287	26.8%	$ 54	5.3 %

[1] *See reconciliation of Net income/(loss) to Adjusted EBITDA by segment in Note 20.*

Liquidity and Capital Resources

Liquidity Discussion and Analysis

As described above, on the Effective Date, pursuant to the merger agreement between CEC and CAC, CAC merged with and into CEC, with CEC as the surviving company, and each share of CAC common stock issued and outstanding immediately prior to the Effective Date was converted into, and was exchanged for, 1.625 shares of CEC common stock on the Effective Date. In addition, the Debtors voluntarily filed for reorganization in January 2015 under Chapter 11 of the Bankruptcy Code. The Debtors consummated their reorganization pursuant to the Plan and emerged from bankruptcy on the Effective Date. See Note 1 for additional information.

CEC has no requirement to fund the operations of CRC, CEOC LLC, or their subsidiaries; however, the payment of all monetary obligations under the CEOC LLC Leases is guaranteed by CEC. See Lease-Related Obligations below for further information. CEC cash outflows are primarily used for corporate development opportunities, other corporate-level activity, litigation, and restructuring expenses associated with CEOC's bankruptcy including residual claims upon emergence. In addition, because CEC has no operations of its own and due to the restrictions under its subsidiaries' lending arrangements, CEC has limited ability to raise additional capital.

Cash and cash equivalents as of December 31, 2017, as shown in the table below includes amounts held by CRC and CEOC LLC, which are not readily available to CEC and includes $96 million related to its insurance captives.

Summary of Cash and Revolver Capacity

	December 31, 2017			
(In millions)	**CRC**	**CEOC LLC**	**Other**	**Caesars**
Cash and cash equivalents	$ 1,038	$ 405	$ 1,115	$ 2,558
Revolver capacity	1,000	200	—	1,200
Revolver capacity drawn or committed to letters of credit	—	(50)	—	(50)
Total	$ 2,038	$ 555	$ 1,115	$ 3,708

CRC and CEOC LLC's sources of liquidity are independent of one another and primarily include currently available cash and cash equivalents, cash flows generated from their operations, and borrowings under their separate revolving credit facilities (see Note 12). Operating cash inflows are typically used for operating expenses, debt service costs, lease payments and working capital needs. Additionally, we expect CRC to use a substantial amount of cash for the Centaur acquisition. CRC and CEOC LLC are highly leveraged, and a significant portion of their liquidity needs are for debt service and financing obligations, as summarized below.

During the year ended December 31, 2017, we generated a net loss of $382 million and our operating activities yielded consolidated operating cash outflows of $2.3 billion, which is primarily a result of $2.8 billion in cash paid on the Effective Date to support the reorganization of CEOC as described in the Plan (see Note 1) using proceeds from the sale of CIE's SMG Business in the third quarter of 2016 (see Note 18). Excluding the impact of the cash outflows in support of the reorganization, we generated consolidated operating cash inflows of $464 million for the year ended December 31, 2017, which is an increase of $422 million from the year ended December 31, 2016.

We believe that our cash flows from operations are sufficient to cover planned capital expenditures for ongoing property renovations and our total estimated financing activities of $1.2 billion during 2018. However, if needed, our existing cash and cash equivalents and availability under our revolving credit facilities are available to further support operations during the next 12 months and the foreseeable future. In addition, restrictions under our lending arrangements generally prevent the distribution of cash from our subsidiaries to CEC, except for certain restricted payments.

In 2017, we paid $749 million in interest and refinanced all of our existing debt (see below). Interest paid includes $586 million of interest associated with our debt and $163 million of interest related to our financing obligations and Golf Course Use Agreements. Our capital expenditures were $598 million during 2017 in support of our ongoing property renovations.

As discussed above, on November 16, 2017, CEC announced it had entered into a definitive agreement to acquire Centaur for $1.7 billion, including $1.6 billion in cash at closing and $75 million in deferred consideration. The transaction is subject to receipt of regulatory approvals and other customary closing conditions and is expected to close in the first half of 2018. The funding for this acquisition will be primarily from the $1.1 billion in cash proceeds received from the sale of the real estate assets of Harrah's Las Vegas to VICI in December 2017.

Our ability to fund operations, pay debt and financing obligations, and fund planned capital expenditures depends, in part, upon economic and other factors that are beyond our control, and disruptions in capital markets and restrictive covenants related to our existing debt could impact our ability to fund liquidity needs, pay indebtedness and financing obligations, and secure additional funds through financing activities.

The foregoing liquidity discussions are forward-looking statements based on assumptions as of the date of this filing that may or may not prove to be correct. Actual results may differ materially from our present expectations. Factors that may cause actual results to differ materially from present expectations include, without limitation, the positive or negative changes in the operational and other matters assumed in preparing our forecasts.

Debt Activity and Lease-Related Obligations

As noted above, we are a highly-leveraged company and had $9.0 billion in face value of debt outstanding as of December 31, 2017. Additionally, as a result of the reorganization pursuant to the Plan, VICI owns certain real property assets and related fixtures and leases those assets back to us. We account for our leases with VICI as failed sale-leaseback financing obligations. As of December 31, 2017, our financing obligations were $9.4 billion. As a result, a significant portion of our liquidity needs are for debt service, including significant interest payments, and these financing obligations. As detailed in the table below, our estimated

debt service (including principal and interest) is $504 million for 2018 and $11.8 billion thereafter to maturity and our estimated financing obligations of $666 million for 2018 and $39.3 billion thereafter to maturity.

Financing Activities

	Years Ended December 31,						
(In millions)	**2018**	**2019**	**2020**	**2021**	**2022**	**Thereafter**	**Total**
Annual maturities of long-term debt	$ 64	$ 64	$ 64	$ 64	$ 64	$ 8,714	$ 9,034
Estimated interest payments	440	450	460	450	450	980	3,230
Total debt service payments [(1)]	504	514	524	514	514	9,694	12,264
Financing obligations - principal	9	11	13	15	17	7,766	7,831
Financing obligations - interest	657	719	721	724	728	28,564	32,113
Total financing obligation payments [(2)]	666	730	734	739	745	36,330	39,944
Total financing activities	$ 1,170	$ 1,244	$ 1,258	$ 1,253	$ 1,259	$ 46,024	$ 52,208

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(1) *Debt principal payments are estimated amounts based on maturity dates and potential borrowings under our revolving credit facility. Interest payments are estimated based on the forward-looking London Interbank Offered Rate ("LIBOR") curve. Actual payments may differ from these estimates.*

(2) *Financing obligation principal and interest payments are estimated amounts based on the future minimum lease payments and certain estimates based on contingent rental payments (as described below under Lease-Related Obligations). Actual payments may differ from the estimates.*

Debt Activity

During the year ended December 31, 2017, proceeds received from the issuance of new debt was $7.6 billion and cash paid to extinguish debt was $7.8 billion. In addition, as part of the acquisition of OpCo, we assumed $1.2 billion in debt that was issued in connection with CEOC's emergence from bankruptcy. See Note 12 for additional information relating to these transactions as well as a table presenting details on our individual borrowings outstanding, interest rates and restrictive covenants related to certain of our borrowings as of December 31, 2017 and 2016. See Note 8 for details regarding our use of interest rate swap derivatives to manage the mix of our debt between fixed and variable rate instruments. As a result of these amendments to our existing debt agreements and excluding interest recognized for Horseshoe Baltimore, we expect to reduce our annual interest obligations by approximately $280 million going forward when compared to the interest rates prior to repricing and refinancing.

Summary of Debt and Revolving Credit Facility Cash Flows from Financing Activities

	Years Ended December 31,			
	2017		2016	
(In millions)	**Proceeds**	**Repayments**	**Proceeds**	**Repayments**
CRC Revolving Credit Facility	$ 300	$ (300)	$ —	$ —
CRC Term Loan	4,700	—	—	—
CEOC LLC Term Loan [1]	265	—	—	—
CRC Notes	1,700	—	—	—
CERP Revolving Credit Facility [2]	—	(40)	105	(145)
CERP Senior Secured Loan [2]	59	(2,484)	—	(25)
CERP First Lien Notes [2]	—	(1,000)	—	—
CERP Second Lien Notes [2]	—	(1,150)	—	—
CGPH Term Loan [2]	226	(1,372)	—	(12)
CGPH Notes [2]	—	(675)	—	—
CGPH Revolving Credit Facility [2]	—	—	15	(60)
Cromwell Credit Facility [2]	—	(171)	—	(3)
Horseshoe Baltimore Credit & FF&E Facilities [3]	300	(320)	—	(8)
Chester Downs Senior Secured Notes [2]	—	(330)	—	—
Other debt activity	—	(2)	—	(10)
Capital lease payments	—	(2)	—	(5)
Total	$ 7,550	$ (7,846)	$ 120	$ (268)

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[1] *This amount does not include the debt assumed as part of the OpCo acquisition. As part of the acquisition of OpCo, we assumed $1.2 billion in debt that was issued in connection with CEOC's emergence from bankruptcy. See Note 12.*

[2] *All outstanding amounts were fully repaid during 2017.*

[3] *The Horseshoe Baltimore Credit & FF&E Facilities were refinanced in July 2017. We deconsolidated Horseshoe Baltimore effective August 31, 2017 and derecognized the long-term debt outstanding under the Horseshoe Baltimore Credit Facility and the Horseshoe Baltimore FF&E Facility. See Note 2.*

Lease-Related Obligations

As described above and in Note 1, in conjunction with CEOC's emergence from bankruptcy, CEOC LLC entered into leases with VICI on the Effective Date related to certain real property assets formerly held by CEOC: (i) for Caesars Palace, (ii) for a portfolio of casino properties at various locations throughout the United States, and (iii) for the Harrah's Joliet Hotel & Casino. Additionally, on December 22, 2017, Harrah's Las Vegas sold certain real estate assets to VICI and simultaneously entered into a lease agreement with VICI. Each lease agreement provides for fixed rent (subject to escalation) during an initial term, then rent consisting of both base rent and variable percentage rent elements, and has a 15-year initial term and four five-year renewal options. We assume the renewal is probable and include renewal commitments in the estimated financing obligations in the table above.

In addition, the future lease payment amounts included in the table above represent the contractual lease payments adjusted for estimated escalations, as determined by the underlying lease agreements. The estimates are based on the terms and conditions known at the inception of the leases. However, a portion of the actual payments will be determined in the period in which they are due, and therefore, actual lease payments may differ from our estimates.

CEC determined that these transactions do not qualify for sale-leaseback accounting based on the terms of the lease agreements; therefore, the Company will be accounting for these transactions as a financing. We do not recognize rent expense related to the leases, but we have recorded a liability for the financing obligations and the majority of the periodic lease payments are recognized as interest expense. In the initial periods, cash payments are less than the interest expense recognized in the Statements of Operations, which causes the related sale-leaseback liability to increase during the beginning of the lease term. Subject to certain exceptions, the payment of all monetary obligations under the CEOC LLC Leases is guaranteed by CEC and the payment of all monetary obligations under the HLV Lease is guaranteed by CRC. See Note 10 for further details around the financing obligations.

Capital Spending and Development

We incur capital expenditures in the normal course of business, and we perform ongoing refurbishment and maintenance at our existing casino entertainment facilities to maintain our quality standards. We also continue to pursue development and acquisition opportunities for additional casino entertainment and other hospitality facilities, and online businesses that meet our strategic and return on investment criteria. Cash used for capital expenditures in the normal course of business is typically made available from

cash flows generated by our operating activities and established debt programs, while cash used for development projects is typically funded from established debt programs, specific project financing, and additional debt offerings.

Summary of Consolidated Capital Expenditures

	Years Ended December 31,			Increase/(Decrease)	
(In millions)	**2017**	**2016**	**2015**	**2017 vs. 2016**	**2016 vs. 2015**
Development	$ 1	$ 3	$ 96	$ (2)	$ (93)
Renovation/refurbishment	538	189	207	349	(18)
Other	59	28	38	31	(10)
Total capital expenditures	$ 598	$ 220	$ 341	$ 378	$ (121)
Included in capital expenditures:					
Capitalized payroll costs	$ 4	$ 5	$ 5		
Capitalized interest	6	2	12		

During the year ended December 31, 2017, capital expenditures were primarily related to hotel renovation projects at Caesars Palace, Bally's Las Vegas, Planet Hollywood, Flamingo Las Vegas and Harrah's Las Vegas. During the year ended December 31, 2016, capital expenditures were primarily related to hotel renovation projects at Harrah's Las Vegas, Paris Las Vegas and Planet Hollywood. During the year ended December 31, 2015, capital expenditures were primarily related to The LINQ Hotel & Casino renovation and the Atlantic City Conference Center, which was still under construction in the first quarter of 2015.

Our projected capital expenditures for 2018 range from $675 million to $850 million. We expect to fund these capital expenditures from cash flows generated by our operating activities. Our projected capital expenditures for 2018 include estimates for:

- Hotel remodeling projects at Bally's Las Vegas, Flamingo Las Vegas, Harrah's Atlantic City, and Horseshoe South Indiana;
- Development of the Eastside Convention Center;
- Integration and maintenance costs associated with the expected Centaur acquisition post-closing; and
- Information technology, marketing, analytics, accounting, payroll, and other projects that benefit the operating structures.

Under the CEOC LLC Leases, we are required to spend $100 million in capital expenditures annually and $495 million for every three-year period. Under the HLV Lease, we are required to spend $171 million in capital expenditures for the period from January 1, 2017 through December 31, 2021, and thereafter, spend an amount equal to at least 1% of Harrah's Las Vegas net revenue for the prior lease year.

Our planned development projects, if they proceed, will require, individually and in the aggregate, significant capital commitments and, if completed, may result in significant additional revenues. The commitment of capital, the timing of completion, and the commencement of operations of development projects are contingent upon, among other things, negotiation of final agreements and receipt of approvals from the appropriate political and regulatory bodies. We must also comply with covenants and restrictions set forth in our debt agreements.

There are various risks and uncertainties and the expected capital expenditures set forth above may change for various reasons, including our financial performance and market conditions.

Related Party Transactions

For a description of the nature and extent of related party transactions, see Note 19.

Critical Accounting Policies and Estimates

We prepare our financial statements in conformity with GAAP. In preparing our financial statements, we have made our best estimates and judgments of the amounts and disclosures included in the financial statements, giving regard to materiality. When more than one accounting principle, or method of its application, is generally accepted, we select the principle or method that we consider to be the most appropriate under specific circumstances. Application of these accounting principles requires us to make estimates about the future resolution of existing uncertainties. Certain of our accounting policies, including the estimated lives assigned to our assets, the determination of bad debt, asset impairments, the fair value of derivative instruments, self-insurance reserves, the purchase price allocations made in connection with our acquisitions/mergers, the calculation of our income tax

liabilities, and the determination of whether to consolidate a variable interest entity require that we apply significant judgment in defining the appropriate assumptions for calculating financial estimates.

We consider accounting estimates to be critical accounting policies when:

- the estimates involve matters that are highly uncertain at the time the accounting estimate is made; and
- different estimates or changes to estimates could have a material impact on the reported financial position, changes in financial position, or results of operations.

By their nature, these judgments and estimates are subject to an inherent degree of uncertainty. Our judgments and estimates are based on our historical experience, terms of existing contracts, observance of trends in the industry, information gathered from customer behavior, and information available from other outside sources, as appropriate. Due to the inherent uncertainty involving judgments and estimates, actual results may differ from those estimates.

Long-Lived Assets

We have significant capital invested in our long-lived assets, and judgments are made in determining the estimated useful lives of assets, salvage values to be assigned to assets, and if or when an asset has been impaired. The accuracy of these estimates affects the amount of depreciation and amortization expense recognized in our financial results and whether we have a gain or loss on the disposal of an asset. We assign lives to our assets based on our standard policy, which is established by management as representative of the useful life of each category of asset. We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. The factors considered by management in performing this assessment include current operating results, trends and prospects, planned construction and renovation projects, as well as the effect of obsolescence, demand, competition, and other economic, legal, and regulatory factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the lowest level of identifiable cash flows, which, for most of our assets, is the individual property. See Note 6 for additional information.

Goodwill and Other Non-Amortizing Intangible Assets

The evaluation of goodwill and other non-amortizing intangible assets requires the use of estimates about future revenues and EBITDA, valuation multiples, and discount rates to determine their estimated fair value. Our future revenues and EBITDA assumptions are determined based upon actual results giving effect to expected changes in operating results in future years. Our valuation multiples and discount rates are based upon market participant assumptions using a defined gaming peer group. Changes in these assumptions can materially affect these estimates. Thus, to the extent the gaming volumes deteriorate in the near future, discount rates increase significantly, or we do not meet our projected performance, we could recognize impairments, and such impairments could be material. This is especially true for any of our properties where goodwill and other non-amortizing intangible assets have been partially impaired as a result of a recent impairment analysis, and for our Las Vegas properties, which comprise a significant portion of our remaining goodwill balance.

As of December 31, 2017, we had approximately $3.8 billion in goodwill and $1.3 billion of other non-amortizing intangible assets. Resulting from the acquisition of OpCo discussed in Note 1 and Note 4, we added approximately $2.2 billion of goodwill and $1.1 billion of other non-amortizing intangible assets during the fourth quarter of 2017. As of December 31, 2017, all reporting units with goodwill and/or other non-amortizing intangible assets have estimated fair values that exceed their carrying values. See Note 7 for additional information.

Allowance for Doubtful Accounts - Gaming

We reserve an estimated amount for gaming receivables that may not be collected to reduce the Company's receivables to their net carrying amount. Methodologies for estimating the allowance for doubtful accounts range from specific reserves to various percentages applied to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific reserves. As with many estimates, management must make judgments about potential actions by third parties in establishing and evaluating our reserves for allowance for doubtful accounts. As of December 31, 2017, a 5% increase or decrease to the allowance determined based on a percentage of aged receivables would change the reserve by approximately $10 million.

Markers acquired as part of the acquisition of OpCo were accounted for at fair value on the Effective Date, with no acquired reserve, and will be accreted to interest income up to their expected realizable value over the life of their expected collectability. The acquired markers are subject to adjustment if the actual cash collection differs from the expected collectibility.

Self-Insurance Accruals

We are self-insured for workers' compensation and other risk products through our captive insurance subsidiaries. Our insurance claims and reserves include accruals of estimated settlements for known claims, as well as accruals of actuarial estimates of incurred but not reported claims. In estimating these reserves, historical loss experience and judgments about the expected levels of costs per claim are considered. We also utilize consultants to assist in the determination of certain estimated accruals. These claims are accounted for based on actuarial estimates of the undiscounted claims, including those claims incurred but not reported. We believe the use of actuarial methods to account for these liabilities provides a consistent and effective way to measure these highly judgmental accruals; however, changes in health care costs, accident frequency and severity, and other factors can materially affect the estimates for these liabilities. We regularly monitor the potential for changes in estimates, evaluate our insurance accruals, and adjust our recorded provisions.

Fair Value Measurements

The CEC Convertible Notes contain derivative features that require bifurcation. We estimate the fair value of the CEC Convertible Notes using a binomial lattice valuation model that incorporates the value of both the straight debt and conversion features of the notes. The valuation model incorporates assumptions regarding the incremental cost of borrowing for CEC, the value of CEC's equity into which these notes could convert, the expected volatility of such equity, and the risk-free rate. The fair value of the CEC Convertible Notes derivative liability is subject to interest rate and market price risk due to the conversion features of the notes and other factors. Generally, as the fair value of fixed interest rate debt increases (due to a decrease in interest rates) the derivative liability decreases and as the fair value of fixed interest rate debt decreases (due to an increase in interest rates) the derivative liability increases. The fair value of the CEC Convertible Notes derivative liability may also increase as the market price of our stock rises or due to increased volatility in our stock price, and decrease as the market price of our stock falls or due to decreased volatility in our stock price.

We use interest rate swaps, which are derivative instruments classified as hedging transactions, to limit our exposure to interest rate risk. Derivative instruments are recognized in the financial statements at fair value. The estimated fair values of our derivative instruments are based on market prices obtained from dealer quotes. Such quotes represent the estimated amounts we would receive or pay to terminate the contracts. Our derivative instruments contain a credit risk that the counterparties may be unable to meet the terms of the agreements. We minimize that risk by evaluating the creditworthiness of our counterparties, which are limited to major banks and financial institutions. The fair values of our derivative instruments are adjusted for the credit rating of the counterparty, if the derivative is an asset, or adjusted for the credit rating of the Company, if the derivative is a liability.

See Note 8 for more details regarding fair value measurements and Item 7A for quantitative and qualitative disclosures about market risk.

Income Taxes

We are subject to income taxes in the United States (including federal and state) and numerous foreign jurisdictions in which we operate. We record income taxes under the asset and liability method, whereby deferred tax assets and liabilities are recognized based on the expected future tax consequences of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and as attributable to operating loss and tax credit carryforwards. We reduce the carrying amounts of deferred tax assets by a valuation allowance if, based on the available evidence, it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed periodically based on the "more likely than not" realization threshold. This assessment considers, among other matters, the nature, frequency, and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, our experience with operating loss and tax credit carryforwards not expiring unused, and tax planning alternatives.

The effect on the income tax provision and deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We have provided a valuation allowance on certain foreign and state net operating losses ("NOLs"), and other federal, state, and foreign deferred tax assets. NOLs and other federal, state, and foreign deferred tax assets were not deemed realizable based upon near term estimates of future taxable income.

We report unrecognized tax benefits within accrued expenses and deferred credits and other in our balance sheets, separate from any related income tax payable, which is also reported within accrued expenses, or deferred income taxes. Reserve amounts relate to any potential income tax liabilities resulting from uncertain tax positions, as well as potential interest or penalties associated with those liabilities.

We file income tax returns, including returns for our subsidiaries, with federal, state, and foreign jurisdictions. We are under regular

and recurring audit by the Internal Revenue Service and various state taxing authorities on open tax positions, and in general, it is possible that the amount of the liability for unrecognized tax benefits could change during the next 12 months.

Recently Issued and Proposed Accounting Standards

See Note 5 for discussions of the adoption and potential impact of recently issued accounting standards.

Contractual Obligations and Commitments

The table below summarizes Caesars Entertainment's contractual obligations and other commitments through their respective maturity or ending dates as of December 31, 2017.

	Payments due by Period [1]				
(In millions)	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**After 5 years**
Debt, face value	$ 9,034	$ 64	$ 128	$ 128	$ 8,714
Estimated interest payments [2]	3,230	440	910	900	980
Financing obligations - principal	7,831	9	24	32	7,766
Financing obligations - interest	32,113	657	1,440	1,452	28,564
Golf course use obligations	668	14	29	29	596
Operating lease obligations	1,296	67	109	102	1,018
Purchase order obligations	831	531	247	44	9
Construction commitments	62	62	—	—	—
Community reinvestment	42	6	12	12	12
Entertainment obligations [3]	6	5	1	—	—
Other contractual obligations [4]	111	24	27	21	39
Total contractual obligations [5]	$ 55,224	$ 1,879	$ 2,927	$ 2,720	$ 47,698

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[1] *In addition to the contractual obligations disclosed in this table, we have unrecognized tax benefits for which, based on uncertainties associated with the items, we are unable to make reasonably reliable estimates of the period of potential cash settlements, if any, with taxing authorities.*

[2] *Estimated interest for variable-rate debt included in this table is based on the 1-month LIBOR curve available as of December 31, 2017. Estimated interest includes the estimated impact of our interest rate swap agreements.*

[3] *Entertainment obligations represent obligations to pay performers that have contracts for future performances. This amount does not include estimated obligations for future performances where payment is only guaranteed when the performances occur and/or is based on factors contingent upon the profitability of the performances.*

[4] *Primarily includes licensing, management and other fees.*

[5] *Contractual obligations do not include amounts that we have not yet incurred under the CEOC LLC Leases, for which we are required to spend $100 million in capital expenditures annually and $495 million for every three-year period and under the HLV Lease, for which we are required to spend $171 million in capital expenditures for the period from January 1, 2017 through December 31, 2021, and thereafter, spend an amount equal to at least 1% of the net revenue for the prior lease year.*

ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates, and commodity prices. Our primary exposure to market risk is interest rate risk associated with our debt. We attempt to limit our exposure to interest rate risk by managing the mix of our debt between fixed rate and variable rate obligations. While we may enter into agreements limiting our exposure to higher interest rates, any such agreements may not offer complete protection from this risk. As of December 31, 2017, the face value of long-term debt was $9.0 billion, including $6.2 billion of variable rate obligations.

We have entered into four interest rate swap agreements to fix the interest rate on $1.0 billion of variable rate debt, one that is effective on December 31, 2018, and three that are effective on January 1, 2019, at which time $5.2 billion of debt will remain subject to variable interest rates for the term of the agreement. See Note 8 for additional information. The difference to be paid or received under the terms of the interest rate swap agreements will be accrued as interest rates change and recognized as an adjustment to interest expense for the related debt beginning on December 31, 2018. Changes in the variable interest rates to be paid or received pursuant to the terms of the interest rate swap agreements will have a corresponding effect on future cash flows.

We do not purchase or hold any derivative financial instruments for trading purposes.

The table below provides information as of December 31, 2017, about our financial instruments that are sensitive to changes in interest rates, including the cash flows associated with amortization, the notional amounts of interest rate derivative instruments, and related weighted average interest rates. Principal amounts are used to calculate the payments to be exchanged under the related agreements and weighted average variable rates are based on implied forward rates in the yield curve as of December 31, 2017.

	Expected Maturity Date							
(Dollars in millions)	**2018**	**2019**	**2020**	**2021**	**2022**	**Thereafter**	**Total**	**Fair Value**
Liabilities								
Long-term debt								
Fixed rate	$ 2	$ 2	$ 2	$ 2	$ 2	$ 2,824	$ 2,834	$ 2,867
Average interest rate	5.4%	5.4%	5.5%	5.5%	5.4%	5.6%	5.5%	
Variable rate	$ 62	$ 62	$ 62	$ 62	$ 62	$ 5,890	$ 6,200	$ 6,233
Average interest rate	4.6%	4.9%	5.0%	4.9%	4.9%	5.1%	4.9%	
Interest Rate Derivatives								
Interest rate swaps								
Variable to fixed	$ —	$ —	$ 500	$ 250	$ 250	$ —	$ 1,000	$ —
Average pay rate	2.3%	2.2%	2.2%	2.2%	2.3%	—%	2.2%	
Average receive rate	2.0%	2.1%	2.2%	2.2%	2.3%	—%	2.2%	

As of December 31, 2017, our long-term variable rate debt reflects borrowings under our credit facilities provided to us by a consortium of banks with a total capacity of $7.4 billion. The interest rates charged on borrowings under these facilities are a function of LIBOR. As such, the interest rates charged to us for borrowings under the facilities are subject to change as LIBOR changes. Assuming a constant outstanding balance for our variable rate long-term debt, a hypothetical 1% increase in interest rates would increase interest expense approximately $62 million while a hypothetical 1% decrease in interest rates would decrease interest expense approximately $62 million.

The fair value of the CEC Convertible Notes is subject to interest rate and market price risk due to the conversion features of the notes and other factors. Generally, the fair value of fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. The fair value of the notes may also increase as the market price of our stock rises or due to increased volatility in our stock price, and decrease as the market price of our stock falls or due to decreased volatility in our stock price. Interest rate and market value changes affect the fair value of the notes, and may affect the prices at which we would be able to repurchase such notes were we to do so.

ITEM 8. Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of
Caesars Entertainment Corporation:

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Caesars Entertainment Corporation and subsidiaries (the "Company") as of December 31, 2017 and 2016, the related consolidated statements of operations and comprehensive income/(loss), stockholders' equity/(deficit), and cash flows for each of the three years in the period ended December 31, 2017, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017 and 2016, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 7, 2018, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the Caesars Acquisition Company ("CAC") merged with and into the Company, with the Company as the surviving company on October 6, 2017. The merger transaction was accounted for as a transaction among entities under common control, which resulted in CAC being consolidated into the Company at book value as an equity transaction for all periods presented.

/s/ DELOITTE & TOUCHE LLP

Las Vegas, Nevada
March 7, 2018

We have served as the Company's auditor since 2002.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED BALANCE SHEETS

(In millions, except par value)	As of December 31, 2017	2016
Assets		
Current assets		
Cash and cash equivalents ($58 and $107 attributable to our VIEs)	$ 2,558	$ 1,540
Restricted cash	116	3,113
Receivables, net ($0 and $3 attributable to our VIEs)	496	160
Due from affiliates, net ($0 and $62 attributable to our VIEs)	11	64
Prepayments and other current assets ($2 and $34 attributable to our VIEs)	239	120
Inventories	39	20
Total current assets	3,459	5,017
Property and equipment, net ($57 and $55 attributable to our VIEs)	16,228	7,446
Goodwill	3,815	1,608
Intangible assets other than goodwill	1,609	433
Restricted cash	35	5
Deferred income taxes	2	—
Deferred charges and other assets ($0 and $2 attributable to our VIEs)	364	414
Total assets	$ 25,512	$ 14,923
Liabilities and Stockholders' Equity/(Deficit)		
Current liabilities		
Accounts payable ($3 and $100 attributable to our VIEs)	$ 318	$ 215
Due to affiliates, net	—	66
Accrued expenses and other current liabilities ($0 and $91 attributable to our VIEs)	1,459	693
Accrued restructuring and support expenses	—	6,601
Interest payable	38	67
Current portion of financing obligations	9	—
Current portion of long-term debt	64	89
Total current liabilities	1,888	7,731
Financing obligations	9,429	—
Long-term debt	8,849	6,749
Deferred income taxes	577	1,865
Deferred credits and other liabilities ($0 and $1 attributable to our VIEs)	1,473	187
Total liabilities	22,216	16,532
Commitments and contingencies (See Note 11)		
Stockholders' equity/(deficit)		
Common stock: voting, $0.01 par value, 696 and 150 shares issued, respectively	7	1
Treasury stock: 12 and 3 shares, respectively	(152)	(29)
Additional paid-in capital	14,048	8,676
Accumulated deficit	(10,684)	(10,309)
Accumulated other comprehensive income/(loss)	6	(1)
Total Caesars stockholders' equity/(deficit)	3,225	(1,662)
Noncontrolling interests	71	53
Total stockholders' equity/(deficit)	3,296	(1,609)
Total liabilities and stockholders' equity/(deficit)	$ 25,512	$ 14,923

See accompanying Notes to Consolidated Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

	Years Ended December 31,		
(In millions, except per share data)	**2017**	**2016**	**2015**
Revenues			
Casino	$ 2,865	$ 2,177	$ 2,286
Food and beverage	938	788	823
Rooms	1,054	923	878
Other revenue	626	527	495
Reimbursed management costs	48	—	10
Less: casino promotional allowances	(679)	(538)	(563)
Net revenues	4,852	3,877	3,929
Operating expenses			
Direct			
Casino	1,521	1,128	1,194
Food and beverage	446	383	399
Rooms	276	249	227
Property, general, administrative, and other	1,133	1,166	1,053
Reimbursable management costs	48	—	10
Depreciation and amortization	628	439	374
Corporate expense	204	194	196
Other operating costs	64	91	161
Total operating expenses	4,320	3,650	3,614
Income from operations	532	227	315
Interest expense	(774)	(599)	(683)
Gain on deconsolidation of subsidiaries	30	—	7,125
Restructuring and support expenses	(2,028)	(5,729)	(1,017)
Loss on extinguishment of debt	(232)	—	—
Other income/(loss)	95	(29)	7
Income/(loss) from continuing operations before income taxes	(2,377)	(6,130)	5,747
Income tax benefit/(provision)	1,995	(327)	106
Income/(loss) from continuing operations, net of income taxes	(382)	(6,457)	5,853
Discontinued operations, net of income taxes	—	3,380	155
Net income/(loss)	(382)	(3,077)	6,008
Net loss attributable to noncontrolling interests	7	29	1
Net income/(loss) attributable to Caesars	$ (375)	$ (3,048)	$ 6,009
Earnings/(loss) per share - basic and diluted			
Basic earnings/(loss) per share from continuing operations	$ (1.35)	$ (43.96)	$ 40.42
Basic earnings per share from discontinued operations	—	23.11	1.07
Basic earnings/(loss) per share	$ (1.35)	$ (20.85)	$ 41.49
Diluted earnings/(loss) per share from continuing operations	$ (1.35)	$ (43.96)	$ 39.81
Diluted earnings per share from discontinued operations	—	23.11	1.06
Diluted earnings/(loss) per share	$ (1.35)	$ (20.85)	$ 40.87
Weighted-average common shares outstanding - basic	279	146	145
Weighted-average common shares outstanding - diluted	279	146	147
Comprehensive income/(loss):			
Other comprehensive income/(loss), net of income taxes	$ 6	$ (2)	$ —
Comprehensive income/(loss)	(376)	(3,079)	6,008
Comprehensive loss attributable to noncontrolling interests	7	29	1
Comprehensive income/(loss) attributable to Caesars	$ (369)	$ (3,050)	$ 6,009

See accompanying Notes to Consolidated Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY/(DEFICIT)

	Caesars Stockholders' Equity/(Deficit)							
(In millions)	**Common Stock**	**Treasury Stock**	**Additional Paid-in-Capital**	**Accumulated Deficit**	**Accumulated Other Comprehensive Income/(Loss)**	**Total Caesars Stockholders' Equity/(Deficit)**	**Non controlling Interests**	**Total Equity/(Deficit)**
Balance at January 1, 2015	$ 1	$ (19)	$ 9,163	$ (13,269)	$ (15)	$ (4,139)	$ (809)	$ (4,948)
Net income	—	—	—	6,009	—	6,009	(1)	6,008
Stock-based compensation	—	(3)	63	—	—	60	—	60
Elimination of CEOC noncontrolling interest and deconsolidation [1]	—	—	—	—	16	16	854	870
Decrease in noncontrolling interests, net of distributions and contributions	—	—	—	—	—	—	24	24
Other	—	—	13	—	—	13	12	25
Balance as of December 31, 2015	1	(22)	9,239	(7,260)	1	1,959	80	2,039
Cumulative effect adjustment share-based compensation [2]	—	—	1	(1)	—	—	—	—
Net loss	—	—	—	(3,048)	—	(3,048)	(29)	(3,077)
Stock-based compensation	—	—	53	—	—	53	—	53
CIE stock transactions, net	—	—	(626)	—	—	(626)	(3)	(629)
Other comprehensive loss, net of tax	—	—	—	—	(2)	(2)	—	(2)
Change in noncontrolling interest, net of distributions and contributions	—	—	—	—	—	—	5	5
Other	—	(7)	9	—	—	2	—	2
Balance as of December 31, 2016	1	(29)	8,676	(10,309)	(1)	(1,662)	53	(1,609)
Net loss	—	—	—	(375)	—	(375)	(7)	(382)
Stock-based compensation	—	(9)	53	—	—	44	—	44
Bankruptcy emergence and acquisition of OpCo [3]	4	(114)	5,321	—	—	5,211	(35)	5,176
CAC Merger [3]	2	—	(2)	—	—	—	—	—
Consolidation of Korea Joint Venture [1]	—	—	—	—	1	1	57	58
Other comprehensive income, net of tax	—	—	—	—	6	6	—	6
Change in noncontrolling interest, net of distributions and contributions	—	—	—	—	—	—	3	3
Balance as of December 31, 2017	$ 7	$ (152)	$ 14,048	$ (10,684)	$ 6	$ 3,225	$ 71	$ 3,296

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[1] *See Note 2.*
[2] *Adoption of Accounting Standards Update No. 2016-09, Compensation-Stock Compensation.*
[3] *See Note 1.*

See accompanying Notes to Consolidated Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions)	**Years Ended December 31, 2017**	**2016**	**2015**
Cash flows from operating activities			
Net income/(loss)	$ (382)	$ (3,077)	$ 6,008
Adjustments to reconcile net income/(loss) to cash flows from operating activities:			
Income from discontinued operations	—	(3,380)	(155)
Non-cash change in restructuring accrual	2,065	3,667	—
Interest accrued on financing obligations	27	—	—
Deferred income taxes	(1,858)	(90)	(112)
Gain on deconsolidation of subsidiaries	(30)	—	(7,125)
Depreciation and amortization	628	439	374
Loss on extinguishment of debt	232	—	—
Change in fair value of derivative liability	(64)	—	—
Stock-based compensation expense	43	232	102
Amortization of deferred finance costs and debt discount/premium	26	24	38
Provision for doubtful accounts	8	11	11
Other non-cash adjustments to net income/(loss)	30	24	14
Net changes in:			
Accounts receivable	(85)	(21)	(51)
Due to/due from affiliates, net	(53)	19	(28)
Inventories, prepayments and other current assets	64	9	—
Deferred charges and other	(26)	—	(17)
Accounts payable	(4)	39	(47)
Interest payable	(35)	(64)	(41)
Accrued expenses	33	77	44
Restructuring accruals	(2,880)	2,029	905
Deferred credits and other	(63)	104	(5)
Other	1	—	3
Cash flows provided by/(used in) operating activities	(2,323)	42	(82)
Cash flows from investing activities			
Acquisitions of property and equipment, net of change in related payables	(598)	(220)	(341)
Acquisition of OpCo, net of cash and restricted cash acquired	561	—	—
Deconsolidation of subsidiary cash	(57)	—	(985)
Consolidation of Korea Joint Venture	19	—	—
Payments to acquire investments	(12)	(23)	(27)
Proceeds from the sale and maturity of investments	33	46	29
Return of investment from discontinued operations	—	132	142
Contributions to discontinued operations	—	(56)	(15)
Other	(1)	—	(3)
Cash flows used in investing activities	(55)	(121)	(1,200)

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

(In millions)	Years Ended December 31, 2017	2016	2015
Cash flows from financing activities			
Proceeds from long-term debt and revolving credit facilities	7,550	120	310
Debt issuance and extension costs and fees	(288)	—	—
Repayments of long-term debt and revolving credit facilities	(7,846)	(268)	(450)
Proceeds from sale-leaseback financing arrangement	1,136	—	—
Repurchase of CIE shares and distribution of sale proceeds	(63)	(1,126)	(65)
Financing obligation payments	(54)	—	—
Other	(6)	14	24
Cash flows provided by/(used in) financing activities	429	(1,260)	(181)
Cash flows from discontinued operations			
Cash flows from operating activities	—	168	159
Cash flows from investing activities	—	4,379	(12)
Cash flows from financing activities	—	(76)	(158)
Net cash from discontinued operations	—	4,471	(11)
Change in cash, cash equivalents, and restricted cash classified as assets held for sale	—	112	(8)
Net increase/(decrease) in cash, cash equivalents, and restricted cash	(1,949)	3,244	(1,482)
Cash, cash equivalents, and restricted cash, beginning of period	4,658	1,414	2,896
Cash, cash equivalents, and restricted cash, end of period	$ 2,709	$ 4,658	$ 1,414
Supplemental Cash Flow Information			
Cash paid for interest	$ 749	$ 634	$ 696
Cash paid for income taxes	7	305	80
Non-Cash Settlement of Accrued Restructuring and Support Expenses			
Issuance of convertible notes and call right	2,349	—	—
Issuance of CEC common stock	3,435	—	—
Other non-cash investing and financing activities:			
Change in accrued capital expenditures	(6)	14	(35)

See accompanying Notes to Consolidated Financial Statements.

In this filing, the name "CEC" refers to the parent holding company, Caesars Entertainment Corporation, exclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires. The words "Company," "Caesars," "Caesars Entertainment," "we," "our," and "us" refer to Caesars Entertainment Corporation, inclusive of its consolidated subsidiaries and variable interest entities, unless otherwise stated or the context otherwise requires.

We also refer to (i) our Consolidated Financial Statements as our "Financial Statements," (ii) our Consolidated Statements of Operations and Comprehensive Income/(Loss) as our "Statements of Operations," (iii) our Consolidated Balance Sheets as our "Balance Sheets," and (iv) our Consolidated Statements of Cash Flows as our "Statements of Cash Flows." References to numbered "Notes" refer to Notes to our Consolidated Financial Statements included herein.

In this filing, except as the context otherwise requires, references to "VICI" or "PropCo" are references to VICI Properties Inc. and its subsidiaries, from which we lease a number of our properties.

Note 1 — Description of Business

Organization

CEC is primarily a holding company with no independent operations of its own. CEC operates the business primarily through its wholly owned subsidiaries CEOC, LLC ("CEOC LLC") and Caesars Resort Collection, LLC ("CRC"). Through its consolidated subsidiaries, CEC operates a total of 47 casino properties in 13 U.S. states and four countries outside of the U.S. Of the 47 casinos, nine are in Las Vegas, which represented 60% of consolidated net revenues for the year ended December 31, 2017.

Merger with Caesars Acquisition Company

Caesars Acquisition Company ("CAC") was formed in February 2013 to make an equity investment in Caesars Growth Partners, LLC ("CGP"), a joint venture between CAC and CEC, and CAC directly owned 100% of the voting membership units of CGP and served as CGP's managing member. CEC held 100% of the non-voting membership units of CGP.

In 2014, CEC and CAC entered into a merger agreement, which was amended and restated in July 2016 and February, 2017 (as amended, the "Merger Agreement"). Pursuant to the Merger Agreement, on October 6, 2017 (the "Effective Date"), CAC merged with and into CEC, with CEC as the surviving company (the "CAC Merger"). Subject to the terms and conditions of the Merger Agreement, each share of CAC common stock issued and outstanding immediately prior to the Effective Date of the CAC Merger was converted into, and became exchangeable for, 1.625 (the "Exchange Ratio") shares of CEC common stock on the Effective Date, which resulted in the issuance of 226 million shares of CEC common stock to the stockholders of CAC. The CAC Merger was accounted for as a reorganization of entities under common control, which resulted in CAC being consolidated into Caesars at book value as an equity transaction for all periods presented (see Note 2).

CEOC's Emergence from Bankruptcy and Acquisition of OpCo

Caesars Entertainment Operating Company, Inc. ("CEOC") and certain of its United States subsidiaries (collectively, the "Debtors") voluntarily filed for reorganization under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") on January 15, 2015, at which time CEC deconsolidated CEOC due to loss of control. On January 17, 2017, the Bankruptcy Court entered an order approving and confirming the Debtors' third amended joint plan of reorganization (the "Plan"), and the Debtors emerged from bankruptcy and consummated their reorganization pursuant to the Plan on the Effective Date.

The Plan provided for, among other things, (i) a global settlement of all claims the Debtors may have against CEC and its affiliates, (ii) comprehensive releases for CEC and its affiliates and CAC and its affiliates; (iii) the reorganization of CEOC into an operating company ("OpCo") and PropCo; and (iv) OpCo established an escrow trust that will be used to fund the resolution of unsecured claims that were unresolved at the time of CEOC's emergence from bankruptcy (see Note 11). PropCo holds certain real property assets formerly held by CEOC and leases those assets to OpCo. PropCo is a separate entity that is not consolidated by Caesars and, on the Effective Date, was sold to VICI Properties Inc., the real estate investment trust that was initially owned by certain former creditors of CEOC and is independent from CEC.

OpCo was acquired by CEC on the Effective Date for total consideration of $2.5 billion, which included a combination of cash and CEC common stock. OpCo operates the properties and facilities formerly held by CEOC and leases the properties and facilities from VICI. Upon acquisition, OpCo was immediately merged with and into CEOC LLC, with CEOC LLC as the surviving entity. See Note 4 for additional information. The following table summarizes the assets acquired and liabilities assumed.

(In millions)	Total Value
Assets acquired	$ 12,164
Liabilities assumed [1]	(11,686)
Noncontrolling interest	41
Net identifiable assets acquired	519
Goodwill	2,207
Total OpCo equity value	$ 2,726

[1] *As part of the OpCo acquisition, we assumed $8.4 billion in financing obligations and $1.6 billion in long-term debt. See Note 10 and Note 12 for additional information.*

Failed Sale-Leaseback Financing Obligation

As mentioned above and further described in Note 10, in conjunction with CEOC's emergence from bankruptcy, OpCo entered into leases with VICI on the Effective Date related to certain real property assets formerly held by CEOC: (i) for Caesars Palace, (ii) for a portfolio of casino properties at various locations throughout the United States, and (iii) for the Harrah's Joliet Hotel & Casino (collectively, the "CEOC LLC Leases").

For the CEOC LLC Leases transaction, the real estate assets that were sold to VICI and leased back by OpCo were first adjusted to fair value upon CEOC's emergence from bankruptcy and the failed sale-leaseback financing obligation was recognized at an amount equal to this fair value. The real estate assets continue to be depreciated over their remaining useful lives. See Note 10 for further information.

Accrued Restructuring and Support Expenses

CEC made material financial commitments to support the reorganization of CEOC as described in the Plan. Our estimate of restructuring and support expenses was determined based on the total value of the consideration that was required by CEC to resolve claims and potential claims related to the reorganization. The total value of the consideration that was provided by CEC as of the Effective Date was $8.6 billion and included a combination of cash, shares of CEC common stock, and the issuance value of the VICI Call Right Agreement described below. The cash consideration includes approximately $1.0 billion of cash provided to certain CEOC creditors that elected to receive cash in lieu of 146 million shares of CEC common stock at a pre-negotiated price of $6.86 per share. The restructuring and support expenses exclude consideration related to the acquisition of OpCo and establishing the escrow trust.

Restructuring and support expenses for the years ended December 31, 2017, 2016, and 2015 were $2.0 billion, $5.7 billion, and $1.0 billion, respectively, recorded in the Statements of Operations. Our related accrual balance decreased by $205 million as of the Effective Date as compared with the estimate we reported in our Interim Report on Form 10-Q for the quarter ended September 30, 2017 due to (i) a larger allocated amount of value to OpCo resulting from the final purchase price value through the Effective Date, which resulted in a decrease of approximately $193 million and (ii) an update to our estimated value of the VICI Call Right Agreement through the Effective Date, which resulted in a decrease of approximately $12 million.

	Accrued as of		
(In millions)	December 31, 2016	September 30, 2017	October 6, 2017
Forbearance fees and other payments to creditors [1]	$ 970	$ 893	$ 870
Bank Guaranty Settlement [1]	734	765	765
Issuance of CEC common stock	2,936	4,507	4,405
Issuance of CEC Convertible Notes	1,600	2,240	2,172
VICI call right agreement	131	189	177
Payment of creditor expenses, settlement charges, and other fees [1]	195	182	182
Payment to CEOC	35	—	—
Total accrued	$ 6,601	$ 8,776	$ 8,571

[1] *Amounts settled in cash on the Effective Date.*

The amounts disclosed above are reported net of payments totaling $173 million and $34 million, respectively, during 2017 prior to the Effective Date and the year ended December 31, 2016.

Forbearance Fees and Other Payments to Creditors. On the Effective Date, CEC paid certain fees in exchange for CEOC's major creditors prior agreement to forebear from exercising their rights and remedies under certain of CEOC's credit agreements and to stay all pending litigation.

Bank Guaranty Settlement. In 2014, CEOC amended its senior secured credit facilities (the "Bank Amendment") resulting in, among other things, a modification of CEC's guarantee under the senior secured credit facilities such that CEC's guarantee was limited to a guarantee of collection ("CEC Collection Guarantee") with respect to obligations owed to the lenders who consented to the Bank Amendment. The CEC Collection Guarantee required the creditors to exhaust all rights and remedies at law and in equity that the creditors or their agents may have had against CEOC or any of its subsidiaries and its and their respective property to collect, or obtain payment of, the guaranteed amounts. Pursuant to the Plan, on the Effective Date, claims related to the Bank Amendment and CEC Collection Guarantee were resolved.

Issuance of CEC Common Stock. On the Effective Date, CEC issued shares of CEC common stock in resolution of claims, potential claims, and the acquisition of OpCo. Also on the Effective Date, CEC paid cash in the amount of approximately $1.0 billion to certain CEOC creditors that elected to receive cash in lieu of 146 million shares of CEC common stock at a pre-negotiated price of $6.86 per share (compared with the $12.80 price per share on the Effective Date). As of September 30, 2017, our accrual included the $1.0 billion related to this obligation plus the estimated fair value of $3.5 billion for the net shares that were issued after satisfying the obligation.

CEC issued approximately 407 million shares to the creditors of CEOC on the Effective Date for both the acquisition of the preferred equity of OpCo and the resolution of claims and potential claims. The amount attributable to the resolution of claims was calculated after determining the fair value of OpCo equity, and a change in the estimated value of OpCo inversely affects our accrual allocated to restructuring and support expenses. See Note 8 for additional information on the fair value measurement related to the issuance of CEC common stock.

Issuance of CEC Convertible Notes. On the Effective Date, CEC issued approximately $1.1 billion in aggregate principal amount of 5.00% convertible senior notes maturing in 2024 (the "CEC Convertible Notes") to the CEOC creditors in resolution of claims and potential claims, and our accrual represents the estimated fair value of the notes at the time of issuance. The Company has determined that the CEC Convertible Notes contain derivative features that require bifurcation, which had a fair value of $1.1 billion upon issuance on the Effective Date. See Note 8 for fair value considerations of the derivative features and Note 12 for additional information on the debt portion of the CEC Convertible Notes.

VICI Call Right Agreement. On the Effective Date, in accordance with the Plan, VICI, CEC, Caesars Entertainment Resort Properties, LLC ("CERP") and Caesars Growth Properties Holdings, LLC ("CGPH") entered into certain call right agreements (collectively, the "VICI Call Right Agreements") with VICI. VICI received a call right (the "VICI Call Right") for up to five years to purchase and leaseback the real property assets associated with Harrah's Atlantic City, Harrah's Laughlin, and Harrah's New Orleans for a cash purchase price of 10 times the agreed upon annual rent for each property (subject to the terms of the CGPH and CERP credit agreements). Subsequent to the CRC Merger described below, the VICI Call Right is subject to the terms of the CRC Credit Agreement (defined in Note 12). Our accrual represents the estimated fair value of the call right as of the Effective Date.

Payment of Creditor Expenses, Settlement Charges, and Other Fees. Pursuant to the Plan, CEC paid certain professional fees incurred by CEOC's creditors and other ancillary fees and amounts on the Effective Date. As of September 30, 2017, this amount included $126 million that CEC expected to be paid from the proceeds from a directors' and officers' insurance claim. The proceeds from the claim were received in October 2017 and recognized as a reduction in restructuring and support expenses for the year ended December 31, 2017.

Payment to CEOC. In addition, and separate from the transactions and agreements described above, CEC paid CEOC $35 million under an agreement between CEC and CEOC because there was not a comprehensive out-of-court restructuring of CEOC's debt securities or a prepackaged or prearranged in-court restructuring with requisite voting support from each of the first and second lien secured creditor classes by February 15, 2016. During the first quarter of 2015, we accrued this liability in accrued restructuring and support expenses on the Balance Sheet, and it was paid during the second quarter of 2017 using a portion of the proceeds from the sale Caesars Interactive Entertainment's ("CIE") social and mobile games business (the "SMG Business") (see Note 18).

Hamlet Holdings

The members of Hamlet Holdings LLC ("Hamlet Holdings") are comprised of affiliates of Apollo Global Management, LLC ("Apollo") and affiliates of TPG Global, LLC ("TPG") (collectively, the "Sponsors"). Hamlet Holdings contributed to CEC the 88 million shares of CEC common stock it owned prior to the CAC Merger, which CEC immediately canceled and retired. The value of the shares contributed by Hamlet Holdings was included in our restructuring support expense accrual. Hamlet Holdings controlled CEC prior to the CAC Merger. Upon completion of the CAC Merger and CEOC's emergence from bankruptcy, Hamlet Holdings beneficially owned approximately 20.8% of CEC common stock as a result of its former interest in CAC, and consequently, Hamlet Holdings no longer controls CEC.

Summary of CAC Merger and CEOC Emergence Transactions

(In millions)	CAC Merger	Restructuring Support Settlement	OpCo Acquisition	Total
Cash	$ —	$ 2,787	$ 700	$ 3,487
CEC common stock (value)	2,894	3,435	1,774	8,103
CEC convertible notes (fair value)	—	2,172	—	2,172
Other consideration	—	177	—	177
Total consideration	$ 2,894	$ 8,571	$ 2,474	$ 13,939
CEC common stock (shares)	226	268	139	633

CRC Merger and Related Debt Transactions

On October 16, 2017, CRC Escrow Issuer, LLC ("Escrow Issuer") and CRC Finco, Inc. ("Finance"), two wholly owned, indirect subsidiaries of CEC, issued $1.7 billion aggregate principal amount of 5.25% senior notes due 2025. CRC, a wholly owned subsidiary of CEC was created on December 22, 2017, with the merger of CERP into CGPH (the "CRC Merger"). In conjunction with the CRC Merger, Escrow Issuer merged with and into CRC, with CRC as the surviving entity and borrower.

Additionally, on December 22, 2017, CRC entered into new senior secured credit facilities, comprised of (i) a $1.0 billion senior secured revolving credit facility and (ii) a $4.7 billion senior secured term loan credit facility. The net proceeds of the new CRC debt were used to repay the outstanding debt of CERP and CGPH. See Note 12 for additional information.

Eastside Land Purchase

On December 22, 2017, we completed the acquisition from VICI of approximately 18 acres of land adjacent to the Harrah's Las Vegas property (the "Eastside Land") for $74 million. The Eastside Land, together with adjacent land owned by us, is currently intended for the development of a new convention center featuring approximately 300,000 square feet of flexible meeting space.

Harrah's Las Vegas Real Estate Sale and Leaseback

On December 22, 2017, we completed the sale to VICI of the real estate assets of Harrah's Las Vegas for approximately $1.1 billion in cash proceeds. As part of the Harrah's Las Vegas property sale and leaseback transaction, Harrah's Las Vegas entered into a lease with VICI (the "HLV Lease"). The lease was evaluated as a sale-leaseback of real estate, and we determined that this transaction did not qualify for sale-leaseback accounting. The Harrah's Las Vegas real estate assets remain on our consolidated balance sheet at their historical net book value and are being depreciated over their remaining useful lives, while a failed sale-leaseback financing obligation was recognized for the proceeds received. See Note 10 for further details.

Note 2 — Basis of Presentation and Principles of Consolidation

Basis of Presentation and Use of Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), which require the use of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of contingent assets and liabilities. Management believes the accounting estimates are appropriate and reasonably determined. Actual amounts could differ from those estimates.

Because the CAC Merger was accounted for as a reorganization of entities under common control, the financial information herein includes the financial results as if CAC were consolidated for all periods presented, derived from the historical accounting records and financial statements of CEC and CAC. In addition, as a result of the CAC Merger, CGP, which was consolidated as a variable interest entity ("VIE") by CEC prior to the CAC Merger, is no longer a VIE and is now presented as a wholly owned subsidiary for all periods presented. CAC's contractual claim on CGP's accounting balance sheet, which was reflected as noncontrolling interest on our Balance Sheet and Income Statement, has been eliminated upon consolidation of CAC, and CGP's results are no longer reflected as a VIE on our Balance Sheet. See Note 4 for additional information.

When CEOC filed for reorganization, we concluded that CEOC was a VIE and that we were not the primary beneficiary; therefore, we no longer consolidated CEOC. Subsequent to the deconsolidation, we accounted for our investment in CEOC as a cost method investment of zero due to the negative equity associated with CEOC's underlying financial position. In conjunction with the acquisition of OpCo on the Effective Date, we applied the acquisition method of accounting in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* ("ASC 805"). See Note 4. Upon acquisition, OpCo was immediately merged with and into CEOC LLC, with CEOC LLC as the surviving entity, and CEOC LLC's results are consolidated with CEC.

Certain prior year amounts have been reclassified to conform to the current year's presentation. For the year ended December 31, 2016, $3.7 billion was reclassified from Restructuring accruals to Non-cash change in restructuring accrual on our Statement of Cash Flows, with no effect on Cash flows provided by operating activities.

Reportable Segments

We view each casino property as an operating segment and aggregate all such casino properties into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S., and (iii) All Other, which is consistent with how we manage the business. See Note 20.

We revised our presentation from two reportable segments to the three listed above as of the Effective Date, in conjunction with the CAC Merger and CEOC's emergence from bankruptcy, because the way in which CEC management assesses results and allocates resources is aligned in accordance with these segments.

Consolidation of Subsidiaries and Variable Interest Entities

Our consolidated financial statements include the accounts of Caesars Entertainment and its subsidiaries after elimination of all intercompany accounts and transactions.

We consolidate all subsidiaries in which we have a controlling financial interest and VIEs for which we or one of our consolidated subsidiaries is the primary beneficiary. Control generally equates to ownership percentage, whereby (1) affiliates that are more than 50% owned are consolidated; (2) investments in affiliates of 50% or less but greater than 20% are generally accounted for using the equity method where we have determined that we have significant influence over the entities; and (3) investments in affiliates of 20% or less are generally accounted for using the cost method.

We consolidate a VIE when we have both the power to direct the activities that most significantly impact the results of the VIE and the right to receive benefits or the obligation to absorb losses of the entity that could be potentially significant to the VIE. Along with the VIEs that are consolidated in accordance with the above guidelines, we also hold variable interests in other VIEs that are not consolidated because we are not the primary beneficiary. We continually monitor both consolidated and unconsolidated VIEs to determine if any events have occurred that could cause the primary beneficiary to change. A change in determination could have a material impact on our financial statements.

Consolidation of Korea JV

During 2017, CEC and R&F Properties, a third-party property developer, formed a new joint venture referred to herein as the Korea JV. The purpose of the Korea JV is to acquire, develop, own, and operate a casino resort project in Incheon, South Korea. We determined that the Korea JV is a VIE. CEC has been determined to be the primary beneficiary of the Korea JV, and therefore, consolidates the Korea JV into its financial statements.

CR Baltimore Holdings ("CRBH")

Caesars Baltimore Investment Company, LLC ("CBIC") is wholly owned and consolidated by CEC. CBIC indirectly holds interests in CBAC Borrower, LLC ("CBAC"), owner of the Horseshoe Baltimore Casino ("Horseshoe Baltimore"), through its ownership

interest in CRBH, a variable interest entity. The counterparty that owned the minority interest in CRBH was restricted from transferring its interest in CRBH without prior consent from CBIC. As a result, CBIC was determined to be the primary beneficiary of CRBH, and therefore, consolidated CRBH into its financial statements. Under the terms of the agreement, the transfer restrictions expired in August 2017, at which time CBIC was no longer considered the primary beneficiary and deconsolidated CRBH, or Horseshoe Baltimore.

Horseshoe Baltimore generated year-to-date net revenues of $188 million and net loss attributable to Caesars of $6 million until its deconsolidation effective August 31, 2017. Upon deconsolidation, we derecognized total assets and liabilities of $350 million and $354 million, respectively, including long-term debt totaling $294 million. CBIC recorded its interest in Horseshoe Baltimore at its estimated fair value of $28 million, recognizing a gain on deconsolidation of $30 million, and is accounting for Horseshoe Baltimore as an equity method investment subsequent to the deconsolidation. We estimated the fair value of the interest in Horseshoe Baltimore by weighting the results of the discounted cash flow method and the guideline public company method.

Horseshoe Baltimore will continue to be a managed property of CEOC LLC subsequent to its deconsolidation, and transactions with Horseshoe Baltimore are not eliminated under the equity method of accounting. These related party transactions include but are not limited to items such as casino management fees paid to CEOC LLC, reimbursed management costs, and the allocation of other expenses. See Note 19.

Consolidation of Caesars Enterprise Services, LLC ("CES")

CES provides certain corporate, administrative and management services for CEOC LLC and CRC's casino properties and casinos owned by unrelated third parties and manages certain enterprise assets and the other assets it owns, licenses or controls, and employs certain of the corresponding employees. Prior to the Effective Date, CES was a VIE for which CEC was determined to be the primary beneficiary and therefore was consolidated into CEC. Subsequent to the Effective Date, CES is no longer considered to be a VIE to CEC as it is now a wholly owned subsidiary and thus consolidates into CEC as such.

Note 3 — Summary of Significant Accounting Policies

Additional accounting policy disclosures are provided within the applicable notes to the Financial Statements.

Cash, Cash Equivalents, and Restricted Cash

Cash equivalents are highly liquid investments with original maturities of three months or less from the date of purchase and are stated at the lower of cost or market value. Our cash and cash equivalents as of December 31, 2017 and 2016, includes $58 million and $107 million, respectively, held by our consolidated VIEs, which is not available for our use to fund operations or satisfy our obligations.

Restricted cash as of December 31, 2017, includes cash pledged as collateral for certain operating and capital expenditures in the normal course of business and certain other cash deposits that are for a specific purpose, such as $54 million that is held in the escrow trust for distribution to holders of disputed claims whose claims may ultimately become allowed (see Note 11). The majority of the restricted cash as of December 31, 2016, related to sale of the SMG Business (see Note 18) and was restricted under the terms of the CIE Proceeds Agreement until the Effective Date. After the CAC Merger, the restricted cash was used to fund the transactions related to CEOC's emergence from bankruptcy (see Note 1).

The classification of restricted cash between current and non-current is dependent upon the intended use of each particular reserve.

Reconciliation to Statements of Cash Flows

	As of December 31,	
(In millions)	**2017**	**2016**
Cash and cash equivalents	$ 2,558	$ 1,540
Restricted cash, current	116	3,113
Restricted cash, non-current	35	5
Total cash, cash equivalents, and restricted cash	$ 2,709	$ 4,658

Receivables

We issue credit to approved casino customers following investigations of creditworthiness. Business or economic conditions or other significant events could affect the collectibility of these receivables. Accounts receivable are non-interest bearing and are initially recorded at cost.

Marker play represents a significant portion of our overall table games volume. We maintain strict controls over the issuance of markers and aggressively pursue collection from those customers who fail to pay their marker balances timely. These collection efforts include the mailing of statements and delinquency notices, personal contacts, the use of outside collection agencies and civil litigation. Markers are generally legally enforceable instruments in the United States. Markers are not legally enforceable instruments in some foreign countries, but the United States' assets of foreign customers may be reached to satisfy judgments entered in the United States. We consider the likelihood and difficulty of enforceability, among other factors, when we issue credit to customers who are not residents of the United States.

Markers acquired as part of the acquisition of OpCo were accounted for at fair value on the Effective Date, with no acquired reserve, and will be accreted to interest income up to their expected realizable value over the life of their expected collectability. The acquired markers are subject to adjustment if the actual cash collection differs from the expected collectibility. The fair value, which also represents the carrying amount of markers acquired as part of the acquisition of OpCo as of the Effective Date, was $139 million. As of December 31, 2017, the carrying amount of the markers acquired was $69 million.

Acquired Markers Accretable Yield

(In millions)	**2017**
Balance as of October 6	$ 8
Accretion	(2)
Balance as of December 31	$ 6

Due from affiliates, net represents the net receivable for each counterparty relating to shared services performed on their behalf.

Accounts are written off when management deems the account to be uncollectible. Recoveries of accounts previously written off are recorded when received. We reserve an estimated amount for gaming receivables that may not be collected to reduce the Company's receivables to their net carrying amount. Methodologies for estimating the allowance for doubtful accounts range from specific reserves to various percentages applied to aged receivables. Historical collection rates are considered, as are customer relationships, in determining specific reserves. As with many estimates, management must make judgments about potential actions by third parties in establishing and evaluating our reserves for allowance for doubtful accounts. Receivables are reported net of the allowance for doubtful accounts.

Allowance for Doubtful Accounts

(In millions)	**2017**	**2016**	**2015**
Balance as of January 1	$ 41	$ 48	$ 196
Provision for doubtful accounts	8	11	11
Write-offs less recoveries	(18)	(18)	3
CEOC deconsolidation	—	—	(162)
OpCo consolidation [(1)]	20	—	—
Balance as of December 31	$ 51	$ 41	$ 48

(1) *See Note 4 for further details relating to the acquisition of OpCo.*

Revenue Recognition

Property Revenues

Casino revenues are measured by the aggregate net difference between gaming wins and losses. Funds deposited by customers in advance and chips in the customers' possession are recognized as a liability before gaming play occurs. Jackpots, other than the incremental amount of progressive jackpots, are recognized at the time they are won by customers. We accrue the incremental

amount of progressive jackpots as the progressive machine is played and the progressive jackpot amount increases, with a corresponding reduction of casino revenue.

Food and beverage and rooms revenues are recognized when services are performed. Advance deposits on rooms and advance ticket sales are recorded as a deposit liability until services are provided to the customer.

The retail value of accommodations, food and beverage, and other services furnished to guests without charge is included in gross revenues and then deducted as casino promotional allowances. See Note 14.

Sales taxes and other taxes collected from customers on behalf of governmental authorities are accounted for on a net basis and are not included in net revenues or operating expenses.

Other Revenue

Other revenue primarily includes revenue from third-party real estate leasing arrangements at our casino properties, revenue from company-operated retail stores, revenue from parking and revenue from our entertainment venues and The High Roller observation wheel. Prior to the Effective Date, other revenue included lease revenue from CEOC for Octavius Tower at Caesars Palace Las Vegas ("Caesars Palace"); following the Effective Date, it includes revenue earned from CEOC LLC's casino management service fees charged to third parties.

Reimbursed Management Costs

Reimbursable management costs are presented on a gross basis as revenue and expense, thus resulting in no net impact on operating income.

Advertising

The Company expenses the production costs of advertising the first time the advertising takes place. Advertising expense was $61 million, $55 million, and $65 million, respectively, for the years ended December 31, 2017, 2016 and 2015. Advertising expense is included in Property, general, administrative, and other within the Statements of Operations.

Other Operating Costs

Other operating costs primarily includes write-downs, reserves, and project opening costs, net of recoveries and acquisition and integration costs. During 2017, CEC was reimbursed $19 million for amounts related to the joint venture development in Korea that were previously deemed uncollectible and written off in 2015.

Note 4 — Business Combinations

CEC's Acquisition of OpCo

As described in Note 1, the Debtors emerged from bankruptcy and consummated their reorganization pursuant to the Plan on the Effective Date. As part of its emergence from bankruptcy, CEOC reorganized into OpCo and PropCo, and CEC acquired OpCo on the Effective Date for the total consideration summarized below. The acquisition was accounted for in accordance with ASC 805 with CEC considered the acquirer, which requires, among other things, that the assets acquired and liabilities assumed be recognized on the balance sheet at their fair values as of the acquisition date. The excess of the purchase price over the net fair value of the assets and liabilities was recorded as goodwill. Consideration transferred was composed of the following:

(In millions)		
Cash	$	700
CEC common stock [(1)]		1,774
Total cash and stock consideration		2,474
Settlement of pre-existing relationships		252
Total OpCo equity value	$	2,726

[(1)] *Approximately 139 million shares of CEC common stock issued at the Effective Date closing stock price of $12.80.*

Purchase Price Allocation

The following table summarizes the assets acquired and liabilities assumed. The intangible assets subject to amortization are being amortized on a straight-line basis over their estimated useful lives as of the acquisition date.

(In millions)	Fair Value	Weighted-Average Useful Life (years)
Assets acquired:		
Cash and cash equivalents	$ 1,239	
Receivables, net	266	
Other current assets	200	
Property and equipment	9,018	35.0
Intangible assets other than goodwill		
Trade names and trademarks [(1)]	664	
Gaming rights [(1)]	207	
Total Rewards [(1)]	253	
Customer relationships	137	14.8
Other non-current assets	180	
Total assets	12,164	
Liabilities assumed:		
Current liabilities	(765)	
Long-term debt	(1,607)	
Financing obligations	(8,385)	
Deferred income taxes	(568)	
Deferred credits and other liabilities	(361)	
Total liabilities	(11,686)	
Noncontrolling interest	41	
Net identifiable assets acquired	519	
Goodwill	2,207	
Total OpCo equity value	$ 2,726	

[(1)] *Indefinite-lived intangible assets.*

The fair values of the assets acquired and liabilities assumed were determined using the market, income, and cost approaches. The fair value measurements were primarily based on significant inputs that are not observable in the market, inputs included an expected range of market values, expected cash flows, recent comparable transactions and discounted cash flows. The market approach, which indicates value for a subject asset based on available market pricing for comparable assets, was utilized to estimate the fair value of primarily property plant and equipment operating leases. The market approach included prices and other relevant information generated by market transactions involving comparable assets, as well as pricing guides and other sources. The Company considered the current market for the properties and the expected proceeds from the sale of the assets, among other factors. The income approach was used to value certain intangible assets, including gaming rights and player relationships. The income approach was used to determine the failed sale real estate assets fair value, based on the estimated present value of the future lease payments over the lease term, including renewal options, using an imputed discount rate of approximately 8.5%. Projected cash flows are discounted at a required market rate of return that reflects the relative risk of achieving the cash flows and the time value of money. The cost approach, which estimates value by determining the current cost of replacing an asset with another of equivalent economic utility, was used, as appropriate, for certain assets for which the market and income approaches could not be applied due to the nature of the asset. The cost to replace a given asset reflects the estimated reproduction or replacement cost for the asset, less an allowance for loss in value due to depreciation.

As part of the Plan, certain real estate assets were sold to PropCo and leased back to OpCo. The leases were evaluated as a sale-leaseback of real estate. Under the expected terms of the lease agreements, we are required to contribute to a furniture, fixtures

and equipment ("FF&E") reserve account that PropCo may use as collateral in a future PropCo financing. We determined that this contingent-collateral arrangement represents a prohibited form of continuing involvement. Among other things, we estimated that the length of the leases, including optional renewal periods, would represent substantially all (90% or more) of the remaining economic lives of the properties and facilities subject to the leases, and the terms of the renewal options give the Company the ability to renew the lease at a rate that has the potential of being less than a fair market value rate as determined at the time of renewal. These, among certain other conditions, represent a prohibited form of continuing involvement. Therefore, we determined that these transactions did not qualify for sale-leaseback accounting, and we accounted for the transaction as a financing. The real estate assets that were sold to VICI and leased back by OpCo were first adjusted to fair value upon CEOC's emergence from bankruptcy and the failed sale-leaseback financing obligation was recognized at an amount equal to this fair value. Payments associated with the lease agreements will be $640 million in the initial lease year. The payment is applied to the liability using the effective interest method described further in Note 10.

Additionally, as part of the Plan, certain golf course properties (the "Golf Course Properties") were sold to VICI. CEOC LLC entered into a golf course use agreement (the "Golf Course Use Agreement") with VICI over a 35-year term, pursuant to which we incur (i) an annual membership fee of $10 million, subject to escalation, (ii) an annual use fee of $3 million, subject to escalation, and (iii) per-round fees. All of these payments are guaranteed by CEC. Title to these properties has been transferred, but management concluded that derecognition of the Golf Course Properties was not permitted under ASC Topic 360, *Property, Plant and Equipment*, due to CEC's guarantee of VICI's investment in the Golf Course Properties. Our obligation to make $10 million in annual payments under the Golf Course Use Agreement exceeds the fair value of services being received. Management recorded the obligation equal to the fair value of the Golf Course Properties in Financing obligations and the obligation related to the additional excess annual payments in Deferred credits and other liabilities. The obligations will be amortized using the effective interest method over the term of the Golf Course Use Agreement described further in Note 11.

Goodwill of $2.2 billion was recognized as a result of the transaction and relates to (i) the values of acquired assets that do not meet the definition of an identifiable intangible asset under ASC 805, but that do contribute to the value of the acquired business, including the assembled workforce and relationships with customers that are not tracked through our customer loyalty program Total Rewards; (ii) the going-concern value associated with expectations of forging relationships with future customers; and (iii) the assemblage value associated with acquiring an on-going business whose value is worth more than simply the sum of its parts. Goodwill has been assigned to our three reportable segments. None of the goodwill recognized is expected to be deductible for income tax purposes.

The relief from royalty method, a form of the income approach, was used to estimate the fair value of trademarks as the present value of the after-tax royalty savings attributable to owning the trade names, trademarks, and Total Rewards trademark intangible assets.

To estimate the fair value of the gaming rights, certain properties' rights were valued using a cost-based approach using the pricing in recent similar gaming rights' auctions or sales as a basis of value. Other properties' gaming rights were valued using the multi-period excess earnings method, a form of the income approach. Under this income-based approach, the fair value of the gaming rights was estimated as the present value of the after-tax cash flows attributable to the gaming right intangible asset only. The resulting after-tax income was adjusted by contributory asset charges to reflect the use of other assets to sustain the gaming right intangible asset. Charges for the use of contributory assets represent the required return on the other assets employed to generate future income.

The income approach comparing the prospective cash flows with and without the customer relationships in place was used to estimate the fair value of the customer relationships with the fair value assumed to be equal to the discounted cash flows of the business that would be lost if the customer relationships were not in place and needed to be replaced.

The Company recognized certain deferred tax assets and liabilities resulting from (i) net operating loss ("NOL") carryforwards available to CEC and reorganization of CEOC under the Plan and (ii) difference between the fair value of the assets and liabilities and their respective tax bases. Due to CEC's recent history of losses, CEC will continue to record a valuation allowance against the excess deferred tax assets that are not offset by deferred tax liabilities. Deferred tax liabilities of $568 million were recognized in the purchase price allocation of OpCo.

Included within liabilities are estimates related to obligations and future resolution of disputed claims pursuant to the Plan. These liabilities assumed were measured at their estimated fair value based on the bankruptcy proceedings and creditor's proof of claim. Refer to Note 11 for additional information.

In connection with the reorganization of CEOC, the income approach was used to estimate the fair value of the noncontrolling interest of $13 million.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented to illustrate the estimated effects of the acquisition of OpCo as if it had occurred on January 1, 2016, and is not necessarily indicative of either future results of operations or results that might have been achieved had the acquisition been consummated as of this date. The pro forma adjustments, with related tax impacts, are comprised primarily of the following:

- Depreciation and interest expense recognized related to the failed sale-leaseback financing obligations associated with the real estate assets and the financing obligation associated with the Golf Course Properties that were sold to VICI and leased back by CEOC LLC; and
- Interest expense related to the issuance of the CEOC LLC Term Loan, the CEOC LLC Revolving Credit Facility, and the CEC Convertible Notes (see Note 12 for additional information).

	(Unaudited) Years Ended December 31,	
(In millions, except per share data)	**2017**	**2016**
Net revenues	$ 8,307	$ 8,514
Net income/(loss)	6,399	(2,586)
Net income/(loss) attributable to Caesars	6,399	(2,566)
Basic earnings/(loss) per share	22.96	(9.20)
Diluted earnings/(loss) per share	14.87	(9.20)

The results of operations for OpCo have been included in the Company's Financial Statements since the acquisition date. The acquired business contributed $1 billion and $51 million, respectively, of net revenues and income from operations to CEC for the period from October 6, 2017 to December 31, 2017.

Merger with CAC

As described in Note 1, pursuant to the Merger Agreement, CAC merged with and into CEC, with CEC as the surviving company and each share of CAC common stock issued and outstanding immediately prior to the Effective Date was converted into, and became exchangeable for, 1.625 shares of CEC common stock on the Effective Date, which resulted in the issuance of 226 million shares of CEC common stock to stockholders of CAC. Hamlet Holdings beneficially owned a majority of both CEC's and CAC's common stock immediately prior to the CAC Merger. Therefore, the CAC Merger was accounted for as a reorganization of entities under common control, which resulted in CAC being consolidated into the Company at book value as an equity transaction for all periods presented after elimination of all intercompany accounts and transactions. The consolidated financial statements are not necessarily indicative of the results of operations that would have occurred if the Company had consolidated CAC prior to the Effective Date. In addition, as a result of the CAC Merger, CGP is no longer a VIE and is a wholly owned subsidiary of CEC. The following table summarizes the assets acquired, liabilities assumed and CEC's noncontrolling interest in CGP and excludes CGP's results, which were consolidated with CEC as a VIE prior to the Effective Date.

Summary of Merger as of October 6, 2017

(In millions)	**Total Value**
Assets acquired	$ 152
Liabilities assumed	(96)
Acquisition of noncontrolling interest in CGP from CAC	1,751
Net book value	$ 1,807

The following table reconciles the previously-reported net revenues and net income of Caesars Entertainment to the amounts currently reported in the Statements of Operations after giving effect to the CAC Merger.

Reconciliation of Net Revenues and Net Income

(In millions)	Years Ended December 31, 2016	2015
Net revenues		
Caesars Entertainment previously reported	$ 3,877	$ 3,929
CAC previously reported	—	—
Elimination and consolidation adjustments	—	—
As currently reported	$ 3,877	$ 3,929
Net income/(loss)		
Caesars Entertainment previously reported	$ (2,747)	$ 6,052
CAC previously reported	619	32
Elimination and consolidation adjustments	(949)	(76)
As currently reported	$ (3,077)	$ 6,008

Announced Acquisition of Centaur Holdings, LLC

On November 16, 2017, CEC announced it entered into a definitive agreement to acquire Centaur Holdings, LLC ("Centaur") for $1.7 billion, including $1.6 billion in cash at closing and $75 million in deferred consideration. Centaur operates Hoosier Park Racing & Casino in Anderson, Indiana, and Indiana Grand Racing & Casino in Shelbyville, Indiana. The transaction is subject to receipt of regulatory approvals and other customary closing conditions and is expected to close in the first half of 2018.

Note 5 — Recently Issued Accounting Pronouncements

During 2017, we adopted Accounting Standards Update ("ASU") 2017-04, *Intangibles-Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment* (see Note 7) and ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities* (see Note 8).

The following amendments to the FASB ASC were not effective through our year ended December 31, 2017.

New Development

Income Statement - Reporting Comprehensive Income - February 2018: Amendments in this update allow a reclassification from accumulated other comprehensive income to retained earnings effectively eliminating the stranded tax effects resulting from the Tax Cuts and Jobs Act (the U.S. federal government enacted a tax bill, H.R.1, An Act to Provide for Reconciliation Pursuant to Titles II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018). Because the amendments only relate to the reclassification of the income tax effects of the Tax Cuts and Jobs Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The amendments in this update are effective for all entities for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption is permitted. Amendments in this update should be applied either in the period of adoption or retrospectively to each period (or periods) in which the effect of the change in the U.S. federal corporate income tax rate in the Tax Cuts and Jobs Act is recognized. We are currently assessing the effect the adoption of this standard will have on our financial statements.

Previously Disclosed

Compensation - Stock Compensation - May 2017: Amendments in this update provide guidance regarding which changes to the terms or conditions of a share-based payment award require an entity to apply modification accounting. An entity should account for the effects of a modification unless all of the following are met: (i) the modification does not affect any of the inputs to the valuation technique that the entity uses to value the award; (ii) the vesting conditions of the modified award are the same as the vesting conditions of the original award; and (iii) the classification of the modified award as an equity instrument or a liability instrument is the same as before the original award was modified. Amendments in this update are effective for all periods, and interim periods within those annual periods, beginning after December 15, 2017. Early adoption is permitted. Application of amended guidance should be applied prospectively to an award modified on or after the adoption date. We are adopting this standard as of January 1, 2018.

Business Combinations - January 2017: Updated amendments intend to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisition (or disposals) of assets or businesses. Amendments in this update provide a more robust framework to use in determining when a set of assets and activities is a business and to provide more consistency in applying the guidance, reduce the costs of application, and make the definition of a business more operable. The amendments are effective to annual periods beginning after December 15, 2017, including interim periods within those periods. Early adoption is allowed as follows: (1) transactions for which acquisition date occurs before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued or made available for issuance and (2) transactions in which a subsidiary is deconsolidated or a group of assets is derecognized that occur before the issuance date or effective date of the amendments, only when the transaction has not been reported in financial statements that have been issued or made available for issuance. Application of amended guidance should be applied prospectively on or after the effective date and no disclosures are required at transition. We are adopting this standard as of January 1, 2018.

Statement of Cash Flows - August 2016: Amended guidance addresses eight specific cash flow issues with the objective of reducing diversity in how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments should be applied retrospectively to each period presented. The amendments are effective for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted. We are adopting this standard as of January 1, 2018, and are in the process of evaluating the effect it will have on our financial statements, if any.

Income Taxes - October 2016: Amended guidance addresses intra-entity transfers of assets other than inventory, which requires the recognition of any related income tax consequences when such transfers occur. The amendments should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. Amendments are effective for fiscal years beginning after December 15, 2017, and interim reporting periods within those years. Early adoption is permitted. We are adopting this standard as of January 1, 2018, and are in the process of evaluating the effect it will have on our financial statements, if any.

Revenue Recognition - May 2014 (amended September 2017): Created a new Topic 606, *Revenue from Contracts with Customers*. The new guidance is intended to clarify the principles for recognizing revenue and to develop a common revenue standard for GAAP applicable to revenue transactions. Existing industry guidance will be eliminated, including revenue recognition guidance specific to the gaming industry. The FASB has recently issued several amendments to the standard, including clarification on accounting for and identifying performance obligations. This guidance is effective for annual reporting periods beginning after December 15, 2017, including interim periods within those reporting periods. The guidance should be applied using the full retrospective method or retrospectively with the cumulative effect initially applying the guidance recognized at the date of initial application. We plan to adopt this standard effective January 1, 2018, on a full retrospective basis.

As described below, we expect the most significant effect will be related to the accounting for Total Rewards and casino promotional allowances.

Total Rewards affects revenue from our four core businesses: casino entertainment, food and beverage, rooms and hotel, and entertainment and other business operations. Currently, CEC accrues a liability based on the estimated cost of fulfilling the redemption of Reward Credits, after consideration of estimated forfeitures (referred to as “breakage”), based upon the cost of historical redemptions. Upon adoption of the new guidance, Reward Credits will no longer be recorded at cost, and a deferred revenue model will be used to account for the classification and timing of revenue recognized as well as the classification of related expenses when Reward Credits are redeemed. This will result in a portion of casino revenues being recorded as deferred revenue and being recognized as revenue in a future period when the Reward Credits are redeemed, and the revenue will be classified according to the good or service for which the Reward Credits are redeemed (e.g., a hotel room).

Additionally, we currently record promotional allowances in a separate line item within net revenues. As part of adopting the new standard, promotional allowances will no longer be presented separately. Alternatively, revenue will be recognized based on relative standalone selling prices for transactions with more than one performance obligation. For example, when a casino customer is given a complimentary room, we will be required to allocate a portion of the casino revenues earned from the customer to rooms revenues based on the standalone selling price of the room. As a result of this change, we expect to report substantially lower casino revenues; however, we do not expect this to significantly affect total net revenues.

In addition, we do not expect the adoption of the new standard to have a material effect on income from operations or net income. However, we are still evaluating certain assumptions used in our underlying calculations, particularly as it relates to our Total Rewards program.

Recognition and Measurement of Financial Instruments - January 2016 (amended February 2018): Amended certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. Among other things, they require equity investments (except those accounted for under the equity method of accounting or those that result in consolidation) to be measured at fair value with any changes in fair value recognized in net income and simplify the impairment assessment of equity investments without readily determinable fair values by requiring a qualitative assessment to identify impairment. The guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017. Early adoption is permitted on certain provisions. We are adopting this standard as of January 1, 2018, and are in the process of evaluating the effect it will have on our financial statements, if any.

Leases - February 2016 (amended January 2018): The amended guidance requires most lease obligations to be recognized as a right-of-use ("ROU") asset with a corresponding liability on the balance sheet. The guidance also requires additional qualitative and quantitative disclosures to assess the amount, timing, and uncertainty of cash flows arising from leases. This guidance is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. The guidance should be implemented for the earliest period presented using a modified retrospective approach, which includes optional practical expedients primarily focused on leases that commenced before the effective date, including continuing to account for leases that commenced before the effective date in accordance with previous guidance, unless the lease is modified.

Operating leases, including agreements relating to slot machines, will be recorded on the balance sheet as an ROU asset with a corresponding lease liability, which will be amortized using the effective interest rate method as payments are made. The ROU asset will be depreciated on a straight-line basis and recognized as lease expense. The qualitative and quantitative effects of adoption are still being analyzed. We are in the process of evaluating the full effect the guidance will have on our financial statements.

Financial Instruments - Credit Losses - June 2016 (amended January 2017): Amended guidance replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of broader range of reasonable and supportable information to inform credit loss estimates. Amendments affect entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance-sheet credit exposures, reinsurance receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash. Amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted. We are currently assessing the effect the adoption of this standard will have on our financial statements.

Note 6 — Property and Equipment

We have significant capital invested in our long-lived assets, and judgments are made in determining their estimated useful lives and salvage values and if or when an asset (or asset group) has been impaired. The accuracy of these estimates affects the amount of depreciation and amortization expense recognized in our financial results and whether we have a gain or loss on the disposal of an asset. We assign lives to our assets based on our standard policy, which is established by management as representative of the useful life of each category of asset.

We review the carrying value of our long-lived assets whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. As necessary, we typically estimate the fair value of assets starting with a "Replacement Cost New" approach and then deduct appropriate amounts for both functional and economic obsolescence to arrive at the fair value estimates. Other factors considered by management in performing this assessment may include current operating results, trends, prospects, and third-party appraisals, as well as the effect of demand, competition, and other economic, legal, and regulatory factors. In estimating expected future cash flows for determining whether an asset is impaired, assets are grouped at the lowest level of identifiable cash flows, which, for most of our assets, is the individual property. These analyses are sensitive to management assumptions and the estimates of the obsolescence factors. Changes in these assumptions and estimates could have a material impact on the analyses and the consolidated financial statements.

Additions to property and equipment are stated at cost. We capitalize the costs of improvements that extend the life of the asset. We expense maintenance and repair costs as incurred. Gains or losses on the dispositions of property and equipment are recognized in the period of disposal. Interest expense is capitalized on internally constructed assets at the applicable weighted-average borrowing rates of interest. Capitalization of interest ceases when the project is substantially complete or construction activity is suspended for more than a brief period of time. Interest capitalized was $6 million, $2 million, and $12 million, respectively, for the years ended December 31, 2017, 2016, and 2015.

Useful Lives

Land improvements			12	years
Buildings	20	to	40	years
Building and leasehold improvements	5	to	20	years
Riverboats and barges			30	years
Furniture, fixtures, and equipment	2.5	to	20	years

Property and Equipment, Net

	As of December 31,	
(In millions)	**2017**	**2016**
Land and land improvements	$ 4,950	$ 3,584
Buildings, riverboats, and leasehold improvements	11,802	4,149
Furniture, fixtures, and equipment	1,280	1,346
Construction in progress	331	55
Total property and equipment	18,363	9,134
Less: accumulated depreciation	(2,135)	(1,688)
Total property and equipment, net	$ 16,228	$ 7,446
Capital lease assets, net book value [(1)]	$ —	$ 7

[(1)] *Included in furniture, fixtures, and equipment above.*

Depreciation Expense and Other Amortization Expense

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
Depreciation expense [(1)]	$ 557	$ 369	$ 301
Other amortization expense	4	5	8

[(1)] *Depreciation expense for 2017 includes accelerated depreciation of $80 million due to asset removal and replacement in connection with property renovations primarily at Flamingo Las Vegas, Bally's Las Vegas, Harrah's Las Vegas, Harrah's Laughlin, Planet Hollywood and Harrah's New Orleans compared with $55 million in 2016 primarily at Planet Hollywood, Paris Las Vegas, Harrah's Las Vegas and Flamingo Las Vegas and $6 million in 2015 primarily at Harrah's Las Vegas.*

Depreciation is calculated using the straight-line method over the shorter of the estimated useful life of the asset or the related lease.

Note 7 — Goodwill and Other Intangible Assets

The purchase price of an acquisition is allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. We determine the estimated fair values after review and consideration of relevant information including discounted cash flows, quoted market prices, and estimates made by management. To the extent the purchase price exceeds the fair value of the net identifiable tangible and intangible assets acquired and liabilities assumed, such excess is recorded as goodwill.

We perform our annual goodwill impairment assessment as of October 1. We perform this assessment more frequently if impairment indicators exist. Effective for the quarter ended December 31, 2017, we adopted ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment,* which amends the existing requirements by eliminating Step 2 from the goodwill impairment test. Under the amended guidance, we performed our annual goodwill impairment test by comparing the fair value of each reporting unit with its carrying amount. We determine the estimated fair value of each reporting unit based on a combination of earnings before interest, taxes, depreciation, and amortization ("EBITDA"), valuation multiples, and estimated future cash flows discounted at rates commensurate with the capital structure and cost of capital of comparable market participants, giving appropriate consideration to the prevailing borrowing rates within the casino industry in general. We also evaluate the

aggregate fair value of all of our reporting units and other non-operating assets in comparison to our aggregate debt and equity market capitalization at the test date. EBITDA multiples and discounted cash flows are common measures used to value businesses in our industry.

We perform our annual impairment assessment of other non-amortizing intangible assets as of October 1. We perform this assessment more frequently if impairment indicators exist. We determine the estimated fair value of our non-amortizing intangible assets by primarily using the "Relief from Royalty Method" and "Excess Earnings Method" under the income approach.

The evaluation of goodwill and other non-amortizing intangible assets requires the use of estimates about future operating results, valuation multiples, and discount rates to determine their estimated fair value. Changes in these assumptions can materially affect these estimates. Thus, to the extent gaming volumes deteriorate in the near future, discount rates increase significantly, or we do not meet our projected performance, we could have impairments to record in the future and such impairments could be material.

Changes in Carrying Value of Goodwill by Segment

(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**CEC Total**
Gross Goodwill				
Balance as of January 1, 2016	$ 4,410	$ 650	$ —	$ 5,060
Balance as of December 31, 2016	4,410	650	—	5,060
Accumulated Impairment				
Balance as of January 1, 2016	(3,115)	(337)	—	(3,452)
Balance as of December 31, 2016	(3,115)	(337)	—	(3,452)
Net carrying value, as of December 31, 2016	$ 1,295	$ 313	$ —	$ 1,608
Gross Goodwill				
Balance as of January 1, 2017	$ 4,410	$ 650	$ —	$ 5,060
OpCo acquisition [1]	1,794	352	61	2,207
Balance as of December 31, 2017	6,204	1,002	61	7,267
Accumulated Impairment				
Balance as of January 1, 2017 and December 31, 2017	(3,115)	(337)	—	(3,452)
Net carrying value, as of December 31, 2017 [2]	$ 3,089	$ 665	$ 61	$ 3,815

[1] *See Note 4 for further details relating to the acquisition of OpCo.*
[2] *$405 million of goodwill is associated with a reporting unit with zero or negative carrying value. As the reporting unit has a positive fair value and as a result of the revised one-step impairment test under ASU 2017-04 described above, there is no impairment associated with this reporting unit.*

Changes in Carrying Value of Intangible Assets Other than Goodwill

	Amortizing		**Non-Amortizing**		**Total**	
(In millions)	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Balance as of January 1	$ 285	$ 350	$ 148	$ 148	$ 433	$ 498
Amortization expense	(67)	(65)	—	—	(67)	(65)
Deconsolidation of Horseshoe Baltimore [1]	—	—	(22)	—	(22)	—
OpCo acquisition [2]	137	—	1,124	—	1,261	—
Other	—	—	4	—	4	—
Balance as of December 31	$ 355	$ 285	$ 1,254	$ 148	$ 1,609	$ 433

[1] *See Note 2 or further details relating to the deconsolidation of Horseshoe Baltimore.*
[2] *See Note 4 for further details relating to the acquisition of OpCo.*

Gross Carrying Value and Accumulated Amortization of Intangible Assets Other than Goodwill

	December 31, 2017				December 31, 2016		
(Dollars in millions)	**Weighted Average Remaining Useful Life (in years)**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Amortizing intangible assets							
Customer relationships	5.0	$ 1,030	$ (693)	$ 337	$ 893	$ (630)	$ 263
Contract rights	7.0	3	(2)	1	3	(1)	2
Gaming rights and other	6.5	43	(26)	17	43	(23)	20
		$ 1,076	$ (721)	355	$ 939	$ (654)	285
Non-amortizing intangible assets							
Trademarks				790			126
Gaming rights				211			22
Total Rewards				253			—
				1,254			148
Total intangible assets other than goodwill				$ 1,609			$ 433

The aggregate amortization expense for intangible assets that continue to be amortized was $67 million, $65 million, and $65 million, respectively, for the years ended December 31, 2017, 2016, and 2015.

Estimated Five-Year Amortization

	Years Ended December 31,				
(In millions)	**2018**	**2019**	**2020**	**2021**	**2022**
Estimated annual amortization expense	$ 64	$ 63	$ 63	$ 57	$ 14

Note 8 — Fair Value Measurements

Our assessment of goodwill and other intangible assets for impairment includes an assessment using various Level 2 (EBITDA multiples and discount rate) and Level 3 (forecasted cash flows) inputs. See Note 7 for more information on the application of the use of fair value methodology to measure goodwill and other intangible assets.

We have not elected the fair value measurement option available under GAAP for any of our assets or liabilities that meet the criteria for this option.

Items Measured at Fair Value on a Recurring Basis

The following table shows the fair value of our financial assets and financial liabilities that are required to be measured at fair value as of the date shown:

(In millions)	Balance	Level 1	Level 2	Level 3
December 31, 2017				
Assets:				
Equity securities	$ 8	$ 8	$ —	$ —
Government bonds	25	—	25	—
Total assets at fair value	$ 33	$ 8	$ 25	$ —
Liabilities:				
Derivative instruments	$ 1,016	$ —	$ —	$ 1,016
December 31, 2016				
Assets:				
Government bonds	$ 47	$ —	$ 47	$ —
Liabilities:				
CEC Convertible Notes [1]	$ 1,600	$ —	$ —	$ 1,600
CEC common stock [1] [2]	1,936	—	1,936	—
VICI Call Right	131	—	—	131
Total liabilities at fair value	$ 3,667	$ —	$ 1,936	$ 1,731

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[1] *The CEC Convertible Notes and shares of CEC common stock underlying these liabilities were issued on the Effective Date. See Note 12 for further details on the CEC Convertible Notes.*

[2] *Includes $23 million related to the $200 million equity buyback that was reclassified from Level 3 to Level 2 during 2016.*

Changes in Level 3 Fair Value Measurements

	Year Ended December 31, 2017			Year Ended December 31, 2016	
(In millions)	CEC Convertible Notes [1]	VICI Call Right [2]	Derivative Instruments [1]	CEC Convertible Notes	VICI Call Right
Balance as of beginning of period	$ 1,600	$ 131	$ —	$ —	$ —
Restructuring of CEOC and other	640	46	—	1,600	131
Settlement of Restructuring Support and Forbearance Agreement Accrual	(2,240)	(177)	1,080	—	—
Change in fair value	—	—	(64)	—	—
Balance as of end of period	$ —	$ —	$ 1,016	$ 1,600	$ 131

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[1] *The CEC Convertible Notes were remeasured at fair value and issued on the Effective Date with a debt component and a derivative liability component. See Note 12 for further details on the debt portion of the CEC Convertible Notes. The derivative portion of the CEC Convertible Notes is a recurring fair value measurement, see below.*

[2] *The VICI Call Right was remeasured at fair value and then transferred to Accrued expenses and other current liabilities on the Balance Sheet upon settlement on the Effective Date because it is an option related to real estate and therefore not a derivative. See Note 9.*

Equity Securities

Investments in equity securities are traded in active markets and have readily determined market values. These investments are in Prepayments and other current assets on our Balance Sheets. As of December 31, 2017, gross unrealized gains and losses on marketable securities were not material.

Government Bonds

Investments primarily consist of debt securities held by our captive insurance entities that are traded in active markets, have readily determined market values, and have maturity dates of greater than three months from the date of purchase. These investments primarily represent collateral for several escrow and trust agreements with third-party beneficiaries and are recorded in Deferred charges and other assets while a portion is included in Prepayments and other current assets in our Balance Sheets.

CEC Common Stock

The fair value of CEC's common stock was estimated based on the number of shares CEC expected to issue and the share price on the Effective Date for the resolution of claims and potential claims. This fair value was estimated net of 146 million shares for which certain CEOC creditors elected to receive cash in lieu of shares of CEC common stock at a pre-negotiated price of $6.86 per share. The value of the purchase obligation was approximately $1.0 billion and was not subject to changes in fair value; therefore, the estimated fair value primarily represented the net shares expected to be issued after satisfying the repurchase obligation using the estimated fair value of CEC's common stock. Effective in third quarter of 2017, the valuation models used do not require significant judgment, and inputs can be observed in a liquid market, such as the current trading price; therefore, this liability was classified as Level 1.

VICI Call Right

As described in Note 1, the VICI Call Right Agreements provide VICI with an option, exercisable within five years following the Effective Date, to purchase and lease-back the real property assets associated with Harrah's Atlantic City, Harrah's Laughlin and Harrah's New Orleans (each VICI Call Right Agreement relating to a different property). If VICI does not exercise its call right within the exercise period, the respective VICI Call Right Agreement will automatically terminate.

If a call right is exercised, the purchase price will equal ten times the agreed annual rent for the property under the applicable lease, and the purchase will be on other customary terms and conditions, with the closing of such purchase(s) to occur following regulatory approvals. The rent under any such lease will be determined based on a rent-to-earnings before interest, taxes, depreciation, amortization, and rent ("EBITDAR") coverage ratio and will be adjusted on terms consistent with the CEOC LLC Leases. If CEC is unable to timely deliver a property following the exercise of the call right due to limitations set forth in agreements governing CEC's subsidiaries' indebtedness, and if CEC is not able to provide replacement property providing equal or greater economic benefits to VICI, then CEC will be required to pay to VICI an amount in cash equal to the loss in value to VICI of $260 million, escalating at a fixed 8.5% interest rate, as specified in the applicable VICI Call Right Agreements, subject to certain conditions. Additionally, these call rights were subject: (1) in the case of Harrah's Atlantic City and Harrah's Laughlin, to the terms of the CERP credit agreement and (2) in the case of Harrah's New Orleans, to the terms of the CGPH credit agreement. Subsequent to the CRC Merger, the call right is subject to the terms of the CRC Credit Agreement (defined in Note 12). Prior to the Effective Date, we accrued an estimate of the fair value of the VICI Call Right based on the expected terms as described in the Plan. The actual terms of the VICI Call Right was consistent with the expected terms on which our original estimates were based.

The valuation model used to estimate the fair value of the VICI Call Right was a Monte Carlo simulation and utilized the following key assumptions:

- Ratio of EBITDAR to Initial Rent under Property Lease - 1.67 to 1.00
- EBITDAR volatility - 25%
- Enterprise value to revenue volatility - 12%
- Ratio of initial purchase price to property lease rent - 12.00 to 1.00
- EBITDAR to multiple correlation - 0.0%
- Composite projected revenue growth rate - 1.7%
- Composite projected EBITDAR margin growth rate - 23.8%

Since the key assumptions used in the valuation model were significant unobservable inputs, the fair value for the VICI Call Right was classified as Level 3. On the Effective Date, the VICI Call Right was transferred to Accrued expenses and other current liabilities on our Balance Sheet (see Note 9) at an amount equal to the fair value of the option on the Effective Date. Management does not believe that the liability should continue to be recognized at fair value after initial recognition until the execution or expiration of the option because it is an option related to real estate and therefore not a derivative and given the fair value option has not been elected. Additionally, provided the real estate property assets remain on the Balance Sheets, they will be evaluated for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable.

Derivative Instruments

We do not purchase or hold any derivative financial instruments for trading purposes.

CEC Convertible Notes - Derivative Liability

On the Effective Date, CEC issued $1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024, see Note 12 for further details.

U.S. GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur, and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule is when the host instrument is deemed to be conventional.

Management analyzed the conversion features for derivative accounting consideration under ASC Topic 815, *Derivatives and Hedging*, ("ASC 815") and determined that the CEC Convertible Notes contains bifurcated derivative features and qualifies for derivative accounting. In accordance with ASC 815, CEC has bifurcated the conversion features of the note and recorded a derivative liability.

The derivative features of the note are carried on CEC's Balance Sheet at fair value in Deferred credits and other liabilities. The derivative liability is marked-to-market each measurement period, and any unrealized change in fair value is recorded as a component in the Statements of Operations in Other income/(loss).

The derivative liability associated with the CEC Convertible Notes will remain in effect until such time as the underlying convertible notes are exercised or terminated and the resulting derivative liability will be transitioned from a liability to equity as of such date.

Valuation Methodology

We estimated the fair value of the CEC Convertible Notes using a binomial lattice valuation model that incorporated the value of both the straight debt and conversion features of the notes. The CEC Convertible Notes have a face value of $1.1 billion, a term of 7 years, a coupon rate of 5%, and are convertible into 156 million shares of CEC common stock. The valuation model incorporated assumptions regarding the incremental cost of borrowing for CEC, the value of CEC's equity into which these notes could convert, the expected volatility of such equity, and the risk-free rate.

Key Assumptions as of December 31, 2017 -

- Incremental cost of borrowing - 4.75%
- Expected volatility - 30%
- Risk-free rate - 2.3%

Since the key assumptions used in the valuation model, including CEC's estimated incremental cost of borrowing and the expected volatility of CEC's equity, were significant unobservable inputs, the fair value for the conversion features of the CEC Convertible Notes was classified as Level 3.

Interest Rate Swap Derivatives

We use interest rate swaps to manage the mix of our debt between fixed and variable rate instruments. As of December 31, 2017,

we have entered into four interest rate swap agreements for notional amounts totaling $1.0 billion. The interest rate swaps are designated as cash flow hedging instruments. The difference to be paid or received under the terms of the interest rate swap agreements will be accrued as interest rates change and recognized as an adjustment to interest expense for the related debt beginning on December 31, 2018. Changes in the variable interest rates to be paid or received pursuant to the terms of the interest rate swap agreements will have a corresponding effect on future cash flows.

The major terms of the interest rate swap agreements as of December 31, 2017 are as follows:

Effective Date	Notional Amount (In millions)	Fixed Rate Paid	Variable Rate Received as of December 31, 2017 [1]	Maturity Date
1/1/2019	250	2.153%	N/A	12/31/2020
1/1/2019	250	2.172%	N/A	12/31/2020
1/1/2019	250	2.196%	N/A	12/31/2021
12/31/2018	250	2.274%	N/A	12/31/2022

[1] *Contract start dates are after December 31, 2017.*

Valuation Methodology

The estimated fair values of our interest rate swap derivative instruments are derived from market prices obtained from dealer quotes for similar, but not identical, assets or liabilities. Such quotes represent the estimated amounts we would receive or pay to terminate the contracts. The interest rate swap derivative instruments are included in either Deferred charges and other assets or Deferred credits and other liabilities on our Balance Sheets. Our derivatives are recorded at their fair values, adjusted for the credit rating of the counterparty if the derivative is an asset, or adjusted for the credit rating of the Company if the derivative is a liability. None of our derivative instruments are offset and all were classified as Level 2.

Derivatives Impact on Financial Statements

During the quarter ended December 31, 2017, we adopted ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, and applied the guidance to hedges entered into during the quarter. The amended guidance expands and refines hedge accounting for both nonfinancial and financial risk components and aligns the recognition and presentation of the effects of the hedging instrument and the hedged items.

The following table represents the fair values of derivative instruments on the Balance Sheets as of December 31, 2017:

	Derivative Liabilities	
(In millions)	Balance Sheet Location	Fair Value
Derivatives not designated as hedging instruments		
CEC Convertible Notes - derivative features	Deferred credits and other liabilities	$ 1,016

The fair value of our interest rate swap derivatives was immaterial. The effect of derivative instruments designated as hedging instruments in the Statements of Operations for amounts transferred into accumulated other comprehensive income/(loss) was immaterial for the year ended December 31, 2017.

Note 9 — Accrued Expenses and Other Current Liabilities

Total Rewards Loyalty Program

Our customer loyalty program, Total Rewards, offers incentives to customers primarily based on their spending related to on-property entertainment expenses, including gaming, hotel, dining, and retail shopping at our casino entertainment facilities located in the United States and Canada. Under the program, customers are able to accumulate reward credits over time that they can redeem in exchange for a variety of goods and services under the terms of the program. A customer will forfeit their reward credit balance if they do not earn a reward credit over the prior six-month period.

As a result of customers being able to accumulate reward credits and present those rewards for redemption at some point in the future, we estimate the cost of fulfilling the redemption of reward credits based upon the cost of historical redemptions, after considering the effect of estimated forfeitures (referred to as "breakage"). We accrue the estimated cost of reward credits as the reward credits are earned by customers. The liability is included in Accrued expenses and other current liabilities on the Balance Sheets, and the related expense is included in Direct casino expense in the Statements of Operations.

Total Rewards members can also earn reward credits from Total Rewards VISA branded credit cards (the "Total Rewards VISA") based on the dollar amount of transactions. Cardholders are provided extra benefits such as VIP access to resort outlets and upgraded Total Rewards tier status. Reward credits earned through the Total Rewards VISA can be accumulated until redeemed at the cardholders' discretion within the terms of the program. The reward credit balance will be forfeited if the customer does not earn a reward credit over the prior six-month period. The value of the reward credits is deferred when earned from cardholders' transactions and recognized as revenue when redeemed and the related cost is incurred. Forfeitures are recognized as revenue as the reward credits expire.

Self-Insurance Accruals

We are self-insured for workers' compensation and other risk products through our captive insurance subsidiaries. Our insurance claims and reserves include accruals of estimated settlements for known claims, as well as accruals of actuarial estimates of incurred but not reported claims. In estimating these reserves, historical loss experience and judgments about the expected levels of costs per claim are considered. We also utilize consultants to assist in the determination of certain estimated accruals. These claims are accounted for based on actuarial estimates of the undiscounted claims, including those claims incurred but not reported. We believe the use of actuarial methods to account for these liabilities provides a consistent and effective way to measure these highly judgmental accruals; however, changes in health care costs, accident frequency and severity, and other factors can materially affect the estimates for these liabilities. We regularly monitor the potential for changes in estimates, evaluate our insurance accruals, and adjust our recorded provisions.

Detail of Accrued Expenses and Other Current Liabilities

	As of December 31,	
(In millions)	**2017**	**2016**
Payroll and other compensation	$ 268	$ 155
Self-insurance claims and reserves	192	179
Advance deposits	189	87
VICI Call Right	177	—
Accrued taxes	137	56
Disputed claims liability (See Note 11)	112	—
Total Rewards	66	1
Chip and token liability	38	20
Payable to former minority investors and holders of CIE equity awards (See Note 18)	—	63
Other accruals	280	132
Total accrued expenses and other current liabilities	$ 1,459	$ 693

Note 10 — Leases

Operating Leases

We lease both real estate and equipment used in our operations. As of December 31, 2017, the remaining term of our operating leases ranged from 1 to 80 years with various automatic extensions. For the years ended December 31, 2017, 2016 and 2015, rent expense for operating leases was $84 million, $74 million, and $72 million, respectively. In addition to minimum rental commitments, certain of our operating leases provide for contingent rentals based on a percentage of revenues in excess of specified amounts. However, such amounts are not considered material.

Failed Sale-Leaseback Financing Obligations

As described in Note 1 and Note 4, in conjunction with CEOC's emergence from bankruptcy, OpCo, which was acquired by CEC and then immediately merged with and into CEOC LLC, with CEOC LLC as the surviving entity, entered into the CEOC LLC

Leases with VICI on the Effective Date. Additionally, on December 22, 2017, Harrah's Las Vegas sold certain real estate assets to VICI and simultaneously entered into the HLV Lease.

Each lease agreement provides for fixed rent (subject to escalation) during an initial term, then rent consisting of both base rent and variable percentage rent elements, and has a 15-year initial term and four five-year renewal options. The CEOC LLC Leases and the HLV Lease provide for annual fixed rent of $640 million and $87 million, respectively. Each of the leases includes escalation provisions beginning at various points in the initial term and continuing through the renewal terms equal to the greater of either: (i) 1% or 2% (varies by lease) or (ii) the Consumer Price Index. The leases also include provisions for contingent rental payments calculated based on a percentage of net revenue of the underlying lease properties commencing in year two of the Caesars Palace lease, in year six of the remaining CEOC LLC Leases, and year eight for the HLV Lease.

The leases were evaluated as a sale-leaseback of real estate. Under the expected terms of the lease agreements, we are required to contribute to a FF&E reserve account that VICI may use as collateral in a future VICI financing. We determined that this contingent-collateral arrangement represents a prohibited form of continuing involvement. Among other things, we estimated that the length of the leases, including optional renewal periods, would represent substantially all (90% or more) of the remaining economic lives of the properties and facilities subject to the leases, and the terms of the renewal options give the Company the ability to renew the lease at a rate that has the potential of being less than a fair market value rate as determined at the time of renewal. These, among certain other conditions, represent a prohibited form of continuing involvement. Therefore, we determined that these transactions did not qualify for sale-leaseback accounting, and we accounted for the transaction as a financing.

For a failed sale-leaseback transaction, the real estate assets generally remain on the consolidated balance sheet at their historical net book value and are depreciated over their remaining useful lives while a failed sale-leaseback financing obligation is recognized for the proceeds received. For the CEOC LLC Leases transaction, the real estate assets that were sold to VICI and leased back by OpCo were first adjusted to fair value upon CEOC's emergence from bankruptcy and the failed sale-leaseback financing obligation was recognized at an amount equal to this fair value. CEC then recognized a failed sale-leaseback financing obligation equal to this fair value as part of the acquisition of OpCo (see Note 4).

As described above, for failed sale-leaseback transactions, we continue to reflect the real estate assets on our Balance Sheets in Property and equipment, net as if we were the legal owner, and we continue to recognize depreciation expense over the estimated useful lives. We do not recognize rent expense related to the leases, but we have recorded a liability for the failed sale-leaseback obligations and the majority of the periodic lease payments are recognized as interest expense. In the initial periods, cash payments are less than the interest expense recognized in the Statements of Operations, which causes the related sale-leaseback liability to increase during the beginning of the lease term.

Future Minimum Lease Commitments

(In millions)	**Operating Leases**	**Financing Obligation**
2018	$ 67	$ 666
2019	55	730
2020	54	734
2021	53	739
2022	49	745
Thereafter	1,018	36,330
Total minimum rental commitments	$ 1,296	$ 39,944

Guarantee for Failed Sale-Leaseback

Subject to certain exceptions, the payment of all monetary obligations under the CEOC LLC Leases is guaranteed by CEC and the payment of all monetary obligations under the HLV Lease is guaranteed by CRC.

Note 11 — Litigation, Contractual Commitments and Contingent Liabilities

Litigation

Caesars is party to ordinary and routine litigation incidental to our business. We do not expect the outcome of any such litigation to have a material effect on our consolidated financial position, results of operations, or cash flows, as we do not believe it is reasonably possible that we will incur material losses as a result of such litigation.

Noteholder Disputes

Beginning in 2014, CEC was party to a number of lawsuits (the "Noteholder Lawsuits") relating to the enforceability of certain CEC financial guarantees of CEOC debt obligations. More specifically, seven lawsuits were filed by certain secured or unsecured creditors against CEC (originally also against others) in federal and state courts in New York and Delaware, and one lawsuit was initiated by CEC against certain creditors in New York state court, each seeking judicial determinations of CEC's liability, if any, for its refusal to pay creditors under various parental guarantees that supported particular CEOC indebtedness. In October 2017, following the Effective Date, each of these Noteholder Lawsuits was dismissed, with prejudice.

Report of Bankruptcy Examiner

With the effectiveness of the CEOC reorganization plan, matters relating to the Report of Bankruptcy Examiner have now been resolved.

Employee Benefit Obligations

CEC and CEOC have been engaged in a number of actions and proceedings (the "Hilton Actions") with Hilton Hotels Corporation ("Hilton"), the Plan Administrator of the Hilton Hotels Retirement Plan (the "Hilton Plan"), and a representative of the Plan Administrator (together with Hilton and the Plan Administrator, the "Hilton Parties") relating to amounts to be paid to the Hilton Plan in connection with an Employee Benefits and Other Employment Allocation Agreement dated December 31, 1998 (the "Allocation Agreement").

On June 9, 2016, CEC, CEOC and the Hilton Parties entered into a settlement of the claims in the Hilton Actions (the "Settlement Agreement"), which was approved by the CEOC Bankruptcy Court on July 19, 2016. Under the Settlement Agreement, Hilton received a general unsecured claim in CEOC's bankruptcy case for an amount equal to $51 million plus 31.75% of amounts paid by Hilton to the Hilton Plan due after July 16, 2016. In addition, for periods following the Effective Date of the Plan, CEC assumed certain of CEOC's obligations under the Allocation Agreement and Hilton turned over to CEC the distributions on account of $25 million of Hilton's claim in the CEOC bankruptcy, minus an amount for reimbursement of Hilton's costs and expenses. The settlement amount was fully accrued in liabilities subject to compromise at CEOC, which was acquired by CEC on the Effective Date.

Pursuant to the Settlement Agreement and the occurrence of the Effective Date, the Hilton Actions were dismissed with prejudice. In addition, with CEC's consent, Hilton sold its claim in the CEOC bankruptcy and turned over to CEC the proceeds from the sale of CEC's portion of Hilton's claim minus the reimbursement of Hilton's costs and expenses. CEC received these net sale proceeds, totaling approximately $12 million in the fourth quarter of 2017, of which $7 million was recorded in Deferred credits and other liabilities and $5 million was recorded in Accrued expenses and other current liabilities on the Balance Sheet at December 31, 2017.

National Retirement Fund

Five indirect subsidiaries of CEC which were required to make contributions to the National Retirement Fund's ("NRF's") legacy plan (the "Five Employers") and the members of the Five Employers' controlled group have been engaged in a number of actions, proceedings and appeals with the NRF, its fund manager, and its board of trustees (the "NRF Litigations") arising out of the January 2015 vote of a majority of the NRF's trustees to expel the Five Employers from the NRF's legacy plan.

On March 13, 2017, CEC, CERP, CEOC (on behalf of itself and each of the Debtors and its other direct and indirect subsidiaries), the Five Employers, the NRF, the NRF's legacy plan, the NRF's trustees, and others entered into a Settlement Agreement (the "NRF Settlement Agreement"). Under the NRF Settlement Agreement, on the Effective Date, CEC paid $45 million to the NRF (the "NRF Payments") and mutual releases between the CEC-affiliated parties and the NRF-affiliated parties to the NRF Settlement Agreement became effective. Promptly after the Effective Date, each of the actions, proceedings and appeals relating to the NRF Litigations was dismissed with prejudice.

As of December 31, 2016, with respect to the NRF Payments, the Company had accrued $30 million related to the litigation settlement, the legal fee reimbursement, and the withdrawal liability in Accrued expenses and other current liabilities on the Balance Sheets. The portion of the NRF Payments related to contributions of $15 million was accounted for as a prepayment toward future pension contributions and recorded in Deferred charges and other assets at December 31, 2017 on the Balance Sheet.

Contractual Commitments

NV Energy

In September 2017, we filed our final notice to proceed with our plan to exit the fully bundled sales system of NV Energy for our Nevada casino properties and purchase energy, capacity, and/or ancillary services from a provider other than NV Energy. The transition to unbundle electric service was completed in the first quarter of 2018 (the "Cease-Use Date"). As a result of our decision to exit, an order from the Public Utilities Commission of Nevada required that we pay an aggregate exit fee of $48 million. These fees are payable over three to six years at an aggregate present value of $38 million as of December 31, 2017 and are recorded in Accrued expenses and other current liabilities and Deferred credits and other liabilities on the Balance Sheets, with a corresponding expense recognized in Other operating costs in the Statements of Operations.

For six years following the Cease-Use Date, we will also be required to make ongoing payments to NV Energy for non-bypassable rate charges, which primarily relate to each entity's share of NV Energy's portfolio of renewable energy contracts and the costs of decommissioning and remediation of coal-fired power plants. Total fees to be incurred are estimated to be $30 million, with an estimated present value of $26 million. The present value of the liability will be recorded during the first quarter of 2018 as of the effective date of the transition and will be adjusted in the future if actual fees incurred differ from our estimates.

Golf Course Properties

Concurrently with the execution of the CEOC LLC Leases with VICI described in Note 10, certain Golf Course Properties were sold to VICI. CEOC LLC entered into a Golf Course Use Agreement with VICI over a 35-year term, pursuant to which we incur (i) an annual payment of $10 million subject to escalation, (ii) an annual use fee of $3 million, subject to escalation beginning in the second year, and (iii) per-round fees. All of these payments are guaranteed by CEC. The Golf Course Use Agreement was determined not to be a lease.

As of December 31, 2017, we had a financing obligation of $74 million related to our continued recognition of the Golf Course Properties. Title to these properties has been transferred, but management concluded that derecognition of the Golf Course Properties was not permitted under ASC 360, *Property, Plant and Equipment*, due to CEC's guarantee of VICI's investment in the Golf Course Properties. The Golf Course Properties value of $74 million is reflected in Property, plant and equipment, net on our Balance Sheet. Our obligation to make $10 million in annual payments under the Golf Course Use Agreement exceeds the fair value of services being received. Management recorded an additional obligation equal to the fair value of these payments. As of December 31, 2017, the obligation of $142 million is reflected in Deferred credits and other liabilities on our Balance Sheet.

The obligations will be amortized using the effective interest method over the term of the Golf Course Use Agreement which continues through October 2052. The amortization on these obligations for the year ended December 31, 2017 was immaterial and reflected in Interest expense in our Statement of Operations.

VICI Leases

Under the CEOC LLC Leases, we are required to spend $100 million in capital expenditures annually and $495 million for every three-year period. Under the HLV Lease, we are required to spend $171 million in capital expenditures for the period from January 1, 2017 through December 31, 2021, and thereafter, spend an amount equal to at least 1% of Harrah's Las Vegas net revenue for the prior lease year.

Tribal Casino Management Contracts

The agreements pursuant to which we manage casinos on Indian lands contain provisions required by law that provide a minimum monthly payment that must be made to the tribe. That obligation has priority over scheduled repayments of borrowings for development costs and over the management fee earned and paid to the manager. In the event that insufficient cash flow is generated by the operations to fund this payment, we must pay the shortfall to the tribe. Subject to certain limitations as to time, such advances, if any, would be repaid to us in future periods in which operations generate cash flow in excess of the required minimum payment. These commitments will terminate upon the occurrence of certain defined events, including termination of the management contract. Our aggregate monthly commitment for the minimum guaranteed payments, pursuant to contracts for the four managed, Indian-

owned facilities is approximately $1 million. Each of these casinos currently generates sufficient cash flows to cover all of its obligations, including its debt service.

Resolution of Disputed Claims

Prior to the Effective Date, CEOC's financial statements included amounts classified as liabilities subject to compromise, which represented estimates of pre-petition obligations impacted by the Chapter 11 reorganization process. These amounts represented the Debtors' then-current estimate of known or potential pre-petition obligations to be resolved in connection with CEOC's emergence from bankruptcy.

Following the Effective Date, actions to enforce or otherwise affect repayment of liabilities preceding January 15, 2015 (the "Petition Date"), as well as pending litigation against the Debtors related to such liabilities, generally have been permanently enjoined. Any unresolved claims will continue to be subject to the claims reconciliation process under the supervision of the Bankruptcy Court. CEOC LLC will continue the process of reconciling such claims to the amounts listed by the Debtors in their schedules of assets and liabilities, as amended. Claims that remain unresolved total approximately $112 million, which is an estimate based upon management's best estimate of the likely claim amounts that the Bankruptcy Court will ultimately allow and is less than the actual amount submitted by each claimant, an aggregate total of approximately $855 million as of December 31, 2017.

Pursuant to the Plan, CEC and CEOC deposited cash, CEC common stock, and CEC Convertible Notes into an escrow trust to be distributed to unsecured claims (excluding debt claims) as they become allowed. As claims are resolved, the claimants receive distributions of CEC common stock, cash or cash equivalents, and/or CEC Convertible Notes from the reserves on the same basis as if such distributions had been made on or about the Effective Date. To the extent that any of the reserved shares, cash, and convertible notes remain undistributed upon resolution of the remaining disputed claims, such amounts will be returned to CEC.

As of December 31, 2017, approximately $54 million in cash, 9 million shares of CEC common stock, and $35 million in principal value of CEC Convertible Notes remain in reserve for distribution to holders of disputed claims whose claims may ultimately become allowed in the escrow trust. The CEC common stock and CEC Convertible Notes held in the escrow trust are treated as not outstanding in CEC's consolidated financial statements. We estimate that the number of shares, cash, and CEC Convertible Notes reserved is sufficient to satisfy the Debtors' obligations under the Plan.

Note 12 — Debt

(Dollars in millions)	Final Maturity	Rate(s) [1]	December 31, 2017 Face Value	December 31, 2017 Book Value	December 31, 2016 Book Value
Secured debt					
CRC Revolving Credit Facility	2022	variable [5]	$ —	$ —	$ —
CRC Term Loan	2024	variable [6]	4,700	4,616	—
CEOC LLC Revolving Credit Facility [2]	2022	variable [7]	—	—	—
CEOC LLC Term Loan [2]	2024	variable [8]	1,500	1,499	—
CERP Revolving Credit Facility [3]	N/A	N/A	—	—	40
CERP Senior Secured Loan [3]	N/A	N/A	—	—	2,387
CERP First Lien Notes [3]	N/A	N/A	—	—	993
CERP Second Lien Notes [3]	N/A	N/A	—	—	1,140
CGPH Term Loan [3]	N/A	N/A	—	—	1,119
CGPH Notes [3]	N/A	N/A	—	—	662
Horseshoe Baltimore Credit and FF&E Facilities [4]	N/A	N/A	—	—	309
Cromwell Credit Facility [3]	N/A	N/A	—	—	167
Other Financing Obligations	N/A	N/A	—	—	7
Unsecured debt					
CEC Convertible Notes	2024	5.00%	1,078	1,078	—
CRC Notes	2025	5.25%	1,700	1,664	—
Special Improvement District Bonds	2037	4.30%	56	56	14
Total debt			9,034	8,913	6,838
Current portion of long-term debt			(64)	(64)	(89)
Long-term debt			$ 8,970	$ 8,849	$ 6,749
Unamortized premiums, discounts and deferred finance charges				$ 121	$ 110
Fair value			$ 9,100		

[1] *Interest rate is fixed, except where noted.*
[2] *As part of the acquisition of OpCo, we assumed $1.2 billion in debt that was issued in connection with CEOC's emergence from bankruptcy and the $200 million revolving credit facility described below. See Note 1 and Note 4 for additional information.*
[3] *All outstanding amounts were fully repaid during 2017.*
[4] *As described in Note 2, we deconsolidated Horseshoe Baltimore effective August 31, 2017. As a result, we derecognized the long-term debt outstanding under the Horseshoe Baltimore Credit Facility and the Horseshoe Baltimore FF&E Facility.*
[5] *London Interbank Offered Rate ("LIBOR") plus 2.25%.*
[6] *LIBOR plus2.75%.*
[7] *LIBOR plus 2.00%*
[8] *LIBOR plus 2.50%.*

Annual Estimated Debt Service Requirements

(In millions)	Years Ended December 31, 2018	2019	2020	2021	2022	Thereafter	Total
Annual maturities of long-term debt	$ 64	$ 64	$ 64	$ 64	$ 64	$ 8,714	$ 9,034
Estimated interest payments	440	450	460	450	450	980	3,230
Total debt service obligation [1]	$ 504	$ 514	$ 524	$ 514	$ 514	$ 9,694	$ 12,264

[1] *Debt principal payments are estimated amounts based on maturity dates and potential borrowings under our revolving credit facilities. Interest payments are estimated based on the forward-looking LIBOR curve. Actual payments may differ from these estimates.*

Current Portion of Long-Term Debt

The current portion of long-term debt as of December 31, 2017 includes the principal payments on the term loans, other unsecured borrowings, and special improvement district bonds that are expected to be paid within 12 months.

Borrowings under the revolving credit facilities are each subject to the provisions of the applicable credit facility agreements. The applicable credit facility agreements each have a contractual maturity of greater than one year. Amounts borrowed under the revolving credit facilities are intended to satisfy short term liquidity needs and would be classified as current.

We believe that our cash and cash equivalents balance, our cash flows from operations, and/or financing available under our revolving credit facilities will be sufficient to meet our normal operating requirements, to fund planned capital expenditures, and to fund debt service during the next 12 months and the foreseeable future.

Debt Discounts or Premiums and Deferred Finance Charges

Debt discounts or premiums and deferred finance charges incurred in connection with the issuance of debt are amortized to interest expense based on the related debt agreements primarily using the effective interest method. Unamortized discounts are written off and included in our gain or loss calculations to the extent we extinguish debt prior to its original maturity date.

Fair Value

The fair value of debt has been calculated primarily based on the borrowing rates available as of December 31, 2017 based on market quotes of our publicly traded debt. We classify the fair value of debt within Level 1 and Level 3 in the fair value hierarchy.

CRC Term Loan and Revolving Credit Facility

At the time of the CRC Merger described in Note 1, on December 22, 2017, CRC entered into a new $5.7 billion senior secured credit facility (the "CRC Senior Secured Credit Facilities"), including a $1.0 billion five-year revolving credit facility (the "CRC Revolving Credit Facility") and a $4.7 billion seven-year first lien term loan (the "CRC Term Loan"). The CRC Senior Secured Credit Facilities were funded and closed pursuant to the Credit Agreement, dated as of December 22, 2017 (the "CRC Credit Agreement").

The CRC Term Loan matures in 2024. The CRC Revolving Credit Facility matures in 2022 and includes a letter of credit sub-facility. The CRC Term Loan requires scheduled quarterly principal payments in amounts equal to 0.25% of the original aggregate principal amount, with the balance due at maturity. The CRC Credit Agreement also includes customary voluntary and mandatory prepayment provisions, subject to certain exceptions. As of December 31, 2017, no amounts were outstanding under the CRC Revolving Credit Facility and approximately $100,000 was committed to outstanding letters of credit.

Borrowings under the CRC Credit Agreement bear interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CRC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be (a) with respect to the CRC Term Loan, 2.75% per annum in the case of any LIBOR loan or 1.75% per annum in the case of any base rate loan and (b) in the case of the CRC Revolving Credit Facility, 2.25% per annum in the case of any LIBOR loan and 1.25% per annum in the case of any base rate loan, subject in the case of the CRC Revolving Credit Facility to two 0.125% step-downs based on CRC's senior secured leverage ratio ("SSLR"), the ratio of first lien senior secured net debt to adjusted earnings before interest, taxes, depreciation and amortization.

In addition, CRC is required to pay a commitment fee in respect of any commitments under the CRC Revolving Credit Facility in the amount of 0.50% of the principal amount of the commitments, subject to step-downs to 0.375% and 0.25% based upon CRC's SSLR. CRC is also required to pay customary agency fees as well as letter of credit participation fees computed at a rate per annum equal to the applicable margin for LIBOR borrowings on the dollar equivalent of the daily stated amount of outstanding letters of credit, plus such letter of credit issuer's customary documentary and processing fees and charges and a fronting fee in an amount equal to 0.125% of the daily stated amount of such letter of credit.

CRC Notes

On October 16, 2017, Escrow Issuer and Finance, then both wholly owned subsidiaries of CEC, issued $1.7 billion aggregate principal amount of 5.25% senior notes due 2025 (the "CRC Notes"). In conjunction with the CRC Merger, Escrow Issuer merged with and into CRC, with CRC as the surviving entity and borrower.

CEOC LLC Term Loan and Revolving Credit Facility

As part of the acquisition of OpCo on the Effective Date, we assumed debt that was issued in connection with CEOC's emergence from bankruptcy including a $1.2 billion term loan (the "CEOC LLC Term Loan") pursuant to a Credit Agreement (the "CEOC LLC Credit Agreement"). In addition, OpCo had a $200 million revolving credit facility (the "CEOC LLC Revolving Credit Facility").

The CEOC LLC Term Loan matures in 2024 and the CEOC LLC Revolving Credit Facility matures in 2022 and includes a letter of credit sub-facility. The CEOC LLC Term Loan requires scheduled quarterly principal payments in amounts equal to 0.25% of the original aggregate principal amount, with the balance due at maturity. The CEOC LLC Credit Agreement also includes customary voluntary and mandatory prepayment provisions, subject to certain exceptions. As of December 31, 2017, no borrowings were outstanding under the CEOC LLC Revolving Credit Facility and approximately $50 million was committed to outstanding letters of credit.

On December 18, 2017, CEOC LLC completed a $265 million incremental term loan facility (the "Incremental Term Loan") under CEOC LLC Credit Agreement. The Incremental Term Loan is structured as an add-on to the existing CEOC LLC Term Loan and has the same terms as the existing CEOC LLC Term Loan, including the same applicable interest rate and the same maturity date.

Borrowings under the CEOC LLC Credit Agreement bear interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CEOC LLC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be (a) with respect to the CEOC LLC Term Loan, 2.50% per annum in the case of any LIBOR loan or 1.50% per annum in the case of any base rate loan and (b) in the case of the CEOC LLC Revolving Credit Facility, 2.00% per annum in the case of any LIBOR loan and 1.00% per annum in the case of any base rate loan, subject in the case of the CEOC LLC Revolving Credit Facility to two 0.125% step-downs based on CEOC LLC's SSLR.

In addition, CEOC LLC is required to pay a commitment fee in respect of any commitments under the CEOC LLC Revolving Credit Facility in the amount of 0.50% of the principal amount of the commitments, subject to step-downs to 0.375% and 0.25% based upon CEOC LLC's SSLR. CEOC LLC is also required to pay customary agency fees as well as letter of credit participation fees computed at a rate per annum equal to the applicable margin for LIBOR borrowings on the dollar equivalent of the daily stated amount of outstanding letters of credit, plus such letter of credit issuer's customary documentary and processing fees and charges and a fronting fee in an amount equal to 0.125% of the daily stated amount of such letter of credit.

CEC Convertible Notes

On the Effective Date, CEC issued $1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 to CEOC's creditors pursuant to the terms of the Plan. The CEC Convertible Notes were issued pursuant to the Indenture, dated as of October 6, 2017.

The CEC Convertible Notes are convertible at the option of holders into a number of shares of CEC common stock that is equal to approximately 0.139 shares of CEC common stock per $1.00 principal amount of CEC Convertible Notes, which is equal to an initial conversion price of $7.19 per share. If all the shares were issued on the Effective Date, they would have represented approximately 17.9% of the shares of CEC common stock outstanding on a fully diluted basis. The holders of the CEC Convertible Notes can convert them at any time after issuance. CEC can convert the CEC Convertible Notes beginning in October 2020 if the last reported sale price of CEC common stock equals or exceeds 140% of the conversion price for the CEC Convertible Notes in effect on each of at least 20 trading days during any 30 consecutive trading day period. CEC does not have any other redemption rights. As of December 31, 2017, an immaterial amount of the CEC Convertible Notes were converted into shares of CEC common stock. An aggregate of 156 million shares of CEC common stock were issuable upon conversion of the CEC Convertible Notes. As of December 31, 2017, the remaining life of the CEC Convertible Notes is 6.75 years.

The Company has determined that the CEC Convertible Notes contain derivative features that require bifurcation. We separately account for the liability component and equity conversion option of the CEC Convertible Notes. The portion of the overall fair value allocated to the liability was calculated by using a binomial lattice model without the conversion features included. The difference between the overall instrument value and the value of the liability component was assumed to be the value of the equity component. See Note 8 for more information on the CEC Convertible Notes' fair value measurements.

Debt Repayments and Refinancing in 2017

In connection with the CGPH Term Loan refinancing in April 2017, the property specific term loan encumbering The Cromwell was repaid in June 2017. Additionally, CEOC LLC used the net cash proceeds from the Incremental Term Loan together with cash on hand to redeem all of the outstanding $330 million aggregate principal amount of 9.25% senior secured notes due 2020 of CEOC LLC's subsidiaries Chester Downs and Marina, LLC and Chester Downs Finance Corp. at a price equal to 102.313% of the principal amount thereof, plus accrued and unpaid interest, to, but not including, the date of redemption.

Proceeds from the CRC Notes and the CRC Senior Secured Credit Facilities, together with cash on hand, were used to repay CERP and CGPH's outstanding debt and applicable accrued interest, which included completing cash tender offers for CGPH's Second-Priority Notes due 2022 (the "CGPH Notes"), CERP's First-Priority Senior Secured Notes due 2020 (the "CERP First Lien Notes") and CERP's Second-Priority Senior Secured Notes due 2021 (the "CERP Second Lien Notes").

Summary of Debt and Revolving Credit Facility Cash Flows from Financing Activities in 2017

(In millions)	**Proceeds**	**Repayments**	**Loss on Extinguishment of Debt**
CRC Revolving Credit Facility	$ 300	$ (300)	$ —
CRC Term Loan	4,700	—	—
CEOC LLC Term Loan [1]	265	—	—
CRC Notes	1,700	—	—
CERP Revolving Credit Facility [2]	—	(40)	(1)
CERP Senior Secured Loan [2]	59	(2,484)	(29)
CERP First Lien Notes [2]	—	(1,000)	(27)
CERP Second Lien Notes [2]	—	(1,150)	(75)
CGPH Term Loan [2]	226	(1,372)	(22)
CGPH Notes [2]	—	(675)	(60)
CGPH Revolving Credit Facility [2]	—	—	(1)
Cromwell Credit Facility [2]	—	(171)	(4)
Horseshoe Baltimore Credit & FF&E Facilities [3]	300	(320)	(12)
Chester Downs Senior Secured Notes [2]	—	(330)	(1)
Other debt activity	—	(2)	—
Capital lease payments	—	(2)	—
Total	$ 7,550	$ (7,846)	$ (232)

[1] *This amount does not include the debt assumed as part of the OpCo acquisition. See Note 1 and Note 4 for additional information.*
[2] *All outstanding amounts were fully repaid during 2017.*
[3] *The Horseshoe Baltimore Credit & FF&E Facilities were refinanced in July 2017. We deconsolidated Horseshoe Baltimore effective August 31, 2017 and derecognized the long-term debt outstanding under the Horseshoe Baltimore Credit Facility and the Horseshoe Baltimore FF&E Facility. See Note 2.*

Terms of Outstanding Debt

Restrictive Covenants

The CRC Credit Agreement, CEOC LLC Credit Agreement, and the indentures related to the CEC Convertible Notes and CRC Notes contain covenants which are standard and customary for these types of agreements. These include negative covenants, which, subject to certain exceptions and baskets, limit the Company's ability to (among other items) incur additional indebtedness, make investments, make restricted payments, including dividends, grant liens, sell assets and make acquisitions.

The CRC Revolving Credit Facility and CEOC LLC Revolving Credit Facility include maximum first-priority net SSLR financial covenants of 6.35:1 and 3.50:1, respectively, which are applicable beginning in the quarter ended March 31, 2018 and solely to the extent that the testing condition (25% and 30% utilization of the CRC Revolving Credit Facility and CEOC LLC Revolving Credit Facility, respectively, (excluding certain letters of credit) at the reporting date) is satisfied and excluding any period in which a covenant suspension period is occurring.

Guarantees

The borrowings under the CRC Credit Agreement and CEOC LLC Credit Agreement are guaranteed by the material, domestic, wholly owned subsidiaries of CRC and CEOC LLC, respectively, (subject to exceptions), and are secured by a pledge (and, with respect to real property, mortgage) of substantially all of the existing and future property and assets of CRC and CEOC LLC and the guarantors (subject to exceptions), including a pledge of the capital stock of the domestic and 65% of the first-tier foreign subsidiaries held by CRC and CEOC LLC and the guarantors, in each case subject to exceptions.

The CEC Convertible Notes are senior unsecured obligations of CEC and rank equally and ratably in right of payment with all existing and future senior unsecured obligations of CEC and senior to all future subordinated indebtedness of CEC. The CEC Convertible Notes are not guaranteed.

The CRC Notes are guaranteed on a senior unsecured basis by each wholly owned, domestic subsidiary of CRC that is a subsidiary guarantor with respect to the CRC Senior Secured Credit Facilities. The CRC Notes are senior unsecured obligations of CRC and the subsidiary guarantors.

Restricted Net Assets

Because of the restrictions in our borrowings and other arrangements, the amount of net assets at consolidated subsidiaries not available to be remitted to CEC via dividend, loan or transfer was $3.2 billion and $4.0 billion as of December 31, 2017 and 2016, respectively.

Note 13 — Earnings Per Share

Basic earnings per share is computed by dividing the applicable income amounts by the weighted-average number of shares of common shares outstanding. Diluted earnings per share is computed by dividing the applicable income amounts by the sum of weighted-average number of shares of common stock outstanding and dilutive potential common shares.

For a period in which Caesars generated a net loss, the weighted-average basic shares outstanding was used in calculating diluted loss per share because using diluted shares would have been anti-dilutive to loss per share.

Basic and Dilutive Net Earnings Per Share Reconciliation

	Years Ended December 31,		
(In millions, except per share data)	**2017**	**2016**	**2015**
Income/(loss) from continuing operations attributable to Caesars, net of income taxes	$ (375)	$ (6,428)	$ 5,854
Income from discontinued operations attributable to Caesars, net of income taxes	—	3,380	155
Net income/(loss) attributable to Caesars	$ (375)	$ (3,048)	$ 6,009
Weighted average common share outstanding	279	146	145
Dilutive potential common shares: stock options	—	—	2
Weighted average common shares and dilutive potential common shares	279	146	147
Basic earnings/(loss) per share from continuing operations	$ (1.35)	$ (43.96)	$ 40.42
Basic earnings per share from discontinued operations	—	23.11	1.07
Basic earnings/(loss) per share	$ (1.35)	$ (20.85)	$ 41.49
Diluted earnings/(loss) per share from continuing operations	$ (1.35)	$ (43.96)	$ 39.81
Diluted earnings per share from discontinued operations	—	23.11	1.06
Diluted earnings/(loss) per share	$ (1.35)	$ (20.85)	$ 40.87

Weighted-Average Number of Anti-Dilutive Shares Excluded from Calculation of EPS

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
Stock options	12	10	4
Restricted stock units and awards	9	9	1
CEC Convertible Notes	36	—	—
Total anti-dilutive common stock	57	19	5

Note 14 — Casino Promotional Allowances

The retail value of accommodations, food and beverage, and other services furnished to guests without charge is included in gross revenues and then deducted as casino promotional allowances. The estimated cost of providing such casino promotional allowances is included in Direct casino expenses.

Estimated Retail Value of Casino Promotional Allowances

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
Food and beverage	$ 347	$ 277	$ 281
Rooms	285	234	234
Other	47	27	48
	$ 679	$ 538	$ 563

Estimated Cost of Providing Casino Promotional Allowances

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
Food and beverage	$ 223	$ 170	$ 169
Rooms	100	82	83
Other	28	17	17
	$ 351	$ 269	$ 269

Note 15 — Stock-Based Compensation

Caesars Entertainment Stock-Based Compensation Plans

We have maintained long-term incentive plans for management, other personnel, and key service providers. The plans allow for granting stock-based compensation awards, based on CEC common stock (NASDAQ symbol "CZR"), including time-based and performance-based stock options, restricted stock units ("RSUs"), restricted stock awards, stock grants, or a combination of awards.

Prior Performance Incentive Plans

Upon the adoption of the Caesars Entertainment Corporation 2012 Performance Incentive Plan, as amended, (the "2012 Incentive Plan") options may no longer be granted under the Harrah's Entertainment, Inc. Management Equity Incentive Plan, as amended, (the "2008 Incentive Plan"). There was an immaterial number of options outstanding under the 2008 Incentive Plan at December 31, 2017.

The 2012 Incentive Plan allowed for the granting of equity based awards for directors, employees, officers and consultants or advisers who rendered services to Caesars Entertainment or its subsidiaries. The 2012 Incentive Plan provided for a one-time stock option exchange program to permit Caesars Entertainment to cancel certain stock options held by certain of its employees, service providers and directors in exchange for new, replacement options to purchase an equal number of shares of our common stock (the "Replacement Options").

All Replacement Options have vested as of December 31, 2017 except those subject to vesting if funds affiliated with the Sponsors achieve at least a 1.5X return, which will vest on the date that Caesars Entertainment's 30-day trailing average closing common stock price equals or exceeds $35.00 per share.

In July 2017, Caesars Entertainment Corporation adopted the Caesars Entertainment Corporation 2017 Performance Incentive Plan, (the "2017 Incentive Plan") upon approval of the Company's stockholders and, upon adoption, awards may no longer be granted under the 2012 Incentive Plan. As of December 31, 2017, there were approximately 9 million options outstanding under the 2012 Incentive Plan, which will expire between years 2022 and 2025. As of December 31, 2017, there were approximately 5 million RSUs outstanding under the 2012 Incentive Plan.

2017 Performance Incentive Plan

We adopted the 2017 Incentive Plan in July 2017, which allows for the granting of equity based awards for directors, employees, officers and consultants or advisers who rendered services to Caesars Entertainment or its subsidiaries. Under the 2017 Incentive Plan, a total of 25 million shares of our common stock have been authorized for issuance. No options have been granted under the 2017 plan to date. RSUs granted under the 2017 Incentive Plan generally vest ratably over four years. The number of unissued common shares reserved for future grants under the plan is 13 million as of December 31, 2017.

On March 14, 2017, we modified certain vested and unvested stock options held by employees with exercise prices above the then-current market price of CEC's common stock to have an exercise price of $9.45 resulting in incremental compensation cost of $1 million. Vesting terms of the unvested awards remained unchanged.

Caesars Entertainment Stock Option Activity

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2016	9,820,168	$ 11.69	6.2	$ 2
Assumed [1]	897,204	5.67		
Exercised	(1,249,640)	6.51		
Forfeited	(112,917)	9.47		
Expired	(126,925)	10.58		
Outstanding as of December 31, 2017	9,227,890	10.36	3.9	35
Vested and expected to vest as of December 31, 2017	9,227,890	10.36	3.9	35
Exercisable as of December 31, 2017	7,698,080	8.97	3.7	31

[1] *CAC grants that were converted to CEC grants at the Exchange Ratio.*

Caesars Entertainment Stock Option Grants and Exercises

	Years Ended December 31,		
(Dollars in millions, except per share data)	**2017**	**2016**	**2015**
Options Granted:			
Number of options granted	—	—	1,844,332
Weighted average grant-date fair value per share [1]	$ —	$ —	$ 3.38
Weighted average exercise price per share [1]	$ —	$ —	$ 10.04
Option Exercises:			
Number of options exercised	1,249,640	11,101	58,700
Cash received for options exercised [2]	$ 8	$ —	$ —
Aggregate intrinsic value of options exercised [2]	$ 7	$ —	$ —

[1] *Represents the weighted-average grant date fair value per option, using the Monte Carlo simulation option-pricing model for performance-based options, and the Black-Scholes option-pricing model for time-based options.*
[2] *2016 and 2015 amounts are immaterial.*

Caesars Entertainment Assumptions Used to Estimate Option Values

	2015
Expected volatility	42.0%
Expected dividend yield	—%
Expected term (in years)	5.7
Risk-free interest rate	1.6%

We utilized historical optionee behavioral data to estimate the option exercise and termination rates used in the option-pricing models. The expected term of the options represents the period of time the options were expected to be outstanding based on historical trends and/or derived from a numerical pricing model, such as the Monte Carlo simulation model. Expected volatility was based on the historical volatility of the common stock of Caesars Entertainment and its competitor peer group for a period approximating the expected life. We do not expect to pay dividends on common stock. The risk-free interest rate within the expected term was based on the U.S. Treasury yield curve in effect at the time of grant.

Caesars Entertainment Restricted Stock Unit Activity

During the year ended December 31, 2017, we granted restricted stock units to employees of Caesars Entertainment with an aggregate fair value of $153 million. Each restricted stock unit represents the right to receive payment in respect of one share of the Caesars Entertainment's common stock. The following table summarizes the activity of Caesars Entertainment's RSUs during the year ended December 31, 2017.

	Units	Wtd Avg Fair Value
Outstanding as of December 31, 2016	8,447,922	$ 7.95
Granted	11,955,390	12.78
Assumed [(1)]	379,109	11.50
Vested	(2,898,737)	8.71
Forfeited	(609,025)	8.71
Outstanding as of December 31, 2017	17,274,659	11.22

(1) *CAC grants that were converted to CEC grants at the Exchange Ratio.*

The fair value of RSUs vested during the years ended December 31, 2017, 2016, and 2015, was $29 million, $23 million, and $8 million, respectively.

Unrecognized Compensation Cost

As of December 31, 2017, there was $167 million of total unrecognized compensation cost related to Caesars Entertainment stock-based compensation plans, which is expected to be recognized over a remaining weighted-average period of 3.4 years.

CIE Stock-Based Compensation Plan

Historically, CIE granted stock-based compensation awards in CIE common stock to its employees, directors, service providers and consultants in accordance with the Caesars Interactive Entertainment, Inc. Amended and Restated Management Equity Incentive Plan. These awards were classified as liability-based instruments and were re-measured at their fair value at each reporting date.

As described in Note 18, in September 2016, CIE sold its SMG Business, which represented the majority of CIE's operations, and the SMG Business has been presented as discontinued operations. Upon the closing of the SMG Business sale, all outstanding CIE stock-based compensation awards were deemed fully vested and were subsequently paid in cash in connection with the closing of the SMG Business sale. The portion of CIE's stock-based compensation expense directly identifiable with employees of the SMG Business was reclassified to discontinued operations for all periods presented in the Statements of Operations (see Note 18). The portion of CIE's stock-based compensation expense not directly identifiable with employees of the SMG Business was included in Property, general, administrative, and other in the Statements of Operations.

CIE Stock Option Grants and Exercises

	Years Ended December 31,	
(Dollars in millions, except per share data)	**2016**	**2015**
Options Granted:		
Number of options granted	377	10,350
Weighted average grant-date fair value per share [(1)]	$ 5,404.93	$ 4,670.27
Weighted average exercise price per share	$ 19,166.18	$ 15,352.49
Option Exercises:		
Number of options exercised	909	1,984
Cash received for options exercised	$ 2	$ 5
Aggregate intrinsic value of options exercised	$ 13	$ 21

(1) *Represents the weighted-average grant date fair value per option, using the Monte Carlo simulation option-pricing model for performance-based options, and the Black-Scholes option-pricing model for time-based options.*

Assumptions Used to Estimate CIE Option Value

	Years Ended December 31,	
	2016	2015
Expected range of volatility	40.5% - 44.6%	42.9% - 49.4%
Expected dividend yield	—%	—%
Expected range of term (in years)	0.8 - 4.2	1.5 - 4.7
Risk-free interest rate range	0.5% - 1.2%	0.7% - 1.7%

CAC Equity-Based Compensation Plan

In April 2014, the CAC Board of Directors approved the CAC Equity-Based Compensation Plan (the "CAC Equity Plan") which allowed CEC to grant CAC stock-based instruments. In May 2014, CEC granted awards under the CAC Equity Plan which fully vested in October 2016. Stock-based compensation expense related to these awards totaled $2 million and $12 million, respectively, in 2016 and 2015.

CAC Stock-Based Compensation Plans

CAC Performance Incentive Plan

Historically, CAC granted stock-based compensation awards to its officers, employees, directors, individual consultants and advisers of CAC and its subsidiaries in accordance with the Caesars Acquisition Company 2014 Performance Incentive Plan (the "CAC 2014 Incentive Plan"). As described Note 1, in connection with the CAC Merger, all outstanding awards issued and outstanding under the CAC 2014 Incentive Plan were canceled and exchanged for an equivalent number of CEC awards based on the Exchange Ratio.

Caesars Acquisition Company Stock Option Activity

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2016	1,002,500	$ 9.43	7.8	$ 4
Exercised	(450,375)	9.68		
Canceled concurrent with the CAC Merger [(1)]	(552,125)	9.22		
Outstanding as of December 31, 2017	—	—	—	—

[(1)] *CAC stock option grants were canceled and CEC assumed the stock option grants as a result of the CAC Merger.*

Caesars Acquisition Company Stock Option Grants and Exercises

	Years Ended December 31,		
(Dollars in millions, except per share data)	2017	2016	2015
Options Granted:			
Number of options granted	—	—	20,000
Weighted average grant-date fair value per share	$ —	$ —	$ 3.10
Weighted average exercise price per share	$ —	$ —	$ 7.73
Option Exercises:			
Number of options exercised	450,375	417,500	—
Cash received for options exercised	$ 4	$ 4	$ —
Aggregate intrinsic value of options exercised	$ 2	$ 1	$ —

There were no stock option valuations required during the years ended December 31, 2017 and 2016. Valuation assumptions for CAC's stock options used in the Black-Scholes model to estimate fair value were as follows:

Caesars Acquisition Company Assumptions Used to Estimate Option Values

	Year Ended December 31, 2015
Expected volatility	39.9% - 45.7%
Expected dividend yield	—%
Expected term (in years)	5.8 - 9.4
Risk-free interest rate	1.8% - 2.3%

Caesars Acquisition Company Restricted Stock Unit Activity

	Units	Wtd Avg Fair Value
Outstanding as of December 31, 2016	493,061	$ 11.82
Vested	(259,765)	12.62
Canceled concurrent with the CAC Merger [(1)]	(233,296)	10.92
Outstanding as of December 31, 2017	—	—

[(1)] *CAC RSU grants were canceled and CEC assumed the RSU grants as a result of the CAC Merger.*

The fair value of RSUs vested during the years ended December 31, 2017, 2016 and 2015 was $5 million, $4 million and $4 million, respectively.

Composition of Stock-Based Compensation Expense (All Plans)

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
Corporate expense	$ 36	$ 37	$ 65
Property, general, administrative, and other	7	195	37
Total stock-based compensation expense	$ 43	$ 232	$ 102

Note 16 — Deferred Compensation and Employee Benefit Plans

Deferred Compensation

Deferred Compensation Plans

As of December 31, 2017, certain current and former employees of Caesars, and our subsidiaries and affiliates, have balances under: (1) the Harrah's Entertainment, Inc. Executive Supplemental Savings Plan ("ESSP"), (2) the Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II ("ESSP II"), (3) the Park Place Entertainment Corporation Executive Deferred Compensation Plan ("CEDCP"), (4) the Harrah's Entertainment, Inc. Deferred Compensation Plan ("DCP"), and (5) the Harrah's Entertainment, Inc. Executive Deferred Compensation Plan ("EDCP"). These plans are deferred compensation plans that allow certain employees an opportunity to save for retirement and other purposes.

Each of the plans is now frozen and is no longer accepting contributions. However, participants may still earn returns on existing plan balances based upon their selected investment alternatives, which are reflected in their deferral accounts.

Plan obligations in respect of all of these plans were included in Caesars' financial statements as liabilities prior to the deconsolidation of CEOC and subsequent to the Effective Date. Caesars recorded in the accompanying financial statements $40 million in liabilities as of December 31, 2016 representing the estimate of its obligations under the ESSP and ESSP II and for certain former Directors and employees who had employment agreements with Harrah's Entertainment, Inc., (the predecessor to CEC) and participated in the EDCP. The additional liability in respect of the CEDCP and DCP that Caesars had not recorded as of December 31, 2016 was

approximately $32 million, as we determined that this portion of the liability was attributable to CEOC pending the effectiveness of the settlement described below. Following the settlement, total plan obligations recognized by Caesars as of December 31, 2017 was approximately $63 million.

Deferred Compensation Plans Trust Agreement

CEC is a party to a trust agreement (the "Trust Agreement") structured as a so-called "rabbi trust" arrangement, which holds assets that may be used to satisfy obligations under the deferred compensation plans above. Amounts held pursuant to the Trust Agreement were approximately $65 million and $62 million as of December 31, 2017 and 2016, respectively, and have been reflected as long-term assets on the Balance Sheets.

Settlement Agreement

On September 14, 2016, CEC entered into a settlement agreement with CEOC related to the liabilities and assets associated with the above deferred compensation plans, which was approved by the Bankruptcy Court on October 17, 2016. Pursuant to the settlement agreement, contemporaneously with the Effective Date, CEC assumed all obligations to plan participants under or with respect to all five of the deferred compensation plans. At that time, CEOC and the other Debtors relinquished and released any claim or right that any of them may have had in respect of the assets held under either the Trust Agreement or the additional assets held pursuant to a separate escrow agreement (the "Escrow Agreement"). This settlement transaction was completed as part of the Plan on the Effective Date. See Note 1. Assets held pursuant to the Escrow Agreement were $60 million as of December 31, 2017 and have been reflected as long-term assets on our Balance Sheets.

Savings and Retirement Plan

We maintain a defined contribution savings and retirement plan that allows employees to make pre-tax and after-tax contributions. Under the plan, participating employees may elect to contribute up to 50% of their eligible earnings (subject to Internal Revenue Service ("IRS") rules and regulations) and are eligible to receive a company match of 50% up to 6% of eligible earnings that the individual elected to contribute with an individual cap of $600. Participating employees become vested in matching contributions on a pro-rata basis over five years of credited service. Beginning January 1, 2018, the company will match 25% up to 6% of earnings that the individual elected to contribute with 0 cap or 50% up to 6% of eligible earnings that the individual elected to contribute with an individual cap of $600, whichever is greater. Beginning January 1, 2019, the match increases to 50% up to 6% of eligible earnings that the individual elected to contribute with no individual cap (subject to further limitations for certain higher-salaried employees). Our contribution expense for this plan was $7 million, $6 million, and $6 million for the years ended December 31, 2017, 2016, and 2015, respectively.

Pension Commitments

We have a defined benefit plan for employees of our London Clubs International subsidiary that provides benefits based on final pensionable salary. The assets of the plan are held in a separate trustee-administered fund, and death-in-service benefits, professional fees, and other expenses are paid by the pension plan. We account for this plan under the immediate recognition method, under which actuarial gains and losses are recognized in operating results in the year in which the gains and losses occur rather than deferring them into Other comprehensive income/(loss) and amortizing them over future periods. Any such amounts are recorded in the fourth quarter of each year, and during the fourth quarter of 2017, we recognized $1 million in losses.

As of December 31, 2017, total plan assets were $212 million with total projected benefit obligations totaling $278 million, resulting in a net pension liability of $66 million which we record within Deferred credits and other liabilities on our Balance Sheets. Our estimated long-term expected return on assets for this plan, which has been frozen, is 4.6% with a 2.5% discount rate.

Multi-employer Pension Plans

The Company contributes to a number of multi-employer defined benefit pension plans under the terms of collective-bargaining agreements that cover its union-represented employees. The risks of participating in these multi-employer plans are different from a single-employer plan in the following respects:

a. Assets contributed to the multi-employer plan by one employer may be used to provide benefits to employees of other participating employers.

b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.

c. If the Company chooses to stop participating in some of its multi-employer plans, the Company may be required to pay those plans an amount based on the underfunding of the plan, referred to as a "withdrawal liability."

Multi-employer Pension Plan Participation

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status [1] 2017	Pension Protection Act Zone Status [1] 2016	FIP/RP Status[3]	Contributions (In millions)[2] 2017	Contributions (In millions)[2] 2016	Contributions (In millions)[2] 2015	Surcharge Imposed	Expiration Date of Collective-Bargaining Agreement [4]
Southern Nevada Culinary and Bartenders Pension Plan [5]	88-6016617/001	Green	Green	No	$ 19	$ 16	$ 16	No	Various up to July 31, 2018
Pension Plan of the UNITE HERE National Retirement Fund [5][6]	13-6130178/001	Red	Red	Yes	9	5	6	No	Various up to February 29, 2020
Central Pension Fund of the IUOE & Participating Employers [7]	36-6052390/001	Green	Green	No	5	5	4	No	Various up to August 31, 2018
Local 68 Engineers Union Pension Plan [5][8]	51-0176618/001	Yellow	Yellow	No	1	—	—	No	April 30, 2020
NJ Carpenters Pension Fund	22-6174423/001	Yellow	Yellow	Yes	—	—	—	No	April 30, 2020
Painters IUPAT	52-6073909/001	Yellow	Yellow	Yes	1	1	1	No	Various up to June 30, 2021
Other Funds					5	6	5		
Total Contributions					$ 40	$ 33	$ 32		

[1] *Represents the Pension Protection Act zone status for applicable plan year beginning January 1, except where noted otherwise. The zone status is based on information that the Company received from the plan administrator and is certified by the plan's actuary. Among other factors, plans in the red zone are generally less than 65% funded, plans in the yellow zone are between 65% and less than 80% funded, and plans in the green zone are at least 80% funded. All plans detailed in the table above utilized extended amortization provisions to calculate zone status.*

[2] *Comparability to periods prior to the Effective Date are impacted by the consolidation of CEOC LLC.*

[3] *Indicates plans for which a financial improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented.*

[4] *The terms of the current agreement continue indefinitely until either party provides appropriate notice of intent to terminate the contract.*

[5] *Employer provided more than 5% of the total contributions for the plan years ended 2016 and 2015. At the date the financial statements were issued, Forms 5500 were not available for the 2017 plan year ending.*

[6] *See discussion of NRF Settlement Agreement in Note 11. The HEREIU Intermediary Plan was established as the result of a spin-off from the Pension Plan of the UNITE HERE National Retirement Fund effective January 1, 2018. As of January 1, 2018, CEC no longer contributes to the NRF nor has any remaining liability owed to the NRF.*

[7] *Plan years begin February 1.*

[8] *Plan years begin July 1.*

Additionally, following the Effective Date, CEC assumed certain of CEOC's obligations under the Allocation Agreement related to the Hilton Plan. See Employee Benefit Obligations in Note 11 for further information.

Note 17 — Income Taxes

The effect on the income tax provision and deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. We have provided a valuation allowance on certain federal, foreign, and state NOLs, and other federal, state, and foreign deferred tax assets. NOLs and other federal, state, and foreign deferred tax assets were not deemed realizable based upon the Company's recent history of taxable losses.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code that affected our year ended December 31, 2017, including, but not limited to (1) reducing the U.S. federal corporate tax rate, (2) changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017, (3) bonus depreciation that will allow for full expensing of qualified property, (4) generally eliminating U.S. federal income taxes on dividends from foreign subsidiaries, and (5) a one-time transition tax on the mandatory deemed repatriation of cumulative foreign earnings accumulated post 1986 through 2017 that were previously deferred from U.S. income taxes.

The SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which provides guidance for the accounting of the effects of the Tax Act. SAB 118 provides a measurement period that should not be extended past a year from the enactment date for companies to complete the accounting of the Tax Act under ASC Topic 740, *Income Taxes* ("ASC 740"). Companies that do not complete the accounting under ASC 740 for the tax effects of the Tax Act, must record a provisional estimate of the tax effects of the Tax Act. If a provisional estimate cannot be determined a company should continue to apply ASC 740 based on the tax laws in effect immediately before the enactment of the Tax Act.

At December 31, 2017, the Company has not completed the accounting for the tax effects of the Tax Act; however, the Company has made a reasonable estimate of the effects on the existing deferred tax balances and accrued a provisional income tax benefit of approximately $1.2 billion in the period ended December 31, 2017. The amount of the estimated income tax benefit is (i) $797 million related to the net deferred tax benefit of the corporate rate reduction and (ii) $442 million related to the net deferred tax benefit of deferred tax assets which are now realizable due to the changing rules related to uses and limitations of net operating loss carryforwards created in tax years beginning after December 31, 2017. There is no tax expense related to the one-time transitional tax as the Company does not have a net positive post 1986 accumulated earnings and profits in its foreign subsidiaries.

In order to complete the accounting requirements under ASC 740, the Company needs to (a) evaluate the impact of additional guidance, if any, from the FASB and external providers on its application of ASC 740 to the calculation; (b) evaluate the impact of further guidance from Treasury and/or the Internal Revenue Service on the technical application of the law with regard to our facts; (c) evaluate the impact of further guidance from the state tax authorities regarding their conformity to the provisions of the Tax Act; and (d) complete the analysis of the revaluation of deferred tax assets and liabilities as the Company is still analyzing certain aspects of the Tax Act. The accounting for the tax effects for the Tax Act will be completed in 2018.

The Tax Act also includes provisions for Global Intangible Low-Taxed Income ("GILTI"), which imposes taxes on foreign income in excess of a deemed return on tangible assets of foreign corporations. Because of the complexities of the new provisions, the Company is continuing to evaluate how the provisions will be accounted for under U.S. generally accepted accounting principles. Companies are allowed to make an accounting policy election of either (i) account for GILTI as a component of income tax expense in the period in which the Company is subject to the rules (the "period cost method"), or (ii) account for GILTI in the Company's measurement of deferred taxes (the "deferred method"). The Company has not elected a method and will do so after completing its analysis of the GILTI provisions of the Tax Act depending on the analysis of the Company's global income. The Company does not expect the impact of GILTI to be material to the Company's tax rate in future periods.

We file income tax returns, including returns for our subsidiaries, with federal, state, and foreign jurisdictions. We are under regular and recurring audit by the IRS and various state taxing authorities on open tax positions, and it is possible that the amount of the liability for unrecognized tax benefits could change during the next 12 months.

Components of Income/(Loss) Before Income Taxes from Continuing Operations

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
United States	$ (2,381)	$ (6,128)	$ 5,749
Outside of the U.S.	4	(2)	(2)
	$ (2,377)	$ (6,130)	$ 5,747

Income Tax Benefit/(Provision)

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
United States			
Current			
Federal	$ 148	$ (381)	$ —
State	(7)	(3)	—
Deferred			
Federal	1,835	46	115
State	23	10	(10)
Outside of the U.S.			
Current	(4)	1	1
Deferred	—	—	—
	$ 1,995	$ (327)	$ 106

Allocation of Income Tax Benefit/(Provision)

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
Income tax benefit/(provision) applicable to:			
Income/(loss) from continuing operations	$ 1,995	$ (327)	$ 106
Discontinued operations	—	(730)	(64)
Deconsolidation and restructuring of CEOC and other	—	—	1,176

Effective Income Tax Rate Reconciliation

	Years Ended December 31,		
	2017	**2016**	**2015**
Statutory tax rate	35.0 %	35.0 %	35.0 %
Increases/(decreases) in tax resulting from:			
State taxes, net of federal tax benefit	5.2	0.1	—
Valuation allowance	(17.1)	(22.9)	3.1
Foreign income taxes	(0.1)	—	—
Deferred tax benefit from changes in federal tax law	52.1	—	—
Deconsolidation of CEOC	—	—	(40.3)
Stock-based compensation	(0.2)	(0.8)	0.2
Acquisition of CEOC	36.7	—	—
Reserves for uncertain tax positions	(4.6)	(0.1)	—
Current tax benefit from change in CGP operating agreement	2.4	—	—
Nondeductible restructuring expenses	(25.0)	(16.8)	—
Noncontrolling interests	(0.1)	—	0.1
Other	(0.4)	0.2	0.1
Effective tax rate	83.9 %	(5.3)%	(1.8)%

Temporary Differences Resulting in Deferred Tax Assets and Liabilities

	As of December 31,	
(In millions)	**2017**	**2016**
Deferred tax assets:		
State net operating losses	$ 426	$ 4
Federal net operating loss	553	51
Foreign net operating loss	17	—
Compensation programs	97	49
Allowance for doubtful accounts	50	19
Self-insurance reserves	10	8
Accrued restructuring and support expenses	—	1,278
Accrued expenses	79	28
Federal tax credits	58	17
Federal indirect tax benefits of uncertain state tax positions	4	5
Financing obligations	2,319	—
Golf course properties' obligation	30	—
Intangibles	—	39
Debt related items	78	—
Deferred revenue	46	1
Other	10	12
Subtotal	3,777	1,511
Less: valuation allowance	1,513	1,356
Total deferred tax assets	$ 2,264	$ 155
Deferred tax liabilities:		
Depreciation and other property-related items	$ 2,576	$ 1,091
Deferred cancellation of debt income and other debt-related items	—	4
Investment in non-consolidated affiliates	—	910
Intangibles	221	—
Prepaid expenses	24	15
Other	18	—
Total deferred tax liabilities	2,839	2,020
Net deferred tax liability	$ 575	$ 1,865

As of December 31, 2017 and 2016, we had federal NOL carryforwards of $2.9 billion and $152 million, respectively. The federal net operating losses as of December 31, 2017 include the net operating losses from the acquisition of OpCo. These NOLs will begin to expire in 2030. In addition, we had federal general business tax credits and research tax credit carryforwards of $60 million, which will begin to expire in 2029. Due to the Company's recent history of taxable losses, it is more likely than not that the benefit from federal NOL carryforwards and tax credits carryforwards will not be realized. Accordingly, a valuation allowance has been established for our federal NOL carryforwards and tax credits carryforwards deferred tax assets as of December 31, 2017.

NOL carryforwards for our domestic subsidiaries for state income taxes were $8.9 billion and $93 million as of December 31, 2017 and 2016, respectively. The state net operating losses as of December 31, 2017 include the net operating losses from the acquisition of CEOC. Due to the Company's recent history of taxable losses, it is more likely than not that the benefit from certain state NOL carryforwards will not be realized. Accordingly, we have provided a valuation allowance on the deferred tax assets relating to these NOL carryforwards which will not more likely than not be realized. These state NOLs will begin to expire in 2019.

NOL carryforwards for our foreign subsidiaries were $95 million as of December 31, 2017. There were no NOL carryforwards for our foreign subsidiaries as of December 31, 2016. The foreign net operating losses as of December 31, 2017 include the net operating losses from the acquisition of OpCo. Due to the Company's recent history of taxable losses, it is more likely than not that the benefit from certain foreign NOL carryforwards will not be realized. Accordingly, we have provided a valuation allowance on the deferred tax assets relating to these NOL carryforwards which will not more likely than not be realized. These foreign NOLs do not expire.

We do not provide for deferred taxes on the excess of the financial reporting over the tax basis in our investments in foreign subsidiaries that are essentially permanent in duration. That excess is estimated to total $70 million as of December 31, 2017. We have not provided for approximately $2 million of deferred tax related to foreign withholding taxes on these unremitted earnings as of December 31, 2017.

Reconciliation of Unrecognized Tax Benefits

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
Balance as of beginning of year	$ 115	$ 3	$ 81
Additions based on tax positions related to the current year	113	113	—
Additions for tax positions of prior years	1	—	—
Reductions for tax positions for prior years	(92)	(1)	—
Deconsolidation of CEOC	—	—	(78)
Acquisition of OpCo	67	—	—
Effect of changes in federal tax law	(42)	—	—
Balance as of end of year	$ 162	$ 115	$ 3

We classify reserves for tax uncertainties within Accrued expenses and other current liabilities and Deferred credits and other liabilities in our Balance Sheets, separate from any related income tax payable or Deferred income taxes. Reserve amounts relate to any potential income tax liabilities resulting from uncertain tax positions as well as potential interest or penalties associated with those liabilities.

We accrue interest and penalties related to unrecognized tax benefits in income tax expense. During 2017, we increased our accrual by $2 million (including the interest from OpCo unrecognized tax benefits acquired in 2017). During 2016, we increased our accrual by $3 million. There was no change to our accrual during 2015. There was an accrual for the payment of interest and penalties of $5 million as of December 31, 2017. There was a $3 million accrual for the payment of interest and penalties as of December 31, 2016, and no accrual for payment of interest and penalties in 2015. Included in the balances of unrecognized tax benefits as of December 31, 2017 and 2016, was approximately $78 million and $17 million, respectively, of unrecognized tax benefits that, if recognized, would impact the effective tax rate. There were no unrecognized tax benefits as of December 31, 2015 that, if recognized, would impact the effective tax rate.

We file income tax returns, including returns for our subsidiaries, with federal, state, and foreign jurisdictions. We are subject to exam by various state and foreign tax authorities. As of December 31, 2017, the tax years prior to 2014 are not subject to examination for U.S. tax purposes. As of December 31, 2017, the tax years prior to 2014 are no longer subject to examination for most of the foreign and state income tax jurisdictions as the statutes of limitations have lapsed.

We believe that it is reasonably possible that the unrecognized tax benefits liability will not materially change within the next 12 months. Audit outcomes and the timing of audit settlements are subject to significant uncertainty. Although we believe that adequate provision has been made for such issues, there is the possibility that the ultimate resolution of such issues could have an adverse effect on our earnings. Conversely, if these issues are resolved favorably in the future, the related provision would be reduced, thus having a favorable impact on earnings.

Note 18 — Discontinued Operations

Sale of SMG Business

On September 23, 2016, CIE sold its SMG Business to Alpha Frontier Limited ("Alpha Frontier") for cash consideration of $4.4 billion, pursuant to the Stock Purchase Agreement dated as of July 30, 2016 (the "Purchase Agreement"), which resulted in a pre-tax gain of approximately $4.2 billion.

In connection with the closing of the sale of the SMG Business, the total amount distributed to the minority investors and former holders of CIE equity awards was approximately $1.1 billion. Approximately $259 million was held as of December 31, 2016 in an escrow account to fund potential indemnity claims of Alpha Frontier under the Purchase Agreement. In the third quarter of 2017, the escrow funds were released to CIE and $63 million was distributed to the minority investors and former holders of CIE equity awards. The majority of the proceeds from the sale of the SMG Business was restricted under the terms of the Purchase Agreement and the CIE Proceeds Agreement and was therefore classified as restricted cash upon receipt until the Effective Date of the CAC Merger when the proceeds were no longer restricted and became available for use by CEC.

As a result of the sale, the results of operations and cash flows related to the SMG Business were classified as discontinued operations for all periods presented effective beginning in the third quarter of 2016.

CEOC

The Statement of Operations for the year ended December 31, 2015 also includes discontinued operations related to certain properties owned by CEOC, which was deconsolidated effective January 15, 2015 (see Note 2). CEOC closed its Showboat Atlantic City casino permanently effective in 2014 and subsequently sold it in 2015 for $18 million.

As a result of legislation passed in May 2014 in the State of Iowa, CEOC ceased its greyhound racing activities at Horseshoe Council Bluffs effective December 31, 2015. The legislation required payment of a total of $65 million to the Iowa greyhound pari-mutuel racing fund over a seven-year period beginning in January 2016. Subsequent to the acquisition of OpCo and merger into CEOC LLC, accrued exit costs for this property were $40 million as of December 31, 2017.

In 2012, CEOC abandoned a construction project for Harrah's Gulf Coast near the Mississippi Gulf Coast. Subsequent to the acquisition of OpCo and merger into CEOC LLC, the exit cost accrual related to future obligations under land lease agreements associated with this property was $43 million as of December 31, 2017.

In addition, CEOC had other accruals related to non-cancellable contract costs, severance and other exit costs related to the permanent closure of three international properties, Alea Leeds, Golden Nugget and Southend. Subsequent to the acquisition of OpCo and merger into CEOC LLC, the exit cost accrual related to these properties was $18 million as of December 31, 2017.

As of December 31, 2017, these exit cost accruals are included in Accrued expenses and other current liabilities and Deferred credits and other liabilities on the Balance Sheet.

Effect on Statements of Operations of Discontinued Operations

	Years Ended December 31,	
(In millions)	**2016**	**2015**
Net revenues		
SMG Business	$ 678	$ 725
Total net revenues	678	725
Operating expenses		
SMG Business [1]	748	499
Showboat Atlantic City	—	6
Other	—	1
Total operating expenses	748	506
Gain from discontinued operations		
SMG Business	4,180	—
Pre-tax income/(loss) from operations		
SMG Business	4,110	226
Showboat Atlantic City	—	(6)
Other	—	(1)
Total pre-tax income from discontinued operations	$ 4,110	$ 219
Income/(loss), net of income taxes		
SMG Business	$ 3,380	$ 162
Showboat Atlantic City	—	(6)
Other	—	(1)
Total income from discontinued operations, net of income taxes	$ 3,380	$ 155

[1] *Operating expenses primarily consist of platform fees and property, general, administrative, and other expenses, including stock-based compensation expense directly identifiable with employees of the SMG Business of $264 million and $29 million, respectively, for the years ended December 31, 2016 and 2015.*

Note 19 — Related Party Transactions

	Years Ended December 31,		
(In millions)	2017	2016	2015
Transactions with Sponsors and their affiliates			
Reimbursements and expenses	$ 34	$ 6	$ 20
Expenses paid to Sponsors' portfolio companies	3	2	3
Transactions with Horseshoe Baltimore			
Management fees	3	—	—
Reimbursements and allocated expenses	16	—	—
Transactions with CEOC			
Shared services allocated expenses to CEOC	312	368	355
Shared services allocated expenses from CEOC	71	148	117
Management fees incurred	33	45	40
Octavius Tower lease revenue	26	35	34
Other expenses incurred	9	14	12

Transactions with Sponsors and their Affiliates

On the Effective Date, we entered into a "Termination Agreement" with the Sponsors and their affiliates, pursuant to which certain agreements terminated. Among the agreements that terminated was the services agreement relating to the provision of financial and strategic advisory services and consulting services. The Sponsors had granted an ongoing waiver of the monitoring fees for management services; however, we reimbursed the Sponsors for expenses they incurred related to these management services and certain legal expenses. The reimbursed expenses are included in Corporate expense in the Statements of Operations and are included in the table above.

Sponsors' Portfolio Companies

We have entered into agreements with a number of companies that are portfolio companies of our former Sponsors. The following are the Sponsor portfolio companies with which we have business relationships:

- ***XOJet, Inc.*** - provides access to aircraft at contractually agreed upon hourly rates.
- ***SunGard Availability Service LP*** - provides enterprise cloud services and solutions for managed information technology.
- ***Sabre, Inc.*** - provides technology to assist our customers with booking hotel rooms.
- ***Avaya Inc.*** - supplies technology products and services and related software licenses and support.
- ***Norwegian Cruise Line Holdings Ltd. ("NCL")*** - a cruise ship operations company with which we have a marketing agreement pursuant to which, among other things, NCL pays Caesars Entertainment a percentage of its gaming revenue.
- ***Classic Party Rentals*** - provides party rental supplies.
- ***Creative Artists Agency LLC*** - we have entered into multiple entertainment agreements in connection with artists' performances at Caesars' properties.
- ***Fleet Pride, Inc.*** - provides aftermarket heavy-duty truck and trailer parts.
- ***Sutherland Global Services*** - technology and analytics enabled business process enterprise that provides end-to-end business process transformation.
- ***Sbarro, LLC*** - pizzeria chain that specializes in New York style pizza by the slice and other Italian-American cuisine.
- ***Protection One*** - full service security provider.

- ***ADT Security Services, Inc.*** - provides electronic security, fire protection, and other related alarm monitoring services.
- ***AGS, LLC -*** a full-service designer and manufacturer of gaming products for the casino floor.
- ***Novitex -*** a comprehensive, end-to-end document management company.

Amounts paid to the Sponsors' portfolio companies are included in the table above and we believe such transactions are conducted at fair value.

In addition, certain entities affiliated with or under the control of the Sponsors may from time to time transact in and hold our debt securities, and participate in any modifications of such instruments on terms available to any other holder of our debt.

Transactions with Horseshoe Baltimore

As described in Note 2, upon our deconsolidation of Horseshoe Baltimore effective August 31, 2017, Horseshoe Baltimore, which remains 41% owned by us, is now held as an equity method investment and considered to be a related party. These related party transactions include items such as casino management fees, reimbursement of various costs incurred by CEOC LLC on behalf of Horseshoe Baltimore, and the allocation of other general corporate expenses. A summary of the transactions with Horseshoe Baltimore subsequent to the deconsolidation is provided in the table above.

Transactions with CEOC

As described in Note 1 and Note 2, upon its filing for reorganization under Chapter 11 of the Bankruptcy Code and its subsequent deconsolidation, transactions with CEOC were no longer eliminated in consolidation and were considered related party transactions for Caesars. A summary of these transactions is provided in the table above. However, subsequent to CEOC's emergence on the Effective Date, CEOC's successor OpCo immediately merged with and into CEOC LLC, which is a wholly owned subsidiary of CEC, and therefore will no longer be treated as a related party going forward. The following activities, to the extent that they continued subsequent to the Effective Date, are eliminated in consolidation from that point forward.

CEOC Shared Services Agreement

Pursuant to a shared services agreement, CEOC provided Caesars with certain corporate and administrative services, and the costs of these services were allocated to Caesars. Certain services are now provided by CES (see Note 2).

Prior to the deconsolidation of CEOC, we were self-insured for employee medical (health, dental, and vision) and risk products, including workers compensation and surety bonds, and our insurance claims and reserves included accruals of estimated settlements for known claims, as well as accruals of actuarial estimates of incurred but not reported claims.

Caesars Entertainment provided insurance coverage to CEOC and received insurance premiums on an installment basis, which were intended to cover claims processed on CEOC's behalf. We prepaid CEOC for estimated employee medical insurance claims.

Services Joint Venture

CES provides certain corporate and administrative services to its members, and the costs of these services were allocated among the members. CES allocates costs included amounts for insurance coverage.

Management Fees

CGP pays a management fee to CEOC for the CGP properties that are managed by CEOC or CES.

Octavius Tower Lease Agreement

Under the Octavius Tower lease agreement, CEOC LLC leases the Octavius Tower at Caesars Palace for $35 million annually. CRC owns Octavius Tower.

LINQ Access and Parking Easement Lease Agreement

Under the LINQ Access and Parking Easement lease agreement, CEOC leased the parking lot behind The LINQ Promenade and The LINQ Hotel & Casino to CERP and CGP. Together, CERP and CGP paid approximately $2 million annually. Amounts are included within other expenses incurred in the table above. The parking lot was sold to VICI upon CEOC's emergence from

bankruptcy but was partially repurchased by CRC as part of the purchase of the Eastside Land described in Note 1 with the other portion still owned by VICI and subject to the CEOC LLC Leases.

Service Provider Fee

CEOC, CERP and CGP had a shared services agreement under which CERP and CGP paid for certain indirect corporate support costs. Amounts are included within other expenses incurred in the table above.

Cross Marketing and Trademark License Agreement

CIE and CEOC have a Cross Marketing and Trademark License Agreement. The agreement granted CIE the exclusive right to use various brands of Caesars Entertainment in connection with social and mobile games and online real money gaming in exchange for a 3% royalty. This agreement also provides for cross marketing and promotional activities between CIE and CEOC, including participation by CIE in Caesars' Total Rewards customer loyalty program. CEOC also receives a revenue share from CIE for customer referrals. Amounts are included within other expenses incurred in the table above.

CIE and Playtika, formerly a wholly owned subsidiary of CIE and now a wholly owned subsidiary of the buyer of the SMG Business, executed a separate sub-license agreement extending certain same rights and obligations of both parties beyond the sale through December 31, 2026.

Equity Incentive Awards

Caesars maintained an equity incentive awards plan under which CEC issued time-based and performance-based stock options, restricted stock units and restricted stock awards to CEOC employees. Although awards under the plan resulted in the issuance of shares of CEC common stock, because CEOC was no longer a consolidated subsidiary of CEC, we accounted for these awards as nonemployee awards subsequent to the date of deconsolidation.

Employee Benefit Plans

CEC maintains a defined contribution savings and retirement plan in which employees of specified CEC subsidiaries may participate. The plan provides for, among other things, pre-tax, Roth and after-tax contributions by employees. The plan also provides for employer matching contributions. Under the plan, participating employees may elect to contribute a percentage of their eligible earnings (subject to certain IRS and plan limits). See Note 16 for more information on the savings and retirement plan. In addition, employees subject to certain collective bargaining agreements receive benefits through the multi-employer retirement plans sponsored by the organization in which they are a member. The expenses related to contributions for a participant in the CEC plan or a multi-employer plan are allocated to the properties at which the participant is employed.

Total Rewards

Until the Effective Date, the total estimated cost for Total Rewards was accrued by CEOC, with the incremental charges related to CEC's other casino properties included in Due to affiliates, net on the Balance Sheets. On the Effective Date, administration of Total Rewards was transferred from CEOC LLC to CES as an equity contribution.

Due from/to Affiliates

As of December 31, 2016, amounts due to or from affiliates for each counterparty represented the net receivable or payable as of the end of the reporting period primarily resulting from the transactions described above and were settled on a net basis by each counterparty in accordance with the legal and contractual restrictions governing transactions by and among Caesars' consolidated entities and CEOC. The amount due from CEOC represented the maximum exposure to loss as a result of Caesars' involvement with CEOC, and the amount was reported net of an allowance for doubtful accounts of $12 million as of December 31, 2016.

As of December 31, 2017, Due from affiliates, net was $11 million, which represented transactions with Horseshoe Baltimore.

As of December 31, 2016, Due from affiliates, net was $64 million and represented a receivable due to CES from CEOC for shared services performed on behalf of CEOC. As of December 31, 2016, Due to affiliates, net was $66 million and represented a payable due to CEOC primarily from CGP for shared services performed on their behalf.

Note 20 — Segment Reporting

We view each casino property as an operating segment and aggregate such casino properties into three regionally-focused reportable segments: (i) Las Vegas, (ii) Other U.S. and (iii) All Other, which is consistent with how we manage the business. These segments include the following properties:

Las Vegas	Other U.S.	All Other	
Bally's Las Vegas	Bally's Atlantic City [2]	*Management Companies* [2]	*Other*
Caesars Palace Las Vegas [2]	Caesars Atlantic City [2]	Caesars Cairo	Caesars Interactive Entertainment
The Cromwell	Harrah's Atlantic City	Caesars Windsor	
Flamingo Las Vegas	Harrah's Council Bluffs [2]	Harrah's Ak-Chin	
Harrah's Las Vegas	Harrah's Gulf Coast [2]	Harrah's Cherokee	
The LINQ Hotel & Casino	Harrah's Joliet [2]	Harrah's Cherokee Valley River	
Paris Las Vegas	Harrah's Lake Tahoe [2]	Harrah's Resort Southern California	
Planet Hollywood Resort & Casino	Harrah's Laughlin [2]	Horseshoe Baltimore [1]	
Rio All-Suites Hotel & Casino	Harrah's Louisiana Downs [2]	The London Clubs Cairo-Ramses	
LINQ Promenade/High Roller	Harrah's Metropolis [2]		
	Harrah's New Orleans	*International* [2]	
	Harrah's North Kansas City [2]	Alea Glasgow	
	Harrah's Philadelphia [2]	Alea Nottingham	
	Harrah's Reno [2]	The Casino at the Empire	
	Harveys Lake Tahoe [2]	Emerald Safari	
	Horseshoe Baltimore (until Q3) [1]	Manchester235	
	Horseshoe Bossier City [2]	Playboy Club London	
	Horseshoe Council Bluffs [2]	Rendezvous Brighton	
	Horseshoe Hammond [2]	Rendezvous Southend-on-Sea	
	Horseshoe Southern Indiana [2]	The Sportsman	
	Horseshoe Tunica [2]		
	Tunica Roadhouse [2]		

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[1] *Horseshoe Baltimore is 41% owned, and was deconsolidated and held as an equity-method investment effective August 31, 2017.*
[2] *These properties were not consolidated with CEC prior to the Effective Date.*

We revised our presentation from two reportable segments to the three listed above as of the Effective Date, in conjunction with the CAC Merger and CEOC's emergence from bankruptcy, because the way in which Caesars management assesses results and allocates resources is aligned in accordance with these segments. When CEOC filed for reorganization, we concluded that CEOC was a VIE and that we were not the primary beneficiary; therefore, we no longer consolidated CEOC. After the Effective Date, CEOC LLC's results are consolidated with CEC.

The results of each reportable segment presented below are consistent with the way management assesses these results and allocates resources, which is a consolidated view that adjusts for the effect of certain transactions between reportable segments within Caesars, as described below.

"All Other" includes managed, international and other properties as well as parent, consolidating, and other adjustments to reconcile to consolidated Caesars results.

Condensed Statements of Operations - By Segment

	Year Ended December 31, 2017				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Other revenue	$ 492	$ 93	$ 48	$ (7)	$ 626
Net revenues	2,897	1,756	206	(7)	4,852
Depreciation and amortization	420	186	22	—	628
Income/(loss) from operations	546	198	(212)	—	532
Interest expense	(65)	(153)	(556)	—	(774)
Gain on deconsolidation of subsidiary	—	30	—	—	30
Restructuring and support expenses	—	(177)	(1,851)	—	(2,028)
Loss on extinguishment of debt	(4)	(13)	(215)	—	(232)
Other income	4	1	90	—	95
Income tax benefit	—	2	1,993	—	1,995

	Year Ended December 31, 2016				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Other revenues	$ 447	$ 65	$ 15	$ —	$ 527
Net revenues	2,625	1,205	47	—	3,877
Depreciation and amortization	344	90	5	—	439
Income/(loss) from operations	526	163	(462)	—	227
Interest expense	(21)	(30)	(548)	—	(599)
Restructuring and support expenses	—	—	(5,729)	—	(5,729)
Other losses	—	—	(29)	—	(29)
Income tax benefit/(provision)	1	—	(328)	—	(327)

	Year Ended December 31, 2015				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Other revenues	$ 399	$ 67	$ 29	$ —	$ 495
Net revenues	2,543	1,308	78	—	3,929
Depreciation and amortization	278	80	16	—	374
Income/(loss) from operations	533	191	(409)	—	315
Interest expense	(16)	(27)	(640)	—	(683)
Gain on deconsolidation of subsidiary	—	—	7,125	—	7,125
Restructuring and support expenses	—	—	(1,017)	—	(1,017)
Other income	—	—	7	—	7
Income tax benefit	—	—	106	—	106

Adjusted EBITDA - by Segment

Adjusted EBITDA is presented as a measure of the Company's performance. Adjusted EBITDA is defined as revenues less operating expenses and is comprised of net income/(loss) before (i) interest expense, net of interest capitalized and interest income, (ii) income tax (benefit)/provision, (iii) depreciation and amortization, (iv) corporate expenses, and (v) certain items that we do not consider indicative of its ongoing operating performance at an operating property level.

In evaluating Adjusted EBITDA you should be aware that, in the future, we may incur expenses that are the same or similar to some of the adjustments in this presentation. The presentation of Adjusted EBITDA should not be construed as an inference that future results will be unaffected by unusual or unexpected items.

Adjusted EBITDA is a non-GAAP financial measure commonly used in our industry and should not be construed as an alternative to net income/(loss) as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with GAAP). Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies within the industry. Adjusted EBITDA is included because management uses Adjusted EBITDA to measure performance and allocate resources, and believes that Adjusted EBITDA provides investors with additional information consistent with that used by management.

	Year Ended December 31, 2017				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Net income/(loss) attributable to Caesars	$ 481	$ (105)	$ (751)	$ —	$ (375)
Net loss attributable to noncontrolling interests	—	(7)	—	—	(7)
Income tax benefit	—	(2)	(1,993)	—	(1,995)
Gain on deconsolidation of subsidiary	—	(30)	—	—	(30)
Restructuring and support expenses	—	177	1,851	—	2,028
Loss on extinguishment of debt	4	13	215	—	232
Other income	(4)	(1)	(90)	—	(95)
Interest expense	65	153	556	—	774
Depreciation and amortization	420	186	22	—	628
Other operating costs [1]	25	2	37	—	64
Stock-based compensation expense	4	3	36	—	43
Other items [2]	5	5	80	—	90
Adjusted EBITDA	$ 1,000	$ 394	$ (37)	$ —	$ 1,357

	Year Ended December 31, 2016				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Net income/(loss) attributable to Caesars	$ 506	$ 129	$ (3,683)	$ —	$ (3,048)
Net income/(loss) attributable to noncontrolling interests	—	4	(33)	—	(29)
Discontinued operations, net of income taxes	—	—	(3,380)	—	(3,380)
Income tax (benefit)/provision	(1)	—	328	—	327
Restructuring and support expenses	—	—	5,729	—	5,729
Other losses	—	—	29	—	29
Interest expense	21	30	548	—	599
Depreciation and amortization	344	90	5	—	439
Other operating costs [1]	8	—	83	—	91
CIE stock-based compensation	—	—	189	—	189
Stock-based compensation expense	3	2	38	—	43
Other items [2]	—	4	77	—	81
Adjusted EBITDA	$ 881	$ 259	$ (70)	$ —	$ 1,070

	Year Ended December 31, 2015				
(In millions)	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Net income attributable to Caesars	$ 517	$ 178	$ 5,314	$ —	$ 6,009
Net income/(loss) attributable to noncontrolling interests	—	(14)	13	—	(1)
Discontinued operations, net of income taxes	—	—	(155)	—	(155)
Income tax benefit	—	—	(106)	—	(106)
Gain on deconsolidation of subsidiary	—	—	(7,125)	—	(7,125)
Restructuring and support expenses	—	—	1,017	—	1,017
Other income	—	—	(7)	—	(7)
Interest expense	16	27	640	—	683
Depreciation and amortization	278	80	16	—	374
Other operating costs [1]	11	7	143	—	161
CIE stock-based compensation	—	—	31	—	31
Stock-based compensation expense	3	2	66	—	71
Other items [2]	2	—	62	—	64
Adjusted EBITDA	$ 827	$ 280	$ (91)	$ —	$ 1,016

[1] *Amounts primarily represent costs incurred in connection with property openings and expansion projects at existing properties, costs associated with the development activities and reorganization activities, and/or recoveries associated with such items.*

[2] *Other items includes other add-backs and deductions to arrive at Adjusted EBITDA but not separately identified such as litigation awards and settlements, costs associated with CEOC's restructuring and related litigation, severance and relocation costs, sign-on and retention bonuses, permit remediation costs, and business optimization expenses.*

Condensed Balance Sheets - By Segment

	As of December 31, 2017				
(In millions)	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Total assets	$ 14,145	$ 6,880	$ 7,519	$ (3,032)	$ 25,512
Total liabilities	5,238	5,027	11,843	108	22,216

	As of December 31, 2016				
(In millions)	Las Vegas	Other U.S.	All Other	Elimination	Caesars
Total assets	$ 8,583	$ 1,580	$ 7,896	$ (3,136)	$ 14,923
Total liabilities	456	477	15,599	—	16,532

Note 21 — Quarterly Results of Operations (Unaudited)

As described in Note 2, because the CAC Merger was accounted for as a reorganization among entities under common control, the unaudited quarterly results of operations includes the financial results of CAC as if it were consolidated for all periods presented, derived from the historical accounting records and financial statements of CEC and CAC. The following table also presents a reconciliation to our previously reported unaudited quarterly results of operations.

As recast for CAC Merger

(In millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2017					
Net revenues	$ 963	$ 1,002	$ 986	$ 1,901	$ 4,852
Income from operations	149	149	81	153	532
Net income/(loss)	(508)	(1,434)	(441)	2,001	(382)
Net income/(loss) attributable to Caesars	(507)	(1,434)	(435)	2,001	(375)
Basic earnings/(loss) per share	(3.44)	(9.63)	(2.92)	3.01	(1.35)
Diluted earnings/(loss) per share	(3.44)	(9.63)	(2.92)	2.48	(1.35)
2016					
Net revenues	$ 950	$ 992	$ 986	$ 949	$ 3,877
Income/(loss) from operations	80	105	(53)	95	227
Net loss	(283)	(2,052)	(276)	(466)	(3,077)
Net loss attributable to Caesars	(286)	(2,055)	(244)	(463)	(3,048)
Basic loss per share	(1.97)	(14.10)	(1.66)	(3.15)	(20.85)
Diluted loss per share	(1.97)	(14.10)	(1.66)	(3.15)	(20.85)

As previously reported

(In millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2017					
Net revenues	$ 963	$ 1,002	$ 986		
Income from operations	158	157	86		
Net loss	(524)	(1,426)	(460)		
Net loss attributable to Caesars	(546)	(1,442)	(468)		
Basic loss per share	(3.71)	(9.68)	(3.14)		
Diluted loss per share	(3.71)	(9.68)	(3.14)		
2016					
Net revenues	$ 950	$ 992	$ 986	$ 949	$ 3,877
Income/(loss) from operations	88	111	(44)	102	257
Net income/(loss)	(274)	(2,043)	5	(435)	(2,747)
Net loss attributable to Caesars	(308)	(2,077)	(643)	(541)	(3,569)
Basic loss per share	(2.12)	(14.25)	(4.38)	(3.68)	(24.41)
Diluted loss per share	(2.12)	(14.25)	(4.38)	(3.68)	(24.41)

Comparison to recast

(In millions, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
2017					
Net revenues	$ —	$ —	$ —		
Income from operations	(9)	(8)	(5)		
Net loss	16	(8)	19		
Net loss attributable to Caesars	39	8	33		
Basic loss per share	0.27	0.05	0.22		
Diluted loss per share	0.27	0.05	0.22		
2016					
Net revenues	$ —	$ —	$ —	$ —	$ —
Income/(loss) from operations	(8)	(6)	(9)	(7)	(30)
Net income/(loss)	(9)	(9)	(281)	(31)	(330)
Net loss attributable to Caesars	22	22	399	78	521
Basic loss per share	0.15	0.15	2.72	0.53	3.56
Diluted loss per share	0.15	0.15	2.72	0.53	3.56

First Quarter of 2016 through the Fourth Quarter of 2017: We significantly increased our accrual for restructuring commitments beginning in the first quarter of 2016, and our accrual was updated quarterly. These obligations were settled on the Effective Date. See Note 1.

Third Quarter of 2016: As described in Note 18, during the third quarter of 2016, CIE sold its SMG Business, which resulted in a pre-tax gain of approximately $4.2 billion.

Fourth Quarter of 2017: CEOC LLC's results are consolidated with CEC subsequent to the Effective Date (see Note 2), interest expense was recognized for failed sale-leaseback transactions (see Note 10), an income tax benefit was recognized (see Note 17) and we updated our estimated value of OpCo and the VICI Call Right Agreement through the Effective Date which reduced our Restructuring and support expenses. Additionally, there were 36 million weighted average dilutive potential common shares related to the CEC Convertible Notes included in the Diluted earnings per share calculation.

ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

ITEM 9A. Controls and Procedures

a. Disclosure Controls and Procedures

We maintain disclosure controls and procedures designed to provide reasonable assurance that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, and reported within the specified time periods and accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Exchange Act) as of December 31, 2017. Based on these evaluations, our CEO and CFO concluded that our disclosure controls and procedures required by paragraph (b) of Rules 13a-15 or 15d-15 were effective as of December 31, 2017, at a reasonable assurance level.

b. Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining effective internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP. Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, misstatements due to error or fraud may not be prevented or detected on a timely basis.

Our management performed an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2017, utilizing the criteria discussed in the "Internal Control - Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective as of December 31, 2017. Based on management's assessment, we have concluded that our internal control over financial reporting was effective as of December 31, 2017.

The effectiveness of our internal control over financial reporting has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in its report, which is included herein.

c. Changes in Internal Control Over Financial Reporting

We have commenced several transformation initiatives to automate and simplify our business processes. These are long-term initiatives that we believe will enhance our internal control over financial reporting due to increased automation and integration of related processes. We will continue to monitor and evaluate our internal control over financial reporting throughout the transformation.

There have not been any other changes in our internal control over financial reporting during the three months ended December 31, 2017, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of
Caesars Entertainment Corporation:

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Caesars Entertainment Corporation and subsidiaries (the "Company") as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2017, of the Company and our report dated March 7, 2018, expressed an unqualified opinion on those financial statements and included an emphasis of a matter paragraph regarding the merger of Caesars Acquisition Company ("CAC") with and into the Company.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Las Vegas, Nevada
March 7, 2018

ITEM 9B. Other Information

None.

PART III

ITEM 10. Directors, Executive Officers, and Corporate Governance

We incorporate by reference the information regarding executive officers included in Item 1 of this report and appearing under the captions "Executive Officers," "Corporate Governance - Section 16(a) Beneficial Ownership Reporting Compliance" and "Corporate Governance - Code of Ethics" in our definitive Proxy Statement for our 2018 Annual Meeting of Stockholders, which we expect to file with the Securities and Exchange Commission on or about April 4, 2018 (the "Proxy Statement").

ITEM 11. Executive Compensation

We incorporate by reference the information appearing under the captions "Executive Compensation" and "Corporate Governance - Compensation and Management Development Committee Interlocks and Insider Participation" in the Proxy Statement.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

We incorporate by reference the information appearing under the caption "Security Ownership of Certain Beneficial Owners and Management" in the Proxy Statement. The information under Part II, Item 5, "Market for the Company's Common Stock, Related Stockholder Matters and Issuer Purchases of Equity Securities - Equity Compensation Plan Information" of this report is also incorporated herein by reference.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

We incorporate by reference the information appearing under the captions "Certain Relationships and Related Party Transactions" and "Corporate Governance - Director Independence" in the Proxy Statement.

ITEM 14. Principal Accounting Fees and Services

We incorporate by reference the information appearing under the caption "Proposal 2 - Ratification of Appointment of Independent Registered Public Accounting Firm" in the Proxy Statement.

PART IV

ITEM 15. Exhibits, Financial Statement Schedules

(a) 1. Financial statements of the Company (including related notes to consolidated financial statements) filed as part of this report are listed below (see Item 8):

Report of Independent Registered Public Accounting Firm.

Consolidated Balance Sheets as of December 31, 2017 and 2016.

Consolidated Statements of Operations and Comprehensive Income/(Loss) for the Years Ended December 31, 2017, 2016, and 2015.

Consolidated Statements of Stockholders' Equity/(Deficit) for the Years Ended December 31, 2017, 2016, and 2015.

Consolidated Statements of Cash Flows for the Years Ended December 31, 2017, 2016, and 2015.

2. Financial statement schedules of the Company as follows:

Schedule I—Condensed Financial Information of Registrant Parent Company Only as of December 31, 2017 and 2016 and for the Years Ended December 31, 2017, 2016, and 2015.

We have omitted schedules other than the ones listed above because they are not required or are not applicable, or the required information is shown in the financial statements or notes to the financial statements.

3. Exhibits

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
2.1	Amended and Restated Agreement and Plan of Merger, dated as of July 9, 2016, between Caesars Acquisition Company and Caesars Entertainment Corporation.	—	8-K	—	2.1	7/11/2016
2.2	First Amendment to Amended and Restated Agreement and Plan of Merger, dated as of February 20, 2017, by and between Caesars Entertainment Corporation and Caesars Acquisition Company.	—	8-K	—	2.1	2/21/2017
2.3	Third Amended Joint Plan of Reorganization, filed with the United States Bankruptcy Court for the Northern District of Illinois in Chicago on January 13, 2017, at Docket No. 6318.	—	S-4/A	—	2.6	6/5/2017
3.1	Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated February 8, 2012.	—	10-K	12/31/2011	3.7	3/15/2012
3.2	Amendment, dated October 6, 2017, to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated February 8, 2012.	—	S-8	—	4.2	10/6/2017
3.3	Amendment, dated October 6, 2017, to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated February 8, 2012.	—	S-8	—	4.3	10/6/2017
3.4	Amendment, dated October 6, 2017, to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated February 8, 2012.	—	S-8	—	4.4	10/6/2017

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
3.5	Bylaws of Caesars Entertainment Corporation, dated October 6, 2017.	—	S-8	—	4.5	10/6/2017
4.1	Indenture, dated as of October 6, 2017, between Caesars Entertainment Corporation and Delaware Trust Company, as trustee, relating to the 5.00% Convertible Senior Notes due 2024.	—	8-K	—	4.1	10/13/2017
4.2	Indenture, dated October 16, 2017, by and among CRC Escrow Issuer, LLC, CRC Finco, Inc. and Deutsche Bank Trust Company Americas, as trustee.	—	8-K	—	4.1	10/16/2017
4.3	Supplemental Indenture, dated December 22, 2017, by and among Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, CRC Finco, Inc. and Deutsche Bank Trust Company Americas, as trustee.	—	8-K	—	4.1	12/22/2017
10.1	Credit Agreement, dated as of December 22, 2017, by and among Caesars Resort Collection, LLC, the other borrowers from time to time party thereto, the lenders party thereto, and Credit Suisse, AG, Cayman Islands Branch, as administrative agent.	—	8-K	—	10.1	12/22/2017
10.2	Escrow Agreement, dated October 16, 2017, by and among CRC Escrow Issuer, LLC, CRC Finco, Inc., Deutsche Bank Trust Company Americas, as escrow agent and Deutsche Bank Trust Company Americas, as trustee.	—	8-K	—	10.1	10/16/2017
10.3	Caesars Entertainment Corporation Amended and Restated Escrow Agreement, dated as of December 12, 2016, between Caesars Entertainment Corporation and Wells Fargo Bank, N.A.	—	8-K	—	10.19	10/13/2017
†10.4	Amendment and Restatement of Harrah's Entertainment, Inc. Executive Deferred Compensation Plan, effective August 3, 2007.	—	10-Q	6/30/2007	10.69	8/9/2007
†10.5	Amendment and Restatement of Harrah's Entertainment, Inc. Deferred Compensation Plan, effective as of August 3, 2007.	—	10-Q	6/30/2007	10.70	8/9/2007
†10.6	Amendment and Restatement of Park Place Entertainment Corporation Executive Deferred Compensation Plan, effective as of August 3, 2007.	—	10-Q	6/30/2007	10.71	8/9/2007
†10.7	Amendment and Restatement of Harrah's Entertainment, Inc. Executive Supplemental Savings Plan, effective as of August 3, 2007.	—	10-Q	6/30/2007	10.72	8/9/2007
†10.8	Amendment and Restatement of Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II, effective as of August 3, 2007.	—	10-Q	6/30/2007	10.73	8/9/2007
†10.9	First Amendment to the Amendment and Restatement of Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II, effective as of February 9, 2009.	—	8-K	—	10.2	2/13/2009
†10.10	Second Amendment to the Amendment and Restatement of the Caesars Entertainment Corporation Executive Supplemental Savings Plan II (fka Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II), effective as of November 5, 2014.	—	10-K	12/31/2014	10.48	3/16/2015
†10.11	Caesars Entertainment Corporation Second Amended and Restated Executive Deferred Compensation Trust Agreement, dated as of December 12, 2016, between Caesars Entertainment Corporation and Wells Fargo Bank, N.A.	—	8-K	—	10.20	10/13/2017

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
*†10.12	Amended and Restated Irrevocable Proxy of Hamlet Holdings, LLC, dated as of October 6, 2017.	X				
10.13	Amended and Restated Limited Liability Company Agreement of Caesars Growth Partners, LLC, dated as of October 21, 2013.	—	8-K	—	10.2	10/23/2013
10.14	First Amendment to the Amended and Restated Limited Liability Company Agreement of Caesars Growth Partners, LLC, dated as of October 21, 2013, dated as of September 23, 2016, entered into by and among Caesars Acquisition Company, in its capacity as Caesars Growth Partners, LLC's managing member and as a member of Caesars Growth Partners, LLC, HIE Holdings, Inc., Harrah's BC, Inc. and Caesars Entertainment Corporation.	—	8-K	—	10.1	9/26/2016
10.15	Second Amendment to the Amended and Restated Limited Liability Company Agreement of Caesars Growth Partners, LLC, dated as of October 21, 2013, dated as of October 7, 2016, entered into by and among Caesars Acquisition Company, in its capacity as Caesars Growth Partners, LLC's managing member and as a member of Caesars Growth Partners, LLC, HIE Holdings, Inc., Harrah's BC, Inc. and Caesars Entertainment Corporation.	—	8-K	—	10.2	10/11/2016
10.16	Third Amendment to the Amended and Restated Limited Liability Company Agreement of Caesars Growth Partners, LLC, dated as of February 13, 2017, entered into by and among Caesars Acquisition Company, in its capacity as Caesars Growth Partners, LLC's managing member and as a member of Caesars Growth Partners, LLC, HIE Holdings, Inc., Harrah's BC, Inc. and Caesars Entertainment Corporation.	—	10-K	12/31/2016	10.93	2/15/2017
10.17	Voting Agreement, dated as of July 9, 2016, among Caesars Entertainment Corporation, Hamlet Holdings LLC and the Holders party thereto.	—	8-K	—	10.1	7/11/2016
10.18	Sixth Amended and Restated Restructuring Support and Forbearance Agreement, dated as of October 4, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and the subsidiary loan parties party thereto, Caesars Entertainment Corporation and each of the holders of First Lien Bond Claims party thereto.	—	8-K/A	—	10.2	10/6/2016
10.19	Sixth Amended and Restated Restructuring Support and Forbearance Agreement, dated as of October 4, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and the subsidiary loan parties party thereto, Caesars Entertainment Corporation and each of the holders of First Lien Bond Claims party thereto (conformed to reflect additional agreements among the parties as of November 14, 2016).	—	8-K	—	10.1	11/15/2016
10.20	Second Amended Restructuring Support and Forbearance Agreement, dated as of October 4, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and the subsidiary loan parties party thereto, Caesars Entertainment Corporation and each of the holders of First Lien Bank Claims party thereto.	—	8-K	—	10.3	10/6/2016

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
10.21	Restructuring Support and Forbearance Agreement, dated as of June 6, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and each of the debtors in the Chapter 11 Cases, Caesars Entertainment Corporation and each of the holders of SGN Claims party thereto.	—	8-K	—	10.1	6/8/2016
10.22	Restructuring Support, Settlement and Contribution Agreement, dated as of June 7, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself, each of the debtors in the Chapter 11 Cases and its other direct and indirect subsidiaries and Caesars Entertainment Corporation.	—	8-K	—	10.2	6/8/2016
10.23	First Amended Restructuring Support and Forbearance Agreement, dated as of June 20, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and the subsidiary loan parties party thereto, Caesars Entertainment Corporation and each of the holders of First Lien Bank Claims party thereto.	—	8-K	—	10.1	6/21/2016
10.24	Restructuring Support and Settlement Agreement, dated as of June 22, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and each of the debtors in the Chapter 11 Cases, Caesars Entertainment Corporation and the statutory unsecured claimholders' committee in the Chapter 11 Cases.	—	8-K	—	10.1	6/22/2016
10.25	First Amended and Restated Restructuring Support, Settlement and Contribution Agreement, dated as of July 9, 2016, between Caesars Entertainment Corporation and Caesars Entertainment Operating Company, Inc.	—	8-K	—	10.2	7/11/2016
10.26	Restructuring Support and Forbearance Agreement, dated as of July 31, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and each of the debtors in the Chapter 11 Cases, Caesars Entertainment Corporation, and each of the holders of Second Lien Bond Claims party thereto.	—	8-K	—	10.1	8/1/2016
10.27	Amendment No. 1 to First Amended and Restated Restructuring Support and Forbearance Agreement, dated as of October 4, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and each of the debtors in the Chapter 11 Cases, Caesars Entertainment Corporation and each of the holders of SGN Claims party thereto.	—	8-K	—	10.4	10/6/2016
10.28	Restructuring Support, Forbearance and Settlement Agreement, dated as of October 4, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and each of the debtors in the Chapter 11 Cases, Caesars Entertainment Corporation, Caesars Acquisition Company (solely for Sections 2(b)(vii), 5(g) and 30), each of the holders of Second Lien Bond Claims party thereto and the Second Lien Committee.	—	8-K	—	10.1	10/6/2016
10.29	Lease (CPLV), dated as of October 6, 2017, by and among CPLV Property Owner LLC, Desert Palace LLC, Caesars Entertainment Operating Company, Inc. and CEOC, LLC, relating to the CPLV Facilities.	—	8-K	—	10.1	10/13/2017
10.30	Lease (Non-CPLV), dated as of October 6, 2017, by and among the entities listed on Schedules A and B thereto and CEOC, LLC, relating to the Non-CPLV Facilities.	—	8-K	—	10.2	10/13/2017

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
10.31	Lease (Joliet), dated as of October 6, 2017, by and between Harrah's Joliet Landco LLC and Des Plaines Development Limited Partnership, relating to the Joliet Facilities.	—	8-K	—	10.3	10/13/2017
10.32	Trademark License Agreement, dated as of October 6, 2017, between Caesars License Company, LLC and Desert Palace LLC.	—	8-K	—	10.4	10/13/2017
10.33	Golf Course Use Agreement, dated as of October 6, 2017, by and among Rio Secco LLC, Cascata LLC, Chariot Run LLC, Grand Bear LLC, Caesars Enterprise Services, LLC, CEOC, LLC and, solely for purposes of Section 2.1(c) thereof, Caesars License Company, LLC.	—	8-K	—	10.5	10/13/2017
10.34	Management and Lease Support Agreement, dated as of October 6, 2017, by and among Desert Palace LLC, Caesars Entertainment Operating Company, Inc., CEOC, LLC, CPLV Manager, LLC, Caesars Entertainment Corporation, CPLV Property Owner LLC, and solely for certain articles and sections named therein, Caesars License Company, LLC and Caesars Enterprise Services, LLC relating to the CPLV Facilities.	—	8-K	—	10.6	10/13/2017
10.35	Management and Lease Support Agreement, dated as of October 6, 2017, by and among CEOC, LLC, the entities listed therein, Non-CPLV Manager, LLC, Caesars Entertainment Corporation and solely for certain articles and sections named therein, Caesars License Company, LLC and Caesars Enterprise Services, LLC relating to the Non-CPLV Facilities.	—	8-K	—	10.7	10/13/2017
10.36	Management and Lease Support Agreement, dated as of October 6, 2017, by and among Des Plaines Development Limited Partnership, Joliet Manager, LLC, Caesars Entertainment Corporation, Harrah's Joliet Landco LLC and solely for certain articles and sections named therein, Caesars License Company, LLC and Caesars Enterprise Services, LLC relating to the Joliet Facilities.	—	8-K	—	10.8	10/13/2017
10.37	Right of First Refusal Agreement, dated as of October 6, 2017, between Caesars Entertainment Corporation and VICI Properties L.P.	—	8-K	—	10.9	10/13/2017
10.38	Tax Matters Agreement, dated as of October 6, 2017, between Caesars Entertainment Corporation, CEOC, LLC, VICI Properties Inc., VICI Properties L.P. and CPLV Property Owner LLC.	—	8-K	—	10.10	10/13/2017
10.39	Credit Agreement, dated as of October 6, 2017, among Caesars Entertainment Operating Company, Inc., CEOC, LLC, the lenders party thereto, Credit Suisse AG, Cayman Islands Branch, as Administrative Agent, Credit Suisse Securities (USA) LLC and Deutsche Bank Securities Inc., as Joint Lead Arrangers, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Barclays Bank PLC, Citigroup Global Markets Inc., Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Morgan Stanley Senior Funding, Inc. and UBS Securities LLC, as Joint Bookrunners and Credit Suisse Securities (USA) LLC as Syndication Agent and Documentation Agent.	—	8-K	—	10.11	10/13/2017

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
10.40	Second Amended and Restated Omnibus License and Enterprise Services Agreement, dated as of October 6, 2017, among Caesars Entertainment Operating Company, Inc., Caesars Growth Properties Holdings, LLC, Caesars Entertainment Resort Properties LLC, Caesars License Company, LLC, Caesars World LLC and Caesars Enterprise Services, LLC.	—	8-K	—	10.12	10/13/2017
†10.41	Contribution Agreement, dated as of October 6, 2017, between Caesars Entertainment Corporation and Hamlet Holdings LLC.	—	8-K	—	10.13	10/13/2017
*10.42	Unit Purchase Agreement between the Persons Listed on Schedule 1, Clairvest GP Manageco, Inc., Centaur Holdings, LLC, and Caesars Entertainment Corporation, dated as of November 16, 2017.	X				
*10.43	Purchase and Sale Agreement by and between Vegas Development LLC, a Delaware limited liability company and Eastside Convention Center, LLC, a Delaware limited liability company as Buyer, effective date November 29, 2017.	X				
*10.44	Amended and Restated Lease by and among Claudine Propco, LLC, a Delaware limited liability company, and Harrah's Las Vegas, LLC, a Nevada limited liability company, dated December 22, 2017.	X				
*10.45	Put-Call Right Agreement dated as of December 22, 2017 by and among Claudine Propco, LLC, a Delaware limited liability company and Vegas Development Land Owner, LLC, a Delaware limited liability company and 3535 LV Newco, LLC, a Delaware limited liability company.	X				
*10.46	Incremental Assumption Agreement No. 1, dated as of December 18, 2017 relating to the Credit Agreement dated as of October 6, 2017, among Caesars Entertainment Operating Company, Inc. and CEOC, LLC, as borrower and the Lenders party thereto from time to time and Credit Suisse AG, Cayman Islands Branch, as administrative agent for the Lenders and collateral agent for the Secured Parties.	X				
*10.47	First Amendment to Lease (Non-CPLV), dated as of December 22, 2017 by and among the entities listed on Schedules A and B thereto and CEOC, LLC, relating to the Non-CPLV Facilities.	X				
*10.48	Purchase and Sale Agreement, by and between, Harrah's Las Vegas, LLC, as Seller, and Claudine Property Owner, LLC, as Buyer, dated November 29, 2017.	X				
*10.49	Guaranty of Lease dated December 22, 2017, by and between Caesars Resort Collection, LLC and Claudine Propco LLC.	X				
*10.50	Amended and Restated Right of First Refusal Agreement, dated as of December 22, 2017, by and between Caesars Entertainment Corporation and VICI Properties L.P.	X				
10.51	Settlement and Forbearance Agreement, dated as of August 15, 2016, among Caesars Entertainment Operating Company, Inc., on behalf of itself and each of the debtors in the Chapter 11 Cases, Caesars Entertainment Corporation and Frederick Barton Danner.	—	8-K	—	99.1	8/17/2016

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
†10.52	Caesars Entertainment Corporation Management Equity Incentive Plan, as amended and restated on November 29, 2011.	—	S-1/A	—	10.78	12/28/2011
†10.53	Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	S-1/A	—	10.89	2/2/2012
†10.54	Amendment No.1 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	8-K	—	10.1	7/25/2012
†10.55	Amendment No. 2 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	8-K	—	10.1	5/20/2015
†10.56	Amendment No. 3 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	8-K	—	10.1	5/20/2016
†10.57	Amendment No. 4 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	—	10-Q	6/30/2016	10.3	8/2/2016
†10.58	Form of Caesars Entertainment Corporation 2012 Performance Incentive Plan Nonqualified Option Award Agreement.	—	SC-TO-I	—	(d)(3)	7/25/2012
†10.59	Form of Caesars Entertainment Corporation 2012 Performance Incentive Plan Nonqualified Option Award Agreement (Replacement Options).	—	SC-TO-I	—	(d)(4)	7/25/2012
†10.60	Form of Caesars Entertainment 2012 Performance Incentive Plan Restricted Share Award Agreement.	—	10-K	12/31/2012	10.84	3/15/2013
†10.61	Form of Caesars Entertainment Corporation 2012 Performance Incentive Plan Restricted Stock Unit Award Agreement.	—	8-K	—	10.1	7/2/2013
†10.62	Form of Caesars Entertainment Corporation 2012 Performance Incentive Plan Restricted Stock Unit Award Agreement.	—	8-K	—	10.1	1/9/2015
†10.63	Form of Indemnification Agreement entered into by Caesars Entertainment Corporation and David Sambur, Richard Schifter, Christopher Williams, Richard Broome, Timothy Donovan, Eric Hession, Thomas Jenkin, Jan Jones, Robert Morse, Les Ottolenghi, and Marco Roca.	—	S-1/A	—	10.75	11/16/2010
†10.64	Form of Indemnification Agreement entered into by Caesars Entertainment Corporation and Thomas Benninger, John Boushy, John Dionne, Matthew Ferko, James Hunt, and Christopher Holdren.	X				
†10.65	Form of Caesars Entertainment Corporation Management Equity Incentive Plan Stock Option Grant Agreement.	—	SC-TO-I	—	(d)(7)	7/25/2012
†10.66	Form of Amendment to Caesars Entertainment Corporation Management Equity Incentive Plan Stock Option Grant Agreement.	—	SC-TO-I	—	(d)(8)	7/25/2012
†10.67	2009 Senior Executive Incentive Plan, amended and restated December 7, 2012.	—	10-K	12/31/2012	10.90	3/15/2013
†10.68	Caesars Entertainment Corporation Omnibus Incentive Plan, dated November 14, 2012.	—	10-K	12/31/2012	10.91	3/15/2013
†10.69	Form of Cash Award Agreement under 2012 Performance Incentive Plan.	—	8-K	—	10.1	5/27/2016
†10.70	Form of Restricted Stock Unit Award Agreement (July 2016 Retention Awards) under 2012 Performance Incentive Plan.	—	8-K	—	10.4	7/6/2016

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
†10.71	Form of Cash Award Agreement (July 2016 Retention Awards) under 2012 Performance Incentive Plan.	—	8-K	—	10.5	7/6/2016
†10.72	Employment Agreement dated February 5, 2015, between Caesars Entertainment Corporation, Caesars Enterprise Services, LLC, and Mark Frissora.	—	10-K	12/31/2014	10.106	3/16/2015
†10.73	Amendment No. 1 to Employment Agreement, made as of August 4, 2015, between Caesars Entertainment Corporation, Caesars Enterprise Services, LLC and Mark Frissora.	—	10-Q	6/30/2015	10.5	8/6/2015
†10.74	Amendment No. 2 to Employment Agreement, made as of February 5, 2015, by and among Caesars Entertainment Corporation, Caesars Enterprise Services, LLC, Caesars Acquisition Company and Mark Frissora.	—	8-K	—	10.1	7/6/2016
†10.75	Third Amendment to the Employment Agreement between Caesars Enterprise Services, LLC and Mark Frissora, dated February 5, 2015 and effective as of March 8, 2017.	—	10-Q	3/31/2017	10.2	5/2/2017
†10.76	Employment Agreement, made as of November 10, 2014, by and between Caesars Enterprise Services, LLC and Eric Hession.	—	8-K	—	10.2	11/12/2014
†10.77	Amendment No. 1 to the Employment Agreement between Caesars Enterprise Services, LLC and Eric Hession, dated November 10, 2014 and effective as of March 8, 2017.	—	10-Q	3/31/2017	10.3	5/2/2017
†10.78	Form of Employment Agreement between Caesars Entertainment Operating Company, Inc., and Thomas M. Jenkin (assigned by Caesars Entertainment Operating Company, Inc. to Caesars Enterprise Services, LLC on October 1, 2014).	—	8-K	—	10.1	1/9/2012
†10.79	Amendment No. 1 to the Employment Agreement between Caesars Enterprise Services, LLC and Thomas Jenkin, dated January 3, 2012 and effective as of March 8, 2017.	—	10-Q	3/31/2017	10.4	5/2/2017
†10.80	Employment Agreement made as of April 2, 2009 by and between Caesars Entertainment Operating Company, Inc. and Timothy R. Donovan (assigned by Caesars Entertainment Operating Company, Inc. to Caesars Enterprise Services, LLC on October 1, 2014).	—	10-K	12/31/2012	10.87	3/15/2013
†10.81	Amendment No. 1 to the Employment Agreement between Caesars Enterprise Services, LLC and Timothy R. Donovan, dated April 2, 2009 and effective as of March 8, 2017.	—	10-Q	3/31/2017	10.5	5/2/2017
†10.82	Employment Agreement, made as of April 14, 2014, by and between Caesars Entertainment Operating Company, Inc. and Robert Morse, as assigned to Caesars Enterprise Services, LLC pursuant to that certain letter agreement dated as of December 29, 2014.	—	S-4	—	10.137	3/13/2017
†10.83	Amendment No. 1 to the Employment Agreement between Caesars Enterprise Services, LLC and Robert J. Morse, dated April 14, 2014 and effective as of March 8, 2017.	—	10-Q	3/31/2017	10.6	5/2/2017
†10.84	Restricted Stock Unit Award Agreement by and between Mark Frissora and Caesars Entertainment Corporation, dated March 23, 2016.	—	8-K	—	10.2	7/6/2016

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
†10.85	Restricted Stock Unit Award Agreement by and between Mark Frissora and Caesars Acquisition Company, dated June 29, 2016.	—	8-K	—	10.3	7/6/2016
†10.86	Letter Agreement, dated as of October 6, 2017, between Caesars Enterprise Services, LLC and Timothy R. Donovan.	—	8-K	—	10.17	10/13/2017
†10.87	Amended and Restated Letter Agreement, dated January 29, 2018, between Timothy R. Donovan and Caesars Enterprise Services, LLC.	—	8-K	—	10.1	2/2/2018
†10.88	Caesars Entertainment Corporation 2017 Performance Incentive Plan.	—	S-8	—	4.6	10/6/2017
†10.89	Form of Caesars Entertainment Corporation 2017 Performance Incentive Plan Restricted Stock Unit Award Agreement.	—	S-8	—	4.7	10/6/2017
†10.90	Form of Caesars Entertainment Corporation 2017 Performance Incentive Plan Restricted Stock Unit Award Agreement by and between Mark Frissora and Caesars Entertainment Corporation.	—	S-8	—	4.8	10/6/2017
†10.91	Caesars Acquisition Company 2014 Performance Incentive Plan.	—	**8-K	—	10.1	4/6/2014
†10.92	Form Nonqualified Option Award Agreement under the Caesars Acquisition Company 2014 Performance Incentive Plan.	—	**8-K	—	10.2	4/16/2014
†10.93	Form Restricted Stock Award Agreement under the Caesars Acquisition Company 2014 Performance Incentive Plan.	—	**8-K	—	10.3	4/16/2014
†10.94	Form Restricted Stock Unit Award Agreement under the Caesars Acquisition Company 2014 Performance Incentive Plan.	—	**8-K	—	10.4	4/16/2014
†10.95	Amended and Restated Limited Liability Company Agreement of Caesars Enterprise Services, LLC.	—	***8-K	—	99.1	5/21/2014
14	Code of Business Conduct and Ethics, February 1, 2018.	X				
21	List of Subsidiaries.	X				
23	Consent of Deloitte & Touche, LLP, independent registered public accounting firm.	X				
31.1	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
31.2	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X				
32.1‡	Certification of Principal Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	—				
32.2‡	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	—				
99.1	Gaming and Regulatory Overview.	X				
101.INS	XBRL Instance Document.	X				
101.SCH	XBRL Taxonomy Extension Schema Document.	X				

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	X				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.	X				
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	X				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	X				

†	Denotes a management contract or compensatory plan or arrangement.
‡	Furnished herewith.
*	Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally to the SEC a copy of any omitted schedule or exhibit upon request.
**	Filed by Caesars Acquisition Company.
***	Filed by Caesars Entertainment Operating Company, Inc.

Schedule I

CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY
CAESARS ENTERTAINMENT CORPORATION
CONDENSED BALANCE SHEETS

	As of December 31,	
(In millions)	**2017**	**2016**
Assets		
Current assets		
Cash and cash equivalents	$ 926	$ 106
Restricted cash	—	16
Receivables, net	33	—
Prepayments and other current assets	5	5
Intercompany receivables	33	46
Total current assets	997	173
Deferred charges and other assets	147	89
Investment in subsidiary	4,434	5,553
Total assets	$ 5,578	$ 5,815
Liabilities and Stockholders' Equity/(Deficit)		
Current liabilities		
Accounts payable	$ 5	$ 33
Accrued expenses	13	85
Interest payables	13	—
Intercompany payables	65	20
Accrued restructuring and support expenses	—	6,601
Total current liabilities	96	6,739
Long-term debt	1,121	—
Deferred credits and other liabilities	1,136	146
Deferred income taxes	—	592
Total liabilities	2,353	7,477
Total stockholders' equity/(deficit)	3,225	(1,662)
Total liabilities and stockholders' equity/(deficit)	$ 5,578	$ 5,815

See accompanying Notes to Condensed Financial Information.

Schedule I

CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY
CAESARS ENTERTAINMENT CORPORATION
CONDENSED STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME/(LOSS)

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
Net revenues	$ 2	$ 2	$ 12
Operating expenses			
Corporate expense	88	123	117
Other operating costs	24	58	120
Total operating expenses	112	181	237
Loss from operations	(110)	(179)	(225)
Interest expense	(18)	(5)	(4)
Gain on interests in subsidiaries	769	2,934	278
Gain on deconsolidation of subsidiary	—	—	7,125
Restructuring and support expenses	(1,842)	(5,729)	(1,017)
Other income/(loss)	85	(30)	1
Income/(loss) from operations before income taxes	(1,116)	(3,009)	6,158
Income tax benefit/(provision)	741	(39)	(149)
Net income/(loss)	(375)	(3,048)	6,009
Other comprehensive income, net of income taxes	—	—	—
Comprehensive income/(loss)	$ (375)	$ (3,048)	$ 6,009

See accompanying Notes to Condensed Financial Information.

Schedule I

CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY
CAESARS ENTERTAINMENT CORPORATION
CONDENSED STATEMENT OF CASH FLOWS

	Years Ended December 31,		
(In millions)	**2017**	**2016**	**2015**
Cash flows provided by/(used in) operating activities	$ 1,504	$ (37)	$ (277)
Cash flows from investing activities			
Payments to acquire investments	(700)	—	—
Proceeds from long term receivable	—	—	40
Cash flows provided by/(used in) investing activities	(700)	—	40
Cash flows from financing activities			
Repayments of long-term debt	—	—	(68)
Other financing	—	(8)	(2)
Cash flows used in financing activities	—	(8)	(70)
Net increase/(decrease) in cash, cash equivalents, and restricted cash	804	(45)	(307)
Cash, cash equivalents, and restricted cash, beginning of period	122	167	474
Cash, cash equivalents, and restricted cash, end of period	$ 926	$ 122	$ 167

See accompanying Notes to Condensed Financial Information.

Schedule I

CONDENSED FINANCIAL INFORMATION OF REGISTRANT PARENT COMPANY ONLY
CAESARS ENTERTAINMENT CORPORATION
NOTES TO CONDENSED FINANCIAL INFORMATION

1. Background and basis of presentation

These condensed parent company financial statements have been prepared in accordance with Rule 12-04, Schedule 1 of Regulation S-X, as the restricted net assets of Caesars Entertainment Corporation and its subsidiaries exceed 25% of the consolidated net assets of Caesars Entertainment Corporation and its subsidiaries (the "Company"). This information should be read in conjunction with the Company's consolidated financial statements included elsewhere in this filing.

2. Restricted net assets of subsidiaries

Certain of the Company's subsidiaries have restrictions on their ability to pay dividends or make intercompany loans and advances pursuant to financing arrangements and regulatory restrictions. The amount of restricted net assets the Company's consolidated subsidiaries held as of December 31, 2017 and 2016 was approximately $3.2 billion and $4.0 billion, respectively. Such restrictions are on net assets of Caesars Entertainment Corporation and its subsidiaries. The amount of restricted net assets in the Company's unconsolidated subsidiaries was not material to the financial statements.

3. Commitments, contingencies, and long-term obligations

For a discussion of the Company's commitments, contingencies, and long-term obligations under its senior secured credit facilities, see Note 12 of the Company's consolidated financial statements.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CAESARS ENTERTAINMENT CORPORATION

March 7, 2018 By: /S/ MARK P. FRISSORA

Mark P. Frissora

President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

Signature	Title	Date
/s/ THOMAS BENNINGER **Thomas Benninger**	Director	March 7, 2018
/s/ JOHN BOUSHY **John Boushy**	Director	March 7, 2018
/s/ JOHN DIONNE **John Dionne**	Director	March 7, 2018
/s/ MATTHEW FERKO **Matthew Ferko**	Director	March 7, 2018
/s/ MARK P. FRISSORA **Mark P. Frissora**	President and Director Chief Executive Officer	March 7, 2018
/s/ JAMES HUNT **James Hunt**	Director Chairman of the Board	March 7, 2018
/s/ DON KORNSTEIN **Don Kornstein**	Director	March 7, 2018
/s/ DAVID SAMBUR **David Sambur**	Director	March 7, 2018
/s/ RICHARD SCHIFTER **Richard Schifter**	Director	March 7, 2018
/s/ CHRISTOPHER WILLIAMS **Christopher Williams**	Director	March 7, 2018
/s/ ERIC HESSION **Eric Hession**	Executive Vice President and Chief Financial Officer	March 7, 2018
/s/ KEITH A. CAUSEY **Keith A. Causey**	Senior Vice President and Chief Accounting Officer	March 7, 2018

Exhibit 10.12

AMENDED AND RESTATED IRREVOCABLE PROXY (this "Proxy"), dated as of October 6, 2017 but effective as of the Effective Time (as defined below), and made and granted by the parties listed on Schedule A hereto (each, a "Stockholder" and, collectively, the "Stockholders")**.**

WHEREAS, the Stockholders entered into that certain Irrevocable Proxy dated as of November 22, 2010 (the "Original Proxy") pursuant to which they irrevocably appointed Hamlet Holdings LLC ("VoteCo") as their lawful proxy and attorney in fact with respect to the voting and transfer of all shares of voting common stock held by the Stockholders in Caesars Entertainment Corporation, f/k/a Harrah's Entertainment, Inc., ("CEC");

WHEREAS, CEC and Caesars Acquisition Company ("CAC") entered into that certain Amended and Restated Agreement and Plan of Merger, dated as of July 9, 2016, and the First Amendment thereto dated as of February 20, 2017, pursuant to which CAC will merge with and into CEC (the "Merger"), with CEC surviving the Merger (the "Surviving Company");

WHEREAS, the Original Proxy, and the proxy granted pursuant thereto would, absent its amendment and restatement hereby, terminate in accordance with its terms upon the consummation of the Merger (such time, the "Effective Time");

WHEREAS, at the Effective Time, the outstanding shares of common stock of CAC will be converted into and become exchangeable for outstanding shares of common stock of CEC, and after giving effect to such conversion, each Stockholder will own the number of shares of voting common stock, par value $0.01 per share, of the Surviving Company set forth opposite its name on Schedule A hereto (the "Subject Shares"); and

WHEREAS, in connection with the Merger, and in compliance with gaming regulatory requirements, each Stockholder desires to amend and restate the Original Proxy in all respects effective as of the Effective Time and to vest voting and dispositive control in VoteCo with respect to matters relating to the Surviving Company and the Subject Shares by granting this Proxy as set forth below, it being understood that until the Effective Time the Original Proxy shall remain in full force and effect in accordance with its terms.

Section 1. Representations and Warranties of Each Stockholder. Each Stockholder represents and warrants to VoteCo with respect to itself as follows:

(a) Authority: Execution and Delivery: Enforceability. The Stockholder has requisite limited liability company power and authority to execute and deliver this Proxy. The execution and delivery of this Proxy and the grant hereunder have been duly and validly authorized by the Stockholder, and no other limited liability company proceeding on the part of the Stockholder is necessary to authorize the grant contemplated by this Proxy. This Proxy has been duly and validly executed and delivered by the Stockholder and constitutes the valid and binding proxy of the Stockholder, enforceable against the Stockholder in accordance with its terms, except as enforceability may be limited by bankruptcy laws, other similar laws affecting creditors' rights and general principles of equity.

(b) No Conflicts. Neither the execution and delivery by the Stockholder of this Proxy nor the compliance by the Stockholder with the terms and conditions of this Proxy will violate, result in a breach of, or constitute a default under its organizational documents, or violate, result in a breach of, or constitute a default under, in each case in any material respect, any agreement, instrument, judgment, order or decree to which the Stockholder is a party or is otherwise bound or give to any other person or entity any material right or interest (including any right of purchase, termination, cancellation or acceleration) under any such agreement, instrument judgment, order or decree.

(c) The Subject Shares. After giving effect to the Merger (i) the Stockholder will be the record and beneficial owner of the number of Subject Shares set forth opposite its name on Schedule A; (ii) the Stockholder will have the sole right to vote such Stockholder's Subject Shares, except as contemplated by this Proxy; and (iii) none of such Stockholder's Subject Shares will be subject to any voting trust or other agreement, arrangement or restriction with respect to the voting of such Subject Shares, except as contemplated by this Proxy.

Section 2. Irrevocable Proxy.

(a) Upon the Effective Time, and solely during the Term (as defined below) each Stockholder hereby irrevocably constitutes and appoints VoteCo, with full power of substitution, its true and lawful proxy and attorney-in-fact to (i) vote all of its Subject Shares at any meeting (and any adjournment or postponement thereof) of the Surviving Company's stockholders, and in connection with any written consent of the Surviving Company's stockholders, and (ii) direct and effect the

sale, transfer or other disposition of all or any part of its Subject Shares (as and when so determined in the sole discretion of VoteCo), except for sales, transfers or other dispositions effected in accordance with Section 4.

(b) The proxy and power of attorney granted in this Proxy shall be irrevocable during the Term, shall be deemed to be coupled with an interest sufficient in law to support an irrevocable proxy, and shall revoke all prior proxies granted by each Stockholder (if any) with respect to the Subject Shares. Each Stockholder shall not grant to any person or entity any proxy which conflicts with the proxy granted in this Proxy, and any attempt to do so shall be void ab initio.

(c) VoteCo may exercise the proxy granted in this Proxy with respect to Subject Shares, only during the Term, and shall have the right to vote the Subject Shares at any meeting of the Surviving Company's stockholders and in any action by written consent of the Surviving Company's stockholders in accordance with the provisions of Section 2(a) above. Unless expressly requested by VoteCo in writing, each Stockholder shall not vote any or all of the Subject Shares at any such meeting or in connection with any such written consent of stockholders. The vote of VoteCo shall control in any conflict between a vote of or written consent with respect to the Subject Shares by VoteCo and a vote or action by any Stockholder with respect to the Subject Shares.

(d) All or a portion of the Subject Shares, as the case may be, shall be released from the proxy and voting arrangement created in this Section 2 and the restrictions on transfer in Sections 3 and 4 below, upon the earlier of (i) solely with respect to such Subject Shares, the sale, transfer or other disposition by VoteCo or in a Tag-Along Transfer of any Subject Shares in accordance with this Proxy, and (ii) with respect to all Subject Shares, the delivery by any Stockholder to the other Stockholders (at the addresses set forth on Schedule A to this Proxy) of written notice of its intent to terminate the proxy granted by Section 2(a) and release the Subject Shares from the transfer restrictions contemplated hereby (each, a "Release Event"). Such release of Subject Shares under this Proxy shall occur automatically, without any requirement for any further act by such Stockholder or the delivery of any certificate to memorialize the same.

Section 3. Covenants of Each Stockholder. Each Stockholder covenants and agrees during the Term as follows:

(a) While this Proxy is in effect with respect to any Subject Shares, and except as contemplated hereby, the Stockholder shall (i) not enter into any voting agreement, whether by proxy, voting agreement or other voting arrangement with respect to such Subject Shares, and (ii) not take any action that would make any representation or warranty of such Stockholder contained in this Proxy untrue or incorrect, in each case, that would have the effect of preventing the Stockholder from performing its obligations under this Proxy.

(b) The Stockholder shall not (i) sell, transfer, pledge or otherwise dispose or encumber of any of its Subject Shares, any beneficial ownership thereof or any other interest therein, or (ii) enter into any contract, arrangement or understanding with any person or entity that violates or conflicts with or would reasonably be expected to violate or conflict with, any of such Stockholder's obligations under this Section 3(b), except, in each case, in accordance with Section 4.

Section 4. Tag-Along.

(a) During the Term, any Stockholder may Transfer its Subject Shares to (i) any other Stockholder or (ii) any of its other Affiliates that executes a joinder to this Proxy, agreeing to be bound by the terms of this Proxy as if an original party to this Proxy, and shall provide the other Stockholders written notice of such Transfer within 3 Business Days of it becoming effective.

(b) During the Term, if any Stockholder (in such capacity a "Transferring Stockholder") proposes to Transfer (such proposed Transfer, a "Tag-Along Transfer") to a third party (the "Proposed Transferee") that is not an Affiliate of such Transferring Stockholder or a Stockholder (the "Proposed Transferee") any of its Subject Shares, the Transferring Stockholder and each other Stockholder shall have the right to participate (and, with respect to the Co-Investment Entities, to the extent required pursuant to the tag-along obligations in the operating agreement of such Co-Investment Entity, shall elect its right to participate) in the Tag-Along Transfer by Transferring up to its Pro Rata Portion to the Proposed Transferee on the same terms and conditions as those proposed by the Transferring Stockholder (each such participating Stockholder, other than the Transferring Stockholder, a "Tagging Stockholder").

(c) The Transferring Stockholder shall give written notice (a "Tag-Along Notice") to VoteCo and each other Stockholder of a Tag-Along Transfer, setting forth the number of Subject Shares proposed to be so Transferred, the name and address of the Proposed Transferee, the proposed amount and form of consideration, and all other terms and conditions of payment offered by the Proposed Transferee. The Transferring Stockholder shall deliver or cause to be delivered to each other Stockholder a copy of all transaction documents relating to the Tag-Along Transfer as the same become available. The tag-along rights provided by this Section 4 must be exercised by a Stockholder by delivery of an irrevocable written notice to the Transferring Stockholder, within a period of three (3) Business Days from delivery of the Tag-Along Notice, specifying the portion of its Pro

Rata Portion of the Subject Shares which it wishes to be included in the Tag-Along Transfer. With respect to the Subject Shares proposed to be Transferred, if the Proposed Transferee fails to purchase all the Subject Shares proposed to be Transferred by the Transferring Stockholder and the Tagging Stockholder(s), then the number of Subject Shares that each such Stockholder is permitted to sell in such Tag-Along Transfer shall be reduced pro rata based on the number of Subject Shares proposed to be Transferred by such Stockholder relative to the aggregate number of Subject Shares proposed to be Transferred by all Stockholders participating in such Tag-Along Transfer. The Transferring Stockholder shall have a period of sixty (60) days following the expiration of the three (3) Business Day period, as the case may be, mentioned above to sell all the Subject Shares agreed to be purchased by the Proposed Transferee on the terms specified in the Tag-Along Notice required by the first sentence of this Section 4(b). With respect to the Subject Shares proposed to be Transferred, if the Proposed Transferee agrees to purchase more Subject Shares than specified in the Tag-Along Notice in the Proposed Transfer, the Stockholders shall also have the same right to participate (and, with respect to the Co-Investment Entities, to the extent required pursuant to the tag-along obligations in the operating agreement of such Co-Investment Entity, shall elect its right to participate) in the Transfer of such Subject Shares that are in excess of the amount set forth on the Tag-Along Notice on a pro rata basis based on the number of Subject Shares proposed to be Transferred by such Stockholder relative to the aggregate number of Subject Shares proposed to be Transferred by all Stockholders participating in such Tag-Along Transfer.

(d) Any Transfer of Subject Shares by a Tagging Stockholder to a Proposed Transferee pursuant to this Section 4 shall be on the same terms and conditions (including, without limitation, price, time of payment and form of consideration) as are applicable to the Transferring Stockholder; provided that, in order to be entitled to exercise its tag-along right pursuant to this Section 4, each Tagging Stockholder must agree to make to the Proposed Transferee representations, warranties, covenants, indemnities and agreements the same *mutatis mutandis* as those made by the Transferring Stockholder in connection with the Tag-Along Transfer (other than any non-competition, non-solicitation, or similar agreement or covenant that would bind the Tagging Stockholder, its Affiliates and any of their respective portfolio companies, as the case may be), and agree to the same conditions to the Proposed Transferee as the Transferring Stockholder agrees, it being understood that all such representations, warranties, covenants, indemnities and agreements shall be made by the Transferring Stockholder and each Tagging Stockholder severally and not jointly and that the aggregate amount of the liability of the Tagging Stockholder shall not exceed, except with respect to individual representations, warranties, covenants, indemnities and other agreements of the Tagging Stockholder as to the unencumbered title to its Subject Shares and the power, authority and legal right to Transfer such Subject Shares, such Tagging Stockholder's pro rata share of any such liability to be determined in accordance with such Tagging Stockholder's portion of the total number of Subject Shares included in such Transfer; provided that, in any event the amount of liability of any Tagging Stockholder shall not exceed the proceeds such Tagging Stockholder received in connection with such Transfer. Each Tagging Stockholder shall be responsible for its proportionate share of the costs of the Proposed Transfer to the extent not paid or reimbursed by the Proposed Transferee or the Surviving Company.

(e) For the purposes of this Section 4:

(i) "Affiliate" means, with respect to any person or entity, any other person or entity that directly or indirectly controls, is controlled by, or is under common control with, such person or entity. For these purposes, "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person or entity, whether through the ownership of voting securities, by contract or otherwise.

(ii) "Co-Investment Entities" means Co-Invest Hamlet Holdings B, LLC, a Delaware limited liability company, and Co-Invest Hamlet Holdings, Series LLC, a Delaware series limited liability company.

(iii) "Pro Rata Portion" means, with respect to the Subject Shares to be transferred pursuant to a tag-along right, (x) with respect to each Tagging Stockholder, a number of Subject Shares determined by multiplying (i) the total number of Subject Shares proposed to be Transferred by the Transferring Stockholder to the Proposed Transferee, by (ii) a fraction, the numerator of which is the number of Subject Shares held by the Tagging Stockholder and the denominator of which is the aggregate number of Subject Shares held by all Stockholders, and (y) with respect to the Transferring Stockholder, the total number of Subject Shares proposed to be Transferred by the Transferring Stockholder minus the aggregate number of Subject Shares over which the Tagging Stockholders have exercised their tag-along rights pursuant to Section 4.

(iv) "Transfer" means, with respect to any Subject Shares, a direct or indirect transfer, sale, conveyance, exchange, assignment, gift, pledge, hypothecation or other encumbrance or disposition, including the grant of an option or other right, whether directly or indirectly, whether voluntarily, involuntarily or by operation of law, of such common stock, limited liability company interest or other equity security; and "Transferred", "Transferee" and "Transferability" shall each have a correlative meaning. A transfer, sale, conveyance, exchange, assignment, gift, pledge, hypothecation or other encumbrance or other disposition, including the grant of an option or other right, of an interest in any Stockholder shall constitute an indirect "Transfer" for purposes of this Agreement (as if such interest was a direct interest in the Company) if and only if all or substantially

all of such interest in such Stockholder represents a beneficial interest in common stock or other equity interests of the Surviving Company.

Section 5. Term and Termination. The term of this Proxy, including the proxy granted pursuant to Section 2 of this Proxy and each Stockholder's covenants and agreements contained in this Proxy with respect to the Subject Shares held by such Stockholder, shall commence at the Effective Time and shall terminate automatically with respect to any and all Subject Shares as and when, and to the extent, that such Subject Shares are subject to a Release Event as set forth above (the "Term").

Section 6. No Liability. Neither VoteCo (or any of its affiliates), nor any direct or indirect former, current or future partner, member, stockholder, employee, director, manager, officer, authorized person or agent of VoteCo or any of its Affiliates, or any direct or indirect former, current or future partner, member, stockholder, employee, director, manager, officer, authorized person or agent of any of the foregoing (each, an "Indemnified Person") shall be liable, responsible or accountable in damages or otherwise to any or all of the Stockholders or to any or all of their respective members, their respective successors or assigns by reason of any act or omission related to the possession or exercise of this Proxy, and each Stockholder shall indemnity, defend and hold harmless each Indemnified Person in respect of the same. Each Stockholder acknowledges and agrees that no duty is owed to such Stockholder by VoteCo (or any or all of the other Indemnified Persons) in connection with or as a result of the granting of this Proxy or by reason of any act or omission related to the possession or the exercise of this Proxy, and, to the extent any duty shall nonetheless be deemed or found to exist, each Stockholder hereby expressly and knowingly irrevocably waives, to the fullest extent permitted by applicable law, any and all such duty or duties, regardless of type or source.

Section 7. General Provisions.

(a) Assignment. This Proxy shall not be assignable by any or all of the Stockholders, except as contemplated by Section 4(a).

(b) No Ownership Interest. Except as expressly set forth in this Proxy, nothing contained in this Proxy shall be deemed to vest in VoteCo any direct or indirect ownership or incidence of ownership of or with respect to any or all of the Subject Shares.

(c) Severability. If any provision of this Proxy would be held in any jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Proxy or affecting the validity or enforceability of such provision in any other jurisdiction. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Proxy or affecting the validity or enforceability of such provision in any other jurisdiction.

(d) Amendments. This Proxy may not be amended, except by a written instrument executed by all the Stockholders which hold Subject Shares bound by the terms of this Proxy at the time of such amendment.

(e) Governing Law. This Proxy shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of laws.

IN WITNESS WHEREOF, each Stockholder has duly executed this Proxy as of the date first written above.

APOLLO HAMLET HOLDINGS, LLC

By: /s/ David Sambur
Name: David Sambur
Title: Authorized Person

APOLLO HAMLET HOLDINGS B, LLC

By: /s/ David Sambur
Name: David Sambur
Title: Authorized Person

TPG HAMLET HOLDINGS, LLC

By: /s/ Michael LaGatta
Name: Michael LaGatta
Title: Vice President

TPG HAMLET HOLDINGS B, LLC

By: /s/ Michael LaGatta
Name: Michael LaGatta
Title: Vice President

CO-INVEST HAMLET HOLDINGS, SERIES LLC

By: Its Managing Members

Apollo Management VI, L.P.
on behalf of affiliated investment funds

By: AIF VI Management, LLC
its general partner

By: /s/ Laurie D. Medley
Name: Laurie D. Medley
Title: Vice President

TPG Genpar V, L.P.

By: TPG GenPar V Advisors, LLC
its general partner

By: /s/ Michael LaGatta
Name: Michael LaGatta
Title: Vice President

CO-INVEST HAMLET HOLDINGS B, LLC

By Its Managing Members

Apollo Management VI, L.P.
on behalf of affiliated investment funds

By: AIF VI Management, LLC
its general partner

By: /s/ Laurie D. Medley
Name: Laurie D. Medley
Title: Vice President

TPG Genpar V, L.P.

By: TPG GenPar V Advisors, LLC
its general partner

By: /s/ Michael LaGatta
Name: Michael LaGatta
Title: Vice President

Exhibit 10.42

UNIT PURCHASE AGREEMENT

between

THE PERSONS LISTED ON SCHEDULE 1 (COLLECTIVELY THE "SELLERS")

CLAIRVEST GP MANAGECO INC. ("SELLERS REPRESENTATIVE")

CENTAUR HOLDINGS, LLC ("HOLDINGS")

and

CAESARS ENTERTAINMENT CORPORATION ("BUYER")

dated as of

November 16, 2017

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Schedule 1: **Details of the Sellers**

Exhibit A: **Deferred Purchase Price Payment**

Exhibit B: **Working Capital Methodology Schedule**

UNIT PURCHASE AGREEMENT

This Unit Purchase Agreement (this "**Agreement**"), dated as of November 16, 2017, is entered into among Centaur Holdings, LLC, a Delaware limited liability company ("**Holdings**"), the Persons listed on **Schedule 1** hereto (each a "**Seller**" and collectively the "**Sellers**"), Caesars Entertainment Corporation, a Delaware corporation ("**Buyer**"), and, solely in its capacity as Sellers Representative, Clairvest GP Manageco Inc. (the "**Sellers Representative**").

RECITALS

WHEREAS, the Sellers own (i) all of the issued and outstanding membership interests denominated in units (the "**Existing Units**"), of Holdings outstanding on the date hereof, (ii) all of the issued and outstanding warrants to purchase membership interests of Holdings outstanding on the date hereof (the "**Warrants**") and (iii) all of the outstanding Member Notes and all rights relating thereto under the related Member Term Loans. The Existing Units, the Warrants and the Member Notes are referred to collectively herein as the "**Holdings Interests**".

WHEREAS, the Sellers wish to sell to Buyer, and Buyer wishes to purchase from the Sellers, all of the Holdings Interests subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

The following terms have the meanings specified or referred to in this **Article I**:

"**280G Approval Requirements**" has the meaning set forth in **Section 6.03(a)(i)(A)**.

"**Action**" means any appeal, petition, plea, charge, complaint, written claim, suit, written demand, litigation, arbitration, mediation, hearing or legal action, or an inquiry, proceeding or investigation by a Governmental Authority.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. For the avoidance of doubt, the Company will not be considered an Affiliate of any Seller.

"**Agreement**" has the meaning set forth in the preamble.

"**Ancillary Agreements**" means the Assignment Agreements, and each other certificate, agreement, document or other instrument which is or is to be entered into pursuant to or in connection with the transactions contemplated by this Agreement.

"**Assignee**" has the meaning set forth in **Exhibit A**.

"**Assignment Agreement**" has the meaning set forth in **Section 2.04(c)(iv)**.

"**Audited Financial Statements**" has the meaning set forth in **Section 3.05**.

"**Award Agreements and Management Notes**" means those agreements and notes set forth on **Section 3.02(a)(v)** of the Disclosure Schedules.

"**Balance Sheet**" has the meaning set forth in **Section 3.05**.

"**Balance Sheet Date**" has the meaning set forth in **Section 3.05**.

"**Base Purchase Price**" has the meaning set forth in **Section 2.02**.

"**Benefit Plan**" has the meaning set forth in **Section 3.15(a)**.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in Indianapolis, Indiana or Las Vegas, Nevada are authorized or required by Law to be closed for business.

"**Buyer**" has the meaning set forth in the preamble.

"**Buyer Consolidation Regulatory Approval**" means an approval of the Gaming and Racing Authorities the effect of which is to permit Buyer or Assignee to enter into a customary single member limited liability company agreement for Holdings effective as of the Closing (whether by exercise, cancellation or extinguishment of the Warrants, payoff or cancellation of the Member Notes and related Member Loans, or otherwise); *provided*, *however*, that Buyer may elect to waive receipt or effectiveness of the Buyer Consolidation Regulatory Approval, in which event the Buyer Consolidation Regulatory Approval shall not be considered a Regulatory Approval for purposes of **Section 10.01(d)(iii)** or **Section 10.01(e)** or a Closing Buyer Gaming Approval for purposes of **Section 10.01(e)** or **Section 10.03(a)(i), (ii), (iii) or (iv)**

"**Buyer Regulatory Approvals**" means the filings, submissions, consents and approvals set forth on **Section 5.02** of the Disclosure Schedules as "Regulatory Approvals."

"**Cage Cash**" means Cash held in or at the cash-collecting locations of the business located on the Real Property, including the main bank.

"**Capitalization Representations**" means those representations in **Section 3.02** (Membership Interests) and **Section 3.03** (Subsidiaries).

"**Cash**" means cash and cash equivalents, calculated net of issued but uncleared checks and drafts of the Company as of the time of determination.

"**Cash Count**" has the meaning set forth in **Section 2.04(a)**.

"**CERCLA**" means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.

"**CERCLIS**" means the Comprehensive Environmental Response, Compensation and Liability Information System established pursuant to CERCLA.

"**Churchill Note**" means that certain Promissory Note made by Roderick J. Ratcliff, R. Michael O'Malley and Michael V. Raisor in favor of New Centaur, LLC (as assignee from Centaur, Inc.), dated as of March 30, 2007.

"**Clairvest Co-Investor Agreement**" means that certain letter agreement among West Face Capital Inc. and Clairvest Group Inc. dated November 3, 2010, which agreement shall be of no force or effect following the Closing.

"**Clairvest Seller**" means CEP IV-A-INDY AIV Limited Partnership, CEP IV Co-Investment Holdings Limited Partnership, Clairvest Equity Partners IV Holdings Limited Partnership and any other Seller that is an Affiliate of Clairvest Group Inc.

"**Closing**" has the meaning set forth in **Section 2.05**.

"**Closing Adjustment**" has the meaning in **Section 2.06(a)(v)**.

"**Closing Buyer Gaming Approvals"** has the meaning set forth in **Section 10.01(e).**

"**Closing Cash Consideration**" means the Purchase Price, as adjusted by the Closing Adjustment, *less* the original amount of the Deferred Purchase Price Payment, the Funded Debt, Transaction Expenses and any other amounts being paid on the Closing Date in accordance with **Section 2.04**.

"**Closing Date**" has the meaning set forth in **Section 2.05**.

"**Closing Date Accrued Tax Balance**" means (i) the aggregate amount of prepaid income and gaming Taxes as of the Closing Date *less* (ii) the aggregate amount of all income and gaming tax liabilities to be accrued as of the Closing Date.

"**Closing Date Company Cash**" means the amount of Company Cash as of the Reference Time, including but not limited to the Cash counted in connection with the Cash Count.

"**Closing Date Horsemen's Cash Balance"** means (i) the aggregate amount of Horsemen's Cash held by the Company as of the Reference Time *less* (ii) the aggregate amount of all liabilities relating to the Horsemen's Cash as of the Reference Time.

"**Closing Date Kiosk Cash**" means the amount of Kiosk Cash as of the Reference Time (including, without limitation, all payments owed to the Company by Global Payments Gaming Services Inc. as reimbursement for withdrawals of the Company's cash from the Kiosks located at the Real Property at such time).

"**Closing Regulatory Approvals**" means the Regulatory Approvals other than those set forth as Item 6 in **Section 5.02** of the Disclosure Schedules under "Regulatory Approvals".

"**Closing Working Capital**" means: (a) the Current Assets of the Company, less (b) the Current Liabilities of the Company, determined as of the Reference Time, calculated consistent with and using the same methods, procedures, assumptions and adjustments as set forth on Exhibit B.

"**Closing Statement**" has the meaning set forth in **Section 2.06(b)(i)**.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Company**" means, collectively, Holdings and its Subsidiaries.

"**Company Cash**" means the Company's Cash (including, but not limited to Cage Cash, Kiosk Cash, other Cash held in the Company's bank accounts, Cash in slot machines, slot wallets and jackpot dispensing units located on the Real Property, Cash held by the mutuel banks located on the Real Property, and Cash in the food and beverage outlet drawers located on the Real Property) but ***excluding*** the Horsemen's Cash.

"**Company Intellectual Property**" has the meaning set forth in **Section 3.10(c)**.

"**Confidentiality Agreement**" means the Confidentiality Agreement, dated as of July 3, 2017, between Buyer and Holdings.

"**Contract**" means any agreement, contract, lease, power of attorney, note, loan, evidence of indebtedness, purchase order, letter of credit, settlement agreement, franchise agreement, undertaking, covenant not to compete, employment agreement, license, instrument, obligation, commitment, understanding, policy, quotation or other executory commitment to which any Person is a party or to which any of the assets of such Person are subject, whether oral or written, express or implied.

"**Current Assets**" means accounts receivable, inventory and prepaid expenses but does not include Company Cash, Horsemen's Cash or prepaid income or gaming Taxes.

"**Current Liabilities**" means accounts payable, accrued expenses and other current accrued liabilities (including without limitation outstanding gaming tickets, uncashed "TITOs", racing vouchers and progressive liabilities), but does not include liabilities relating to Taxes, Horsemen's Cash, any Funded Debt which is being paid in full at the Closing or any Transaction Expenses which are being paid in full at the Closing.

"**Data Room**" means the electronic documentation site established by Intralinks, Inc. on behalf of the Company containing the documents set forth in the index included in **Section 1.01(a)** of the Disclosure Schedules, but only to the extent Buyer and its Representatives have been granted access to the particular materials at least twenty-four (24) hours prior to the date hereof.

"**Debt Financing**" has the meaning set forth in **Section 6.14**.

"**Deductible"** has the meaning set forth in **Section 9.04(a)(i)**.

"**Deferred Purchase Price Payment**" has the meaning set forth in **Section 2.04(d)**.

"**Direct Claim**" has the meaning set forth in **Section 9.05(c)**.

"**Disclosure Schedules**" means the Disclosure Schedules delivered by the Company, Sellers and Buyer concurrently with the execution and delivery of this Agreement.

"**Disputed Amounts**" has the meaning set forth in **Section 2.06(c)(iii)**.

"**Disqualified Individual**" has the meaning set forth in **Section 6.03(a)(i)**.

"**Dollars or $**" means the lawful currency of the United States.

"**Employees**" means those Persons employed by the Company immediately prior to the Closing, including any such person who is absent from employment due to illness, vacation, injury, military service or other authorized absence (including an employee who is "disabled" within the meaning of the short-term disability plan currently in place for the applicable employer or who is on approved leave under the Family and Medical Leave Act of 1993, as amended).

"**Encumbrance**" means any lien, pledge, mortgage, deed of trust, security interest, charge, claim, easement, right of way, encroachment, other restriction on transfer or other encumbrance.

"**Environmental Claim**" means any action, suit, claim, investigation or other legal proceeding by any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, Release of, or exposure to, any Hazardous Materials; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"**Environmental Law**" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, distribution, labeling, testing, processing, Release, threatened Release, disposal, control, clean up or remediation of any solid waste or Hazardous Materials. The term "Environmental Law" includes, without limitation, the following (including their implementing regulations and any state analogs): the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 et seq.; the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§ 6901 et seq.; the Federal Water Pollution Control Act of 1972, as amended by the Clean Water Act of 1977, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act of 1976, as amended, 15 U.S.C. §§ 2601 et seq.; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §§ 11001 et seq.; the Clean Air Act of 1966, as amended by the Clean Air Act Amendments of 1990, 42 U.S.C. §§ 7401 et seq.; and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §§ 651 et seq.

"**Environmental Notice**" means any written directive, notice of violation or infraction, or other notice respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"**Environmental Permit**" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

"**ERISA Affiliate**" means, with respect to any Person, any other Person that, together with such first Person, is a member of a controlled group of corporations or a group of trades or businesses under common control within the meaning of Section 414 of the Code.

"**Estimated Closing Statement**" has the meaning set forth in **Section 2.06(a)(i)**.

"**Estimated Closing Working Capital**" has the meaning set forth in **Section 2.06(a)(i)**.

"**Estimated Closing Date Accrued Tax Balance**" has the meaning set forth in **Section 2.06(a)(ii)**.

"**Estimated Closing Date Company Cash**" has the meaning set forth in **Section 2.06(a)(iv)**.

"**Estimated Closing Date Horsemen's Cash Balance**" has the meaning set forth in **Section 2.06(a)(iii)**.

"**Excess Parachute Payments**" has the meaning set forth in **Section 6.03(a)(i)(A)**.

"**Excess Parachute Waiver**" has the meaning set forth in **Section 6.03(a)(i)(A)**.

"**Existing Units**" has the meaning set forth in the recitals.

"**Existing Unit Assignment Agreements"** has the meaning set forth in **Section 2.04(c)(iv).**

"**Financial Statements**" has the meaning set forth in **Section 3.05**.

"**Financing Sources**" means the Persons that have committed or will commit or have been or will be engaged to provide or arrange or otherwise entered into or will enter into agreements in connection with any financings in connection with the transactions contemplated hereby and the parties to any other commitment letters, engagement letters, joinder agreements, indentures or credit agreements entered pursuant thereto or relating thereto, together with their respective Affiliates, and their and their respective Affiliates' officers, directors, employees, agents and representatives and their respective successors and assigns.

"**Fraud**" means, with respect to a party to this Agreement, an actual, knowing and intentional (as opposed to implied or constructive) misrepresentation of the truth or concealment of a known fact in the making of the representations and warranties set forth in this Agreement, the process contemplated by **Section 2.06** or in any certificate delivered pursuant to **Article VII**.

"**Fundamental Representations"** means the collective reference to the Fundamental Representations of Buyer, the Fundamental Representations of the Company and the Fundamental Representations of the Sellers.

"**Fundamental Representations of Buyer**" means those representations and warranties of Buyer set forth in **Section 5.01** (Organization and Authority), and **Section 5.04** (Brokers).

"**Fundamental Representations of the Company**" means those representations and warranties of the Company set forth in **Section 3.01** (Organization, Authority and Qualification), the Capitalization Representations, the Funded Debt Representations, the Tax Representations, and **Section 3.18** (Brokers).

"**Fundamental Representations of the Sellers**" or "**Fundamental Representations of such Seller**" means those representations and warranties of the Sellers set forth in **Section 4.01** (Organization and Authority), **Section 4.02** (Ownership)**,** and **Section 4.04** (Brokers).

"**Funded Debt**" means the principal of, and accrued interest and other payment obligations (if any) in respect of, obligations of the Company for Indebtedness; *provided, however*, that Funded Debt shall exclude (i) any obligations with respect to intercompany balances identified in **Section 1.01(c)** of the Disclosure Schedules (and any changes to such balances in the Ordinary Course of Business) and (ii) the indebtedness owed by the Company under the Member Notes which are being purchased by Buyer hereunder and the related Member Term Loans. For the avoidance of doubt, **Funded Debt** will include the Third-Party Loan and swaps that are in effect on the Closing Date (which swaps shall reduce, to the extent such swaps are in-the-money and settled on the Closing Date, or increase, to the extent such swaps are out-of-the-money, as applicable, the amount of the **Funded Debt** to be settled at Closing).

"**Funded Debt Representations**" means those representations in **Section 3.06(b)** (Funded Debt).

"**Gaming and Racing Authorities**" means any Governmental Authority that holds regulatory, licensing or permit authority over gambling, gaming, horse racing or casino activities conducted by the Company or the Sellers.

"**Gaming and Racing Laws**" means any federal, state, local or foreign statute, ordinance, rule or regulation governing or relating to the Company, the Sellers or their Affiliates and the gambling, gaming,

horse racing or casino activities and operations of the Company, the Sellers or any of their Affiliates, in each case, as amended from time to time.

"**GAAP**" means United States generally accepted accounting principles in effect from time to time.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any legislative, judicial, administrative or regulatory agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction, including Gaming and Racing Authorities.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"**Hazardous Materials**" means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral or gas, in each case, whether naturally occurring or man-made, (i) that is hazardous, acutely hazardous, toxic, or words of similar import or regulatory effect under Environmental Laws, including any that is regulated, listed or defined as a pollutant, contaminant, toxic substance, special waste, hazardous substance, hazardous waste or pesticide under any Environmental Law, or (ii) the presence of which requires investigation or remediation under any Environmental Law; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

"**Healthcare Reform Laws**" means the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and the regulations and guidance issued thereunder.

"**Holdings**" has the meaning set forth in the preamble.

"**Holdings Interests**" means the Existing Units, the Warrants and the Member Notes.

"**Holdings Operating Agreement**" means that certain Third Amended and Restated Limited Liability Company Agreement of the Company, dated March 4, 2013, as amended by the First Amendment to the Third Amended and Restated Limited Liability Company Agreement of the Company, dated June 27, 2014.

"**Horse Purse Cash**" means all amounts related to horse purses deposited in the Horse Purse Cash Accounts.

"**Horse Purse Cash Account**s" means those accounts described as "Horse Purse Cash Accounts" on **Section 3.21** of the Disclosure Schedules attached hereto.

"**Horsemen's Association Cash**" means the cash held by the Company (either in a Horse Purse Cash Account or, prior to transfer into a Horse Purse Cash Account, in a general account of the Company) in an amount necessary to satisfy the Company's obligation to fund a portion of the Company's gross gaming revenue to breed associations, benevolent funds and similar organizations for the benefit of the horsemen participating in Indiana horse racing, as required by Ind. Code 4-35-7-12.

"**Horsemen's Cash**" means, collectively, the (i) Horse Purse Cash, (ii) the Horsemen's Association Cash, and (iii) the Horsemen's Float Cash.

"**Horsemen's Float Cash**" means the cash held by the Company on behalf of the horsemen participating in Indiana horse races held at the Company's premises and which is held by the Company as an accommodation to such horsemen. For the avoidance of doubt, the Horsemen's Float Cash is not held in a restricted account but is instead held in the Company's operational accounts and drawn down by the horsemen during the course of the racing season.

"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

"**Improvements**" has the meaning set forth in the definition of "Real Property".

"**Indebtedness**" of any Person means the following: (i) indebtedness for borrowed money or indebtedness; (ii) amounts owing as deferred purchase price for property or services; (iii) indebtedness evidenced by any note, bond, debenture, mortgage or other debt instrument, debt security or other similar instrument; (iv) indebtedness secured by an Encumbrance (other than a Permitted Encumbrance) on assets or properties of such Person; (v) to the extent drawn up, any liability of such Person in respect of banker's acceptances or letters of credit; (vi) obligations under any interest rate, currency or other hedging or swap agreement; (vii) all obligations of such Person as lessee under capital or finance leases of the type which is required to be reflected on a balance sheet prepared in accordance with GAAP, without giving effect to any changes to GAAP which become effective after the date hereof; and (viii) all guaranties, endorsements and other contingent obligations to provide funds for payment or to invest in any other entity or to otherwise assure a creditor against loss.

"**Indemnified Party**" has the meaning set forth in **Section 9.04**.

"**Indemnifying Party**" has the meaning set forth in **Section 9.04**.

"**Indemnity Allocation Percentages"** means, with respect to each Seller, the percentage set forth on Schedule 1 opposite such Seller's name.

"**Independent Accountant**" means PricewaterhouseCoopers, or such other accountant appointed in accordance with **Section 2.06(c)(iii)**.

"**Indy Grand Premises**" means the Indiana Grand Racing & Casino located at 4300 N Michigan Rd, Shelbyville, IN.

"**Insurance Policies**" has the meaning set forth in **Section 3.11(a)**.

"**Intellectual Property**" means any and all of the following in any jurisdiction throughout the world: (i) trademarks, service marks, trade names, trade dress, logos, slogans, social media accounts and other electronic identities, other similar designations of source and all applications and registrations thereof (and any extensions, modifications, divisions and renewals of such registrations and applications), all goodwill connected with the use of or symbolized by the foregoing; (ii) copyrights, copyrighted works, works of authorship, database rights and data collections, whether or not registered, including all applications and registrations related to the foregoing and all rights in software; (iii) moral and economic rights of authors and inventors, however denominated; (iv) trade secrets, confidential know-how and other confidential information, including customer lists and customer information; (v) patents and patent applications, including reissues, provisionals, divisions, continuations, continuations in part, renewals, extensions, substitutions and reexaminations thereof, all patents that may issue on such applications; (vi) domain names, uniform resource locators, internet domain name registrations and other names and locators associated with the Internet; (vii) rights of publicity; and (viii) other intellectual property and related proprietary rights, interests and protections; in the case of each of the foregoing clauses (i) through (viii) including rights and remedies against past, present and future infringement of any of the foregoing and all other rights therein provided by applicable Law.

"**Interim Balance Sheet**" has the meaning set forth in **Section 3.05**.

"**Interim Balance Sheet Date**" has the meaning set forth in **Section 3.05**.

"**Interim Financial Statements**" has the meaning set forth in **Section 3.05**.

"**IP License Agreement**" means each Contract under which the Company has acquired or obtained, or has or has been licensed or otherwise granted, any license, permission or other right to utilize any Intellectual Property, except for Contracts relating to commercially available off-the-shelf software.

"**Kiosk**" means (i) the three-in-one kiosk machines which dispense cash, perform "TITO" redemptions and break bills and (ii) the NRT machines which perform "TITO" redemptions and break bills, in each case which are located on the Real Property. For the avoidance of doubt, "Kiosk" does not include the US Bank branded automatic teller machines located on the Real Property.

"**Kiosk Cash**" means (i) the cash inside the Kiosks located on the Real Property which has been supplied by the Company and (ii) the payments owed to the Company by Global Payments Gaming Services Inc. as reimbursement for withdrawals of the Company's cash from the Kiosks located at the Indy Grand Premises which has not yet been paid by Global Payments Gaming Services Inc. For the avoidance of doubt, the cash in the US Bank branded automatic teller machines located on the Real Property is the property of US Bank and is not an asset of the Company and is not included in the definition of Kiosk Cash.

"**Knowledge of the Company**" or "**Company's Knowledge**" or any other similar knowledge qualification, means the actual knowledge of Rod Ratcliff, Jim Brown, Tammy Schaeffer and John Keeler.

"**Law**" means any statute, law, ordinance, regulation, rule, code, order, injunction, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority, including all Gaming and Racing Laws.

"**Leased Real Property**" means the Real Property leased by the Company, as tenant.

"**Leases**" means all leases, subleases, licenses, concession agreements, management agreements or other agreements granting use or occupancy rights with respect to any portion of the Real Property, in each case to which Holdings or any Subsidiary is a party or is bound.

"**Liability**" means any liability, debt (including guarantees of debt), loss, damage, adverse claim, fine, penalty or obligation whether fixed or unfixed, known or unknown, asserted or unasserted, liquidated or unliquidated, secured or unsecured, joint or several, absolute or contingent, accrued or unaccrued, due or to become due and whether in contract, tort, strict liability or otherwise, and including all costs and expenses relating thereto, whether called a liability, obligation, indebtedness, guaranty, endorsement, claim or responsibility or otherwise.

"**Losses**" means any and all losses, Liabilities, claims, damages, penalties, fines, judgments, awards, settlements, Taxes, costs, fees, expenses (including, without limitation, reasonable attorneys' fees) and disbursements; *provided, however,* that "Losses" shall not include any consequential, special or punitive damages (other than in each case, to the extent such Losses are actually owed by an Indemnified Party to a third party).

"**Marketing Material**" means each of the following: (a) customary bank books, information memoranda and other information packages regarding the business, operations, financial condition, projections and prospects of the Company, including all reasonably requested information relating to the transactions contemplated hereunder; (b) a customary "road show presentation" and a preliminary and final prospectus, pricing term sheet, offering memorandum or private placement memorandum that is suitable for use in a customary "high-yield road show"; and (c) customary authorization letters and customary letters sufficient to permit independent registered public accountants of the Company to render customary comfort letters and all other marketing material reasonably requested by the Buyer or its Financing Sources in connection with the syndication or other marketing of the Debt Financing (or any alternative or replacement financing).

"**Material Adverse Effect**" means any event, occurrence, fact, condition or change that, individually or in the aggregate with other events, occurrences, facts, conditions or changes, has been, is, will be or would reasonably be expected to be materially adverse to (a) the business, results of operations, financial condition, assets or liabilities of the Company, or (b) the ability of the Company or the Sellers to consummate the transactions contemplated hereby; *provided, however,* that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Company operates; (iii) any changes in financial, banking or securities markets in general, including any disruption

thereof and any decline in the price of any security or any market index or any change in prevailing interest rates, (iv) any changes in applicable Laws or accounting rules (including GAAP) or the enforcement, implementation or interpretation thereof, (v) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; *provided that* the events, occurrences, facts, conditions or changes described in the foregoing clauses (i), (ii), (iii), (iv), (v) do not have a disproportionate adverse effect on the Company as compared to other participants in the industries in which the Company operates (it being understood that the matters described in clauses (i), (ii), (iii), (iv), and (v) shall be considered in determining whether a Material Adverse Effect has occurred to the extent of any disproportionate impact on the business, results of operations, financial condition, assets or liabilities of the Company relative to other participants operating in the same industries as the Company or to the extent that any such matter, individually or in the aggregate, prevents the consummation by the Company or any Seller of the transactions contemplated by this Agreement); (vi) any natural or man-made disaster or act of God (subject to the last proviso of this definition); (vii) any action required or permitted by this Agreement or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer; *other than* an action required, permitted or contemplated by **Section 6.01** or in connection with operating the business in accordance or otherwise complying with applicable Law; (viii) the announcement, pendency or completion of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Company; or (ix) any failure by the Company to meet any internal or published projections, forecasts or revenue or earnings predictions (*provided, however* that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded); *provided*, *further*, that notwithstanding the foregoing or anything to the contrary herein, any of the following events shall constitute a **Material Adverse Effect** for purposes of the conditions set forth in **Sections 7.02(a)** (Representations and Warranties) and **Section 7.02(n)** (No MAE): (A) any damage, destruction or other event relating to any of the Owned Real Property, whether as a result of natural or man-made disaster, or act of God or otherwise, that (I) renders or would reasonably be expected to render the conduct of any material portion of the horse racing or gaming operations at any of the Owned Real Property in the Ordinary Course of Business impossible or impracticable for more than thirty (30) consecutive days and (II) which has not been cured by the Outside Date (as such date may be extended pursuant to this Agreement), and (B) any limitation outside the Ordinary Course of Business of, or any failure of the Company to hold or any suspension of, any Permit under Gaming and Racing Law required to conduct horse racing or gaming operations at any of the Owned Real Property in the Ordinary Course of Business, in each case that has not been cured by the Outside Date (as such date may be extended pursuant to this Agreement).

"**Material Contracts**" has the meaning set forth in **Section 3.08(a)**.

"**Member Notes**" has the meaning set forth in the definition of "Member Term Loans" below.

"**Member Term Loans**" means the amended and restated term loan agreement among Holdings (as borrower), Wells Fargo Bank, N.A., (as administrative agent), and the other lenders party thereto dated as of February 20, 2013 in the original principal amount of $136,666,666.67 and the related Term Loan A Notes and Term Loan B Notes (such notes, the " **Member Notes**"). For the avoidance of doubt, the Member Notes and all of the Sellers' rights under Member Term Loans shall be sold, transferred and assigned to Buyer at the Closing.

"**MIP Units**" means those certain Class M-1 Units, Class M-2 Units and Class M-3 Units issued to certain employees of the Company. For the avoidance of doubt, all MIP Units are considered "Existing Units" for the purposes of this Agreement and shall be sold and transferred to Buyer in accordance with **Section 2.01**.

"**Ordinary Course of Business**" means the ordinary course of business of the Company consistent with past custom and practice.

"**Outside Date**" has the meaning set forth in **Section 10.01(d)(iii)**.

"**Owned Intellectual Property**" means the Intellectual Property owned or purported to be owned by Holdings or any of its Subsidiaries.

"**Owned Real Property**" means the Real Property in which the Company owns fee title (or equivalent) interest.

"**Permits**" means all permits, licenses, registrations, findings of suitability, licenses, variances, certificates of occupancy, franchises, approvals, authorizations, and consents required to be obtained from Governmental Authorities (including all authorizations under Gaming and Racing Laws).

"**Permitted Encumbrances**" has the meaning set forth in **Section 3.09(a)**.

"**Person**" means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

"**Post-Closing Adjustment**" has the meaning set forth in **Section 2.06(b)(ii)**.

"**Post-Closing Tax Period**" means any taxable period beginning after the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period beginning after the Closing Date; *provided that* any Taxes for which the Company becomes liable on the Closing Date that are caused (directly or indirectly) by the action or omission of Buyer that is not in the Ordinary Course of Business shall be considered Taxes relating to the Post-Closing Tax Period for all purposes hereunder.

"**Pre-Closing Tax Period**" means any taxable period ending on or before the Closing Date and, with respect to any taxable period beginning before and ending after the Closing Date, the portion of such taxable period ending on or before the Closing Date; *provided that* any Taxes for which the Company becomes liable on the Closing Date that are caused (directly or indirectly) by the action or omission of Buyer that is not in the Ordinary Course of Business shall be considered Taxes relating to the Post-Closing Tax Period for all purposes hereunder.

"**Pre-Closing Tax Returns**" has the meaning set forth in **Section 8.01(a)**.

"**Purchase Price**" has the meaning set forth in **Section 2.02**.

"**Qualified Benefit Plan**" has the meaning set forth in **Section 3.15(c)**.

"**Real Property**" means all real property, in each case together with the buildings and structures located thereon, and all associated parking areas, fixtures and all other improvements located thereon (the buildings and such other improvements are referred to herein collectively as the ("**Improvements**")); all references hereinafter made to the Real Property shall be deemed to include all rights, benefits, privileges, tenements, hereditaments, covenants, conditions, restrictions, easements and other appurtenances on the Real Property or otherwise appertaining to or benefitting the Real Property and/or the Improvements situated thereon, including all mineral rights, development rights, air and water rights, subsurface rights, vested rights entitling, or prospective rights which may entitle the owner of the Real Property to related easements, land use rights, air rights, view shed rights, density credits, water, sewer, electrical or other utility service, credits and/or rebates, strips and gores and any land lying in the bed of any street, road or alley, open or proposed, adjoining the Real Property, and all easements, rights-of-way and other appurtenances used or connected with the beneficial use or enjoyment of the Real Property.

"**Recovery Policies**" has the meaning set forth in **Section 9.04(c)**.

"**Reference Time**" means 1:00 pm, New York time on the Closing Date.

"**Registered Intellectual Property**" has the meaning set forth in **Section 3.10(a)**.

"**Regulatory Approvals"** means the filings, submissions, consents and approvals set forth on **Section 3.04** and **Section 5.02** of the Disclosure Schedules as "Regulatory Approvals".

"**Release**" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape

or migrate into or through the environment (including, without limitation, ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

"**Representative**" means, with respect to any Person, any and all directors, managers, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Required Information**" shall mean (a) audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of the Company for the three (3) most recently completed fiscal years ended at least ninety (90) days before the Closing Date; provided, that, if the Closing Date would occur on or after April 30, 2018, the financial statements in this clause (a) shall include such financial statements for the Company for the fiscal year ending December 31, 2017, (b) unaudited consolidated balance sheets and related statements of income and cash flows of the Company for each subsequent fiscal quarter (other than the fourth fiscal quarter) ended at least forty-five (45) days before the Closing Date (provided that such date is at least 45 days after a fiscal quarter end) and for the comparable periods of the preceding fiscal year, (c) information of the Company reasonably necessary for Buyer to prepare customary pro forma financial statements (based on historical financial information) for the last fiscal year covered by the audited financial statements required by clause (a) and for the interim period ended with the latest period covered by the unaudited financial statements required by clause (b) and the comparable period in the prior year, reasonably promptly after the historical financial statements for such periods are available, in each case after giving effect to the transactions contemplated hereby, (d) all financial, business and other information as is customarily included in a confidential information memorandum for a credit facility and in an offering document relating to a private placement of debt securities under Rule 144A promulgated under the Securities Act containing all customary information (other than a "description of notes" and information customarily provided by the initial purchasers/underwriters or their counsel) and (e) such audited and unaudited balance sheets, statements of income and cash flow and other financial information regarding the Company as Buyer may request relating to periods beginning prior to the Closing and necessary for Buyer to comply with its obligations under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated under such acts (including Regulation S-K and Regulation S-X) in connection with Buyer's periodic reporting obligations or any offering of securities thereunder. The financial statements referred to in clauses (a) and (b) shall be prepared in accordance with GAAP.

"**Resolution Period**" has the meaning set forth in **Section 2.06(c)(ii)**.

"**RWI Policy**" means the representations and warranties insurance policy (including the primary insurance and excess coverage related thereto) with respect to the transactions contemplated hereby obtained by Buyer on the date hereof.

"**Schedule Supplement**" has the meaning set forth in **Section 6.02(b)**.

"**Sellers**" and "**Seller**" has the meaning set forth in the preamble.

"**Seller Claimants**" has the meaning set forth in **Section 11.11.**

"**Seller Gaming Regulatory Approvals**" means any approval, waiver, consent or finding by any of the Gaming and Racing Authorities with respect to the Company or any Seller or any of its or his Affiliates or associated Persons that is necessary for any Seller to be authorized to receive any amounts payable to it or him in connection with the consummation of the transactions contemplated by this Agreement. For the avoidance of doubt, Seller Gaming Regulatory Approvals do not include any Closing Buyer Gaming Approvals.

"**Sellers Representative**" has the meaning set forth in the preamble.

"**Seller Related Party Agreements**" has the meaning set forth in **Section 3.20**.

"**Seller Several Claim**" has the meaning set forth in **Section 9.02(b)**.

"**Specific Closing Breach**" means any inaccuracy in, or breach of, a representation or warranty as of the Closing of the type described in **Section 9.02(a)(i)** (Company Fundamental Representations), **Section 9.02(a)(ii)** (Company Non-Fundamental Representations) or **Section 9.02(b)(ii)** (Seller Non-Fundamental Representations) that would not have been such an inaccuracy or breach had the Schedule Supplements not been disregarded for purposes thereof.

"**Specific Indemnity Matters**" has the meaning set forth in **Section 9.02(a)(vi)**.

"**Specified Auditor Assistance**" means (a) providing customary "comfort letters" (including customary "negative assurances") and assistance with the due diligence activities of the Buyer's financing sources, (b) providing access to work papers of the Company and other supporting documents as may be reasonably requested by the Buyer or its financing sources, (c) providing customary consents to the inclusion of audit reports in any relevant Marketing Material, registration statements and related government filings, and (d) providing customary consents to references to the auditor as an expert in any Marketing Material, registration statements and related governmental filings.

"**Specified Capped Liabilities**" has the meaning set forth in **Section 9.04(a)(ii)**.

"**Specified Liability Cap**" has the meaning set forth in **Section 9.04(a)(ii)**.

"**Statement of Objections**" has the meaning set forth in **Section 2.06(c)(ii)**.

"**Straddle Period**" means any taxable period beginning before the Reference Time and ending on or after the Reference Time.

"**Straddle Period Returns**" has the meaning set forth in **Section 8.01(b)(ii)**.

"**Subsidiary**", as to any Person, means any corporation, partnership, limited liability company, joint venture, trust or estate of or in which more than 50% of (a) the issued and outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time capital stock of any other class of such corporation may have voting power upon the happening of a contingency), (b) the interest in the capital or profits of such partnership, limited liability company, or joint venture or (c) the beneficial interest in such trust or estate is at the time directly or indirectly owned or controlled through one or more intermediaries, or both, by such Person.

"**Swap Transactions**" means those certain transactions entered into by and between Wells Fargo Bank, N.A. and Centaur Acquisition, LLC as of October 14, 2015 pursuant to those documents set forth on Section 3.08(a) of the Disclosure Schedules as Swap Documents.

"**Target Working Capital**" means negative eleven million dollars ($-11,000,000).

"**Tax Representations**" means those representations in **Section 3.17** (Taxes).

"**Taxes**" means (i) all federal, state, local, foreign and other income, gross receipts, sales, use, production, ad valorem, transfer, franchise, registration, profits, license, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), real property gains, windfall profits, customs, duties, or other taxes, fees, assessments or charges of any kind whatsoever, including any liability under unclaimed property, escheat or similar Laws, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties, and (ii) liability in respect of any items described in clause (i) payable by reason of contract (including any tax sharing agreement), assumption, transferee, successor or similar liability, operation of law (including pursuant to Treasury Regulations Section 1.1502-6 or any predecessor or successor thereof or any analogous or similar state, local or foreign Law) or otherwise.

"**Tax Contest**" has the meaning set forth in **Section 8.02(a)**.

"**Tax Return**" means any return, declaration, report, claim for refund, information return or statement or other document required to be filed with respect to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

"**Termination Fee**" has the meaning set forth in **Section 10.03(a)(i).**

"**Termination Fee Claimants**" has the meaning set forth in **Section 10.03(a)(v).**

"**Third-Party Claim**" has the meaning set forth in **Section 9.05(a)**.

"**Third-Party Loan**" means the loans made under that certain Credit and Guaranty Agreement dated as of June 27, 2014 among Centaur Acquisition, LLC as borrower, New Centaur, LLC and certain Subsidiaries of New Centaur, as guarantors, the lenders party thereto from time to time, Wells Fargo Bank, N.A. as administrative agent and collateral agent and the other agents and bookrunners party thereto, in the aggregate principal amount not to exceed $425,000,000, as amended from time to time. For the avoidance of doubt, the Third-Party Loan shall be paid off in full at the Closing.

"**Title Insurer**" means Fidelity National Title Insurance Company, 135 North Pennsylvania Street, Suite 1575A, Indianapolis, Indiana 46204.

"**Title Policies**" has the meaning set forth in **Section 7.02(l)**.

"**Transaction Expenses**" has the meaning stated in **Section 11.01**.

"**Warrants**" has the meaning set forth in the recitals.

"**Warrant and Member Note Assignment and Acceptance**" has the meaning set forth in **Section 2.04(c)(iii)**

"**Warrant and Note Documents**" has the meaning set forth in **Section 3.02(e)**.

ARTICLE II
PURCHASE AND SALE

Section 2.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, Sellers shall sell to Buyer, and Buyer shall purchase from Sellers, the Holdings Interests free and clear of any and all Encumbrances (other than restrictions on the subsequent transfer imposed by state and federal securities laws, and Gaming and Racing Laws) for the aggregate consideration specified in **Section 2.02**.

Section 2.02 Purchase Price. The aggregate purchase price for the Holdings Interests shall be $1,700,000,000 (the "**Base Purchase Price**"), subject to adjustment in accordance with **Section 2.06** (the "**Purchase Price**").

Section 2.03 Funded Debt and Transaction Expenses. The Company and the Sellers shall cause (i) all Funded Debt outstanding on the Closing Date and (ii) all Transaction Expenses outstanding on the Closing Date which are owed by or on behalf of the Company or any Seller to any Person (other than Transaction Expenses which are to be borne by Buyer, as provided in this Agreement) to be borne by Sellers and to be paid out of the Purchase Price and not as additional consideration to the Persons set forth on the funds flow prepared by the parties in connection with the Closing.

Section 2.04 Transactions to be Effected at the Closing.

(a) The Company shall (i) conduct a physical counting of the Cage Cash and Kiosk Cash located on the Real Property and (ii) obtain an account balance statement from the Company's Indiana bank showing the amount of Cash in the Company's bank accounts, in each case as of the Reference Time (the "**Cash Count**"). The aggregate amount of Cash determined in accordance with the preceding clauses (i) and (ii) (other than Cash located in the Horse Purse Cash Accounts), absent any dispute from Buyer's

representatives in connection with the Cash Count, shall be included in the determination of the amount of Closing Date Company Cash, subject to any adjustment pursuant to **Section 2.06**. Buyer shall have its representatives present during the Cash Count and such representatives shall have the right to dispute or sign off on the due completion and outcome of the Cash Count on the Closing Date without limitation of either Buyer or Sellers Representative's rights under **Section 2.06**; *provided, however,* that such representatives shall not interfere with the Company's conduct of the Cash Count.

(b) At the Closing, Buyer shall:

(i) deliver to the lenders under the Third-Party Loan, on behalf of Centaur Acquisition, LLC out of the Purchase Price and not as additional consideration, an amount equal to the outstanding obligations owed under the Third-Party Loan as of the Closing Date, by wire transfer of immediately available funds in accordance with the Payoff Letter received from the administrative agent under such Third-Party Loan;

(ii) deliver to each of the Persons set forth on the funds flow prepared by the parties in connection with the Closing, on behalf of the Sellers and the Company out of the Purchase Price and not as additional consideration, an amount equal to the Transaction Expenses outstanding on the Closing Date which are owed by or on behalf of the Company or any Seller to any Person (other than Transaction Expenses which are to be borne by Buyer, as provided in this Agreement), as set forth on the funds flow, by wire transfer of immediately available funds in accordance with the wire transfer instructions set forth on the funds flow;

(iii) deliver to the Sellers Representative the Closing Cash Consideration by wire transfer of immediately available funds to a bank account or accounts and in such proportions as specified by the Sellers Representative in writing to Buyer at least five (5) Business Days prior to the Closing;

(iv) deliver to the Sellers Representative and the Company a joinder to the Holdings Operating Agreement, duly executed by Buyer and a counterpart signature page to the Warrant and Member Note Assignment and Acceptances (as defined below); and

(v) deliver to the Sellers Representative all other agreements, documents, instruments or certificates required to be delivered by Buyer at or prior to the Closing pursuant to **Section 7.03** of this Agreement.

(c) At the Closing, the Sellers shall:

(i) deliver to Buyer a fully executed Internal Revenue Service Form W-9, or W-8, properly completed and signed by each Seller, as well as a certificate from Holdings, stating that Holdings was not a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code any time during the five-year period ending on the Closing Date;

(ii) deliver to Buyer the register maintained by Holdings in accordance with Section 4.3(a) of the Holdings Operating Agreement;

(iii) deliver to Buyer assignment and acceptance agreements, in form and substance reasonably acceptable to Sellers Representative and Buyer (collectively, the "**Warrant and Member Note Assignment and Acceptances**"), executed by the applicable Sellers, the administrative agent for the Member Term Loan, and Holdings, pursuant to which Sellers holding Member Term Loans, Member Notes and Warrants shall transfer and assign to Buyer all of their respective Warrants and Member Notes and all of their respective rights under the applicable Member Term Loans;

(iv) deliver to Buyer assignment agreements, in form and substance reasonably acceptable to Sellers Representative and Buyer (collectively, the "**Existing Unit Assignment Agreements**" and, together with the Warrant and Member Note Assignment and Acceptances, the "**Assignment Agreements**"), executed by the applicable Sellers, pursuant to which (a) Sellers holding Existing Units shall transfer and assign to Buyer all of the Existing Units (including in the case of MIP Units, the grant

agreements related thereto) and (b) concurrently with the Closing and the execution of a joinder to the Holdings Operating Agreement executed by Buyer, the board of managers of the Company shall admit Buyer as the sole member of Holdings and such Sellers shall cease to be members of Holdings;

(v) deliver to Buyer each original Member Note issued in connection with the Member Term Loans;

(vi) deliver to Buyer each original Warrant; and

(vii) deliver to Buyer all other agreements, documents, instruments or certificates required to be delivered by Holdings or any Seller at or prior to the Closing pursuant to **Section 7.02** of this Agreement.

(d) After the Closing, Buyer shall pay to the Sellers Representative as deferred Purchase Price the amounts payable on the terms and subject to the conditions of **Exhibit A** attached hereto (the "**Deferred Purchase Price Payment**"), which **Exhibit A** is incorporated into and made a part of this Agreement by reference.

Section 2.05 Closing. Subject to the terms and conditions of this Agreement, the purchase and sale of the Holdings Interests contemplated hereby shall take place at a closing (the "**Closing**") to be held at 10:00 a.m., New York time, no later than two (2) Business Days after the last of the conditions to Closing set forth in **Article VII** have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date, but subject to their satisfaction at Closing), at the offices of Chapman and Cutler LLP, 1270 Avenue of the Americas, New York NY 10020, or at such other time or on such other date or at such other place as Sellers Representative and Buyer may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**"). The Closing shall be effective as of the Reference Time.

Section 2.06 Purchase Price Adjustment.

(a) Closing Adjustments.

(i) *Working Capital*. At least three Business Days before the Closing, the Company shall prepare and deliver to Buyer a statement setting forth its good faith estimate of Closing Working Capital (the "**Estimated Closing Working Capital**"), which statement shall contain an estimated balance sheet of the Company as of the Closing Date (without giving effect to the transactions contemplated herein) and a calculation of the Estimated Closing Working Capital and the Closing Adjustment (the "**Estimated Closing Statement**"). The Estimated Closing Statement will be prepared in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Audited Financial Statements for the most recent fiscal year end as if such Estimated Closing Statement was being prepared and audited as of a fiscal year end, except for such adjustments and estimates as may be required, in the good faith determination of the Company, to take account of the fact that the Estimated Closing Statement is being prepared at a time other than following the closing of the Company's books for the prior calendar month.

(ii) *Estimated Closing Date Accrued Taxes.* At least three Business Days before the Closing, the Company shall prepare and deliver to Buyer a statement setting forth its good faith estimate of the Closing Date Accrued Tax Balance (the "**Estimated Closing Date Accrued Tax Balance**").

(iii) *Estimated Closing Date Horsemen's Cash* . At least three Business Days before the Closing, the Company shall prepare and deliver to Buyer a statement setting forth its good faith estimate of the Closing Date Horsemen's Cash Balance (the "**Estimated Closing Date Horsemen's Cash Balance**").

(iv) *Estimated Closing Date Company Cash*. At least three Business Days before the Closing, the Company shall prepare and deliver to Buyer a statement setting forth its good faith estimate of Closing Date Company Cash (the "**Estimated Closing Date Company Cash**").

(v) *Closing Adjustment.* The "**Closing Adjustment**" shall be an amount equal to the sum of:

(A) The difference between Estimated Closing Date Company Cash and $25,000,000 (where the difference will be positive, if the Estimated Closing Date Company Cash exceeds $25,000,000 or negative, if the estimated Closing Date Company cash is less than $25,000,000); *plus*

(B) The difference between Estimated Closing Working Capital and Target Working Capital (where the difference will be positive, if the Estimated Closing Working Capital exceeds the Target Working Capital, or negative, if the Target Working Capital exceeds the Estimated Closing Working Capital); *plus*

(C) The amount by which the Estimated Closing Date Accrued Tax Balance is greater than zero (if applicable); *plus*

(D) The amount by which Estimated Closing Date Horsemen's Cash Balance is greater than zero (if applicable); *minus*

(E) The absolute value of the amount by which the Estimated Closing Date Accrued Tax Balance is less than zero (if applicable); *minus*

(F) The absolute value of the amount by which the Estimated Closing Date Horsemen's Cash Balance is less than zero (if applicable).

(vi) If the Closing Adjustment is a positive number, the Purchase Price shall be increased by the amount of the Closing Adjustment. If the Closing Adjustment is a negative number, the Purchase Price shall be reduced by the amount of the Closing Adjustment.

(b) Post-Closing Adjustment.

(i) Within 90 days after the Closing Date, Buyer shall prepare and deliver to Sellers Representative a statement setting forth its calculation of Closing Working Capital, Closing Date Accrued Tax Balance, Closing Date Kiosk Cash, Closing Date Company Cash and Closing Date Horsemen's Cash Balance, which statement shall contain a balance sheet of the Company as of the Closing Date (without giving effect to the transactions contemplated herein) (the "**Closing Statement**"). The Closing Statement, as it applies to the calculation of Closing Working Capital, will be prepared in accordance with GAAP applied using the same accounting methods, practices, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies that were used in the preparation of the Audited Financial Statements for the most recent fiscal year end as if such Closing Statement was being prepared and audited as of a fiscal year end, except for such adjustments and estimates as may be required, in the good faith determination of Buyer, to take account of the fact that the Closing Statement is being prepared at a time other than following the closing of the Company's books for the prior calendar month, which adjustments and estimates shall be consistent with the adjustments and estimates used in the preparation of the Estimated Closing Statement.

(ii) The post-closing adjustment (the "**Post-Closing Adjustment**") shall be an amount equal to the sum of:

(A) The difference between Closing Date Company Cash and Estimated Closing Date Company Cash (where the difference will be positive, if the Closing Date Company Cash exceeds the Estimated Closing Date Company Cash, or negative, if the Estimated Closing Date Company Cash exceeds the Closing Date Company Cash); *plus*

(B) The difference between Closing Working Capital and Estimated Closing Working Capital (where the difference will be positive, if the Closing Working Capital exceeds the Estimated Closing Working Capital, or negative, if the Estimated Closing Working Capital exceeds the Closing Working Capital); *plus*

(C) The amount by which the Closing Date Accrued Tax Balance exceeds the Estimated Closing Date Accrued Tax Balance (if applicable); *plus*

(D) The amount by which Closing Date Horsemen's Cash Balance exceeds the Estimated Closing Date Horsemen's Cash Balance (if applicable); *minus*

(E) The absolute value of the amount by which the Closing Date Accrued Tax Balance is less than the Estimated Closing Date Accrued Tax Balance (if applicable); *minus*

(F) The absolute value of the amount by which the Closing Date Horsemen's Cash Balance is less than the Estimated Closing Date Horsemen's Cash Balance (if applicable).

If the Post-Closing Adjustment as finally determined in accordance with this **Section 2.06** is a positive number, Buyer shall pay to Sellers Representative an amount equal to the Post-Closing Adjustment. If the Post-Closing Adjustment is a negative number, Buyer or Assignee shall set-off such amount (in accordance with **Exhibit A** and **Section 9.06(b)**) as a dollar-for-dollar reduction to the aggregate amount outstanding under the Deferred Purchase Price Payment to the extent such aggregate amount outstanding is available therefor after taking into account any prior set-off claims, and the Sellers shall be responsible, severally and not jointly and in accordance with their Indemnity Allocation Percentages, for any portion of the Post-Closing Adjustment that cannot be set-off by Buyer.

(c) Examination and Review.

(i) *Examination.* After receipt of the Closing Statement, Sellers Representative shall have 60 days (the "**Review Period**") to review the Closing Statement. During the Review Period, Sellers Representative and Sellers Representative's accountants shall have full access to the books and records of the Company through the Closing Date, and work papers prepared by, Buyer and/or Buyer's accountants to the extent that they relate to the Closing Statement and to such historical financial information (to the extent in Buyer's possession) relating to the Closing Statement as Sellers Representative may reasonably request for the purpose of reviewing the Closing Statement and to prepare a Statement of Objections (defined below), *provided, however* that such access shall be in a manner that does not interfere with the normal business operations of Buyer or the Company.

(ii) *Objection.* On or prior to the last day of the Review Period, Sellers Representative may object to the Closing Statement by delivering to Buyer a written statement setting forth Sellers Representative's objections in reasonable detail, indicating each disputed item or amount and the basis for Sellers Representative's disagreement therewith (the "**Statement of Objections**"). If Sellers Representative fails to deliver the Statement of Objections before the expiration of the Review Period, the Closing Statement and the Post-Closing Adjustment, as the case may be, reflected in the Closing Statement shall be deemed to have been accepted by all of the Sellers and Sellers Representative and shall be final and binding on all of the parties. If Sellers Representative delivers the Statement of Objections before the expiration of the Review Period, Buyer and Sellers Representative shall negotiate in good faith to resolve such objections within 30 days after the delivery of the Statement of Objections (the "**Resolution Period**"), and, if the same are so resolved within the Resolution Period, the Post-Closing Adjustment and the Closing Statement with such changes as may have been previously agreed in writing by Buyer and Sellers Representative shall be final and binding.

(iii) *Resolution of Disputes*. If Sellers Representative and Buyer fail to reach an agreement with respect to all of the matters set forth in the Statement of Objections before expiration of the Resolution Period, then any amounts remaining in dispute ("**Disputed Amounts**") shall be submitted for resolution to the office of the Independent Accountant or, if the Independent Accountant is unable to serve, Buyer and Sellers Representative shall appoint by mutual agreement the office of an impartial nationally recognized firm of independent certified public accountants other than any accountants previously engaged by any Seller or Buyer (unless such previously engaged accountants are agreed to by Buyer and Sellers Representative, the "**Independent Accountant**") who, acting as experts and not arbitrators, shall resolve the Disputed Amounts only and make any adjustments to the Post-Closing Adjustment, as the case may be, and

the Closing Statement. The parties hereto agree that all adjustments shall be made without regard to materiality. The Independent Accountant shall only decide the specific items under dispute by the parties and their decision for each Disputed Amount must be within the range of values assigned to each such item in the Closing Statement and the Statement of Objections, respectively.

(iv) *Fees of the Independent Accountant.* The fees and expenses of the Independent Accountant shall be paid by Sellers, on the one hand, and by Buyer, on the other hand, based upon the percentage that the amount actually contested but not awarded to Sellers Representative (on behalf of the Sellers) or Buyer, respectively, bears to the aggregate amount actually contested by Sellers Representative and Buyer.

(v) *Determination by Independent Accountant*. The Independent Accountant shall make a determination as soon as practicable within 30 days (or such other time as the parties hereto shall agree in writing) after their engagement, and their resolution of the Disputed Amounts and their adjustments to the Closing Statement and/or the Post-Closing Adjustment, absent fraud or manifest error, shall be conclusive and binding upon the parties hereto.

(d) De Minimis Adjustments. The parties agree that any Post-Closing Adjustment that is, in the aggregate, less than $1,500,000 (regardless of whether owed to the Buyer or the Sellers) shall not trigger a payment obligation, *provided, however, that*, for the avoidance of doubt, if the Post-Closing Adjustment is greater than or equal to $1,500,000, the entire amount of such adjustment shall be payable in accordance with clause (e) below and not only the amount in excess of $1,500,000.

(e) Payments of Post-Closing Adjustment. Any payment of the Post-Closing Adjustment shall (A) be due within five (5) Business Days after acceptance of the applicable Closing Statement (or, if there are Disputed Amounts, then within five (5) Business Days after the resolution of such Disputed Amounts); and (B) if owed to the Buyer, be set-off (in accordance with **Exhibit A** and **Section 9.06(b)**) as a dollar-for-dollar reduction to the aggregate amount outstanding under the Deferred Purchase Price Payment to the extent such aggregate amount outstanding is available therefor after taking into account any prior set-off claims (and the Sellers shall be responsible, severally and not jointly and in accordance with their Indemnity Allocation Percentages, for any portion of the Post-Closing Adjustment that cannot be set-off by Buyer), and if owed to Sellers, be paid by wire transfer of immediately available funds to such account or accounts as directed by Sellers Representative.

(f) Adjustments for Tax Purposes. Any payments or adjustments made pursuant to **Section 2.06** shall be treated as an adjustment to the Purchase Price by the parties for Tax purposes, unless otherwise required by Law.

Section 2.07 Withholding. Notwithstanding anything in this Agreement to the contrary, Buyer or, if applicable, the Company shall be entitled to deduct and withhold (or cause to be deducted and withheld) from any amounts payable pursuant to this Agreement such amounts as Buyer has reasonably determined, on the advice of outside counsel, it is required to deduct and withhold with respect to the making of any such payment under the Code or any applicable provision of state, local or foreign Tax Law. To the extent that amounts are so deducted and withheld, such deducted and withheld amounts are to be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made. If Buyer intends to deduct or withhold any Tax as required by Law from any payment made to the Sellers in connection with the transactions contemplated hereunder, Buyer shall (i) provide Sellers Representative at least three (3) Business Days advance notice of its intent to withhold such amounts, (ii) provide the basis for such withholding (including the legal basis), (iii) provide a reasonable opportunity for Sellers Representative or other recipient to provide forms or other evidence that would mitigate, reduce or eliminate such deduction or withholding and (iv) use commercially reasonable efforts to cooperate with Sellers Representative or other recipient and the advisors thereof, as applicable, to mitigate, reduce or eliminate such deduction or withholding; provided, however, that (i) the parties agree that no withholding is required to be made in connection with the payments in respect of the MIP Units, except to the extent required under Section 280G of the Code or Section 4999 of the Code, and (ii) if Holdings has delivered to Buyer the certificate

referenced in **Section 2.04(c)(i),** Buyer shall not withhold from any payment hereunder any amounts pursuant to Section 1445 of the Code.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as set forth in the Disclosure Schedules, the Company represents and warrants to Buyer that the statements contained in this **Article III** are true and correct as of the date hereof and as of the Closing.

Section 3.01 Organization, Authority and Qualification of the Company.

(a) Holdings is a limited liability company duly organized, validly existing and in good standing under the Laws of the state of Delaware and has all necessary company power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it is currently conducted. Holdings is duly licensed or qualified to do business and, to the extent applicable, is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not be material. The execution and delivery by Holdings of this Agreement and the Ancillary Agreements to which it is a party, the performance by Holdings of its obligations hereunder and thereunder and the consummation by Holdings of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of Holdings, and no further action by Holdings, any of its managers, members or Affiliates or the Sellers, as applicable, is required. This Agreement has been (and when executed and delivered, the Ancillary Agreements to which it is a party will be) duly executed and delivered by Holdings, and (assuming due authorization, execution and delivery by Buyer, as applicable) this Agreement constitutes (and when executed and delivered, the Ancillary Agreements to which it is a party will constitute) a legal, valid and binding obligation of Holdings, enforceable against Holdings in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) Each Subsidiary of Holdings is a limited liability company duly formed or organized, validly existing and, to the extent applicable, in good standing under the Laws of the state of its formation or organization, as applicable, and has all necessary company power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it is currently conducted. Each Subsidiary is duly licensed or qualified to do business and, to the extent applicable, is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not be material. All actions to be taken by such Subsidiary in connection with this Agreement have been duly authorized on or prior to the date hereof.

Section 3.02 Membership Interests.

(a) **Section 3.02(a)** of the Disclosure Schedules sets forth a list of all of the outstanding Existing Units and Warrants (including the MIP Units), all of the outstanding Member Notes and related Member Term Loans and all award agreements related to any MIP Units in each case including the owner thereof. A true and complete copy of each of the Warrants, and each of the outstanding Member Notes and related Member Term Loans and award agreements related to any MIP Units is set forth in the Data Room folders 11.2.1 and 11.6. The Company has not assigned, transferred or waived any rights with respect to any of the Existing Units (including the MIP Units), Warrants, Member Notes or related Member Term Loans or grant documents related to the MIP Units.

(b) The Existing Units constitute all of the outstanding membership, limited liability company or other equity interests of Holdings, and none of the Existing Units are certificated.

(c) Other than the Warrants, the Warrant and Note Documents, the Holdings Operating Agreement, the MIP Units and the Member Notes and related Member Term Loans, there are no outstanding

or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the membership, limited liability company or other equity interests of Holdings or obligating Holdings to issue or sell any membership, limited liability company or other equity interests, or any other interest in, or convertible into or exchangeable for, any such interests in, Holdings.

(d) Other than the MIP Units, Holdings does not have any outstanding equity appreciation, phantom equity, profit participation or similar rights.

(e) Other than the agreements relating to the Warrants set forth on **Section 3.02(e)** of the Disclosure Schedules, the Award Agreements and the Management Notes set forth on **Section 3.02(e)** of the Disclosure Schedules (collectively, the "**Warrant and Note Documents**"), the Holdings Operating Agreement, the MIP Units and the Member Notes and related Member Term Loans, there are no preemptive or subscription rights, rights of first refusal, voting trusts, member agreements or other agreements or understandings in effect with respect to the issuance, voting or transfer of any of the Existing Units, Warrants, Member Notes and related Member Term Loans or any other equity, profits or other interest in, or convertible into or exchangeable for, any such interests in Holdings.

(f) All of the Existing Units have been duly authorized and validly issued, are fully paid and nonassessable, were issued and sold in compliance with applicable Laws and were not issued or transferred in violation of any preemptive or subscription rights, rights of first refusal or other rights of any Person.

(g) All of the Warrants, Member Notes and related Member Term Loans have been duly authorized and validly issued, were offered and sold in compliance with applicable Laws, were not issued or transferred in violation of any preemptive or subscription rights, rights of first refusal or other rights of any Person, and under the Holdings Operating Agreement and if applicable, Certificate of Formation of Holdings, there are a sufficient number of membership interests of Holdings reserved for issuance or otherwise available for issuance to the holders of the Warrants upon the exercise thereof.

(h) Prior to the Closing, all Units held by the Persons listed on **Section 3.02(h)** of the Disclosure Schedules have been redeemed in full for cash and such Persons have released the Company from any and all claims and Liabilities other than claims for compensation, indemnification, or otherwise as an employee, manager or officer of the Company.

(i) At the Closing, the Assignment Agreements delivered by the Sellers to Buyer will be sufficient to (i) transfer to Buyer the entire interest, legal and beneficial, in all Existing Units, Warrants, Member Notes, which comprise all of the issued and outstanding membership interests of Holdings, including all membership interests of Holdings issuable upon exercise of all outstanding warrants (including the Warrants), and Buyer will thereby acquire good title to such Existing Units, Warrants and Member Notes, free and clear of all Encumbrances (other than any Encumbrances created by Buyer and restrictions on the subsequent transfer imposed by state and federal securities laws, and Gaming and Racing Laws), and (ii) upon execution and delivery of a joinder to the Holdings Operating Agreement by Buyer, admit Buyer as the sole member of Holdings.

Section 3.03 No Subsidiaries. **Section 3.03** of the Disclosure Schedules sets forth each entity in which Holdings holds a direct or indirect equity interest. Other than as set forth on **Section 3.03** of the Disclosure Schedules, Holdings does not directly or indirectly own or have any interest in any equity securities of any other Person. As to each entity identified in **Section 3.03** of the Disclosure Schedules (the "**Identified Entities**"): (a) Holdings or a wholly owned Subsidiary of Holdings owns all of the outstanding membership, limited liability company or other equity interests in such Identified Entity free and clear of any Encumbrances (other than Encumbrances created by Buyer and restrictions on the subsequent transfer imposed by state and federal securities laws, and Gaming and Racing Laws); (b) there are no outstanding or authorized options, warrants, convertible securities, or other rights, agreements, arrangements or commitments of any character relating to membership, limited liability company or other equity interests of such Identified Entity or such Identified Entity to issue or sell any membership, limited liability company or other equity interests or any other interest in, or convertible into or exchangeable for, any such interests in, such Identified Entity; (c) no

such Identified Entity has any outstanding equity appreciation, phantom equity, profit participation or similar rights; (d) there are no preemptive or subscription rights, rights of first refusal, voting trusts, member agreements or other agreements or understandings in effect with respect to the issuance, voting or transfer of any of the equity interests of any such Identified Entity; and (e) all of the equity interests of such Identified Entity have been duly authorized and validly issued, are fully paid and nonassessable, were offered and sold in compliance with applicable Laws and were not issued or transferred in violation of any preemptive or subscription rights, rights of first refusal or other rights of any Person.

Section 3.04 No Conflicts; Consents. The execution, delivery and performance by Holdings of this Agreement and the Ancillary Agreements to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of any provision of the certificate of formation of Holdings, the Holdings Operating Agreement or any organizational documents of any Subsidiary; (b) result in a material violation or breach of any provision of any Law or Governmental Order applicable to Holdings or any Subsidiary; or (c) except as set forth in **Section 3.04** of the Disclosure Schedules and assuming receipt of the filings, consents and approvals set forth on **Section 5.02** of the Disclosure Schedules, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default (or event which, with the giving of notice or lapse of time, or both, would constitute a default) under or result in the acceleration under, or give to any Person any rights of termination, acceleration or cancellation of, or loss of any benefit under any provision of, or result in the creation of any Encumbrance (other than a Permitted Encumbrance) on any of the assets, properties or equity interests of any of Holdings or any of its Subsidiaries pursuant to, any Material Contract, Permit or any note, bond, loan or credit agreement, mortgage or indenture to which any of Holdings or its Subsidiaries is a party or by which any of them or any of their respective properties, assets or equity interests is bound or subject, except, in the case of this **clause (c)**, for any such breaches, defaults, terminations, accelerations, cancellations or creations that, individually or in the aggregate, would not reasonably be expected to be material to the Company or the transactions contemplated hereby or by the Ancillary Agreements. Except as set forth in **Section 3.04** of the Disclosure Schedules and assuming receipt of the filings, consents, and approvals set forth in **Section 5.02** of the Disclosure Schedules, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice or submission to, any Governmental Authority is required by or with respect to Holdings or any Subsidiary in connection with the execution, delivery or performance of this Agreement, or any of the Ancillary Agreements to which it is a party, or the consummation of the transactions contemplated hereby or thereby, except such consents, approvals, Permits, Governmental Orders, declarations, filings, notices or submissions which, individually or in the aggregate, would not reasonably be expected to be material to the Company or the transactions contemplated hereby.

Section 3.05 Financial Statements. Copies of the Company's consolidated audited financial statements consisting of the balance sheet of the Company as at December 31 in each of the years 2014, 2015 and 2016 and the related statements of income and retained earnings, stockholders' equity and cash flow for the years then ended (the "**Audited Financial Statements**"), and consolidated unaudited financial statements consisting of the balance sheet of the Company as at September 30, 2017 and the related statements of income and retained earnings, stockholders' equity and cash flow for the nine-month period then ended (the "**Interim Financial Statements**" and together with the Audited Financial Statements, the "**Financial Statements**") have been delivered or made available to Buyer in the Data Room. The Financial Statements have been prepared (i) from, and in accordance with, the books and records of the Company and (ii) in accordance with GAAP applied on a consistent basis throughout the period involved, subject, in the case of the Interim Financial Statements, to normal and recurring year-end adjustments and the absence of notes. The Financial Statements fairly present in all material respects the financial condition of the Company as of the respective dates they were prepared and the results of the operations of the Company for the periods indicated. The balance sheet of the Company as of December 31, 2016 is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date**" and the balance sheet of the Company as of September 30, 2017 is referred to herein as the "**Interim Balance Sheet**" and the date thereof as the "**Interim Balance Sheet Date**". Since January 1, 2012, no significant deficiency or material weakness in the Company's accounting system has been reported to the independent auditors, management, or Board of Directors of the Company, or to Gaming and Racing Authorities.

Section 3.06 Undisclosed Liabilities; Funded Debt.

(a) The Company has no Liabilities, except: (i) those which are adequately reflected or reserved against in the Interim Balance Sheet as of the Interim Balance Sheet Date; and (ii) those which have been incurred in the Ordinary Course of Business since the Interim Balance Sheet Date, none of which, except as set forth on **Section 3.06(a)** of the Disclosure Schedules, is a Liability resulting from or arising out of any breach of Contract, breach of warranty, tort, infringement, misappropriation or violation of Law.

(b) **Section 3.06(b)(i)** of the Disclosure Schedules sets forth the Indebtedness of the Company as of the date hereof. Immediately after giving effect to the transactions contemplated on the Closing, the Company shall have no outstanding Funded Debt or, except as set forth on **Section 3.06(b)(ii)** of the Disclosure Schedules, other Indebtedness, except in each case, for any Funded Debt or Indebtedness incurred by or on behalf of Buyer at the Closing pursuant to arrangements made by Buyer or its Affiliates.

Section 3.07 Absence of Certain Changes, Events and Conditions. Except as expressly contemplated by the Agreement or as set forth on **Section 3.07** of the Disclosure Schedules, from the Balance Sheet Date until the date of this Agreement, the Company has operated in the Ordinary Course of Business in all material respects and there has not been, with respect to the Company, any:

(a) event, occurrence or development that has had a Material Adverse Effect;

(b) amendment of the certificate of organization, limited liability company agreement or other organizational documents of the Company;

(c) issuance, sale or other disposition of any of its membership interests or other equity, profits or debt interests, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any of its membership interests or other equity, profits or debt interests;

(d) payment of any distributions to its members or owners or purchase or redemption of any membership, limited liability company interests or other equity or profits interests;

(e) change in any method of accounting or accounting practice of the Company, except as required by GAAP or applicable Law or as disclosed in the notes to the Financial Statements;

(f) incurrence, assumption or guarantee of any Indebtedness;

(g) sale, license or other disposition of any of the assets shown or reflected on the Balance Sheet, except in the Ordinary Course of Business;

(h) increase in the compensation of its Employees, other than as provided for in any written agreement disclosed in **Section 3.16** of the Disclosure Schedules or increases in base wages in the Ordinary Course of Business for Employees earning a base salary of less than $150,000;

(i) adoption, amendment or modification of any Benefit Plan (other than of the type described in clause (j) below), the effect of which in the aggregate would increase the obligations of the Company by more than 2% of its existing annual obligations to such plans;

(j) employment, deferred compensation, change in control, severance, retirement or other similar agreement entered into with any Employee (or any amendment to any such existing agreement), grant of any change in control, severance or termination pay to any Employee, or change in compensation or other benefits payable to any Employee pursuant to any severance or retirement plans or policies, in each case other than as required by applicable Law or pursuant to a Benefit Plan;

(k) acquisition by merger or consolidation with, or by purchase of a substantial portion of the assets or stock (or other equity interests) of, or by any other manner, any business or any Person or any division thereof;

(l) adoption of any plan of merger, consolidation, reorganization, liquidation or dissolution or filing of a petition in bankruptcy under any provisions of federal or state bankruptcy Law or consent to the filing of any bankruptcy petition against it under any similar Law;

(m) deposit of any Horse Purse Cash into any accounts other than Horse Purse Cash Accounts other than in accordance with Laws;

(n) Tax election made or rescinded, change of any annual accounting period, filing of any amended Tax Returns, closing agreement or settlement, compromise or settlement of any claim or assessment of Tax liability, surrender of any right to claim a refund, offset or other reduction in liability, or extension or waiver of the limitations period applicable to any claim or assessment, in each case with respect to Taxes; or

(o) sale, assignment, license or transfer of any Intellectual Property or other intangible assets;

(p) damage, destruction or loss (whether or not covered by insurance) involving individually or in the aggregate assets or properties with a value in excess of $100,000 or

(q) any agreement to do any of the foregoing, or any action or omission that would result in any of the foregoing.

Section 3.08 Material Contracts.

(a) **Section 3.08(a)** of the Disclosure Schedules lists each of the following Contracts to which Holdings or any Subsidiary is a party or by which any of its assets, properties or equity interests are bound (the Contracts required to be listed on **Section 3.08(a)** of the Disclosure Schedules are referred to herein collectively as the "**Material Contracts**"):

(i) each Contract involving aggregate consideration in excess of $200,000 or requiring performance by any party more than one year from the date hereof;

(ii) each Contract involving aggregate consideration in excess of $200,000 that is not terminable by the Company upon notice of 60 days or less without any termination payment, premium or penalty;

(iii) each Contract that relates to the sale of any of the Company's assets, other than in the Ordinary Course of Business;

(iv) each Contract that relates to the acquisition of any business, a material amount of stock (or other equity interests) or assets of any other Person or any real property or interest therein (whether by merger, sale of stock, sale of assets or otherwise), in each case dated on or after January 1, 2014 or pursuant to which the Company has or could have any remaining obligations or liabilities;

(v) each Contract relating to Indebtedness (including guarantees), including any Contract creating an Encumbrance on any of its limited liability company interests (including any Existing Unit, Warrant, Member Note or Member Term Loan) or an Encumbrance (other than Permitted Encumbrances) on any Real Property or other Company assets;

(vi) each Contract between or among the Company, on the one hand, and any Seller or any Affiliate of a Seller (other than the Company), on the other hand;

(vii) all collective bargaining agreements or agreements with any labor organization, union or association to which the Company is a party and each Contract relating to the horsemen;

(viii) each Contract relating to the lease of any gaming devices, gambling games and implements of gambling within the meaning of applicable Gaming and Racing Laws involving aggregate annual consideration in excess of $50,000;

(ix) each material IP License Agreement;

(x) each Contract with any Governmental Authority;

(xi) each management agreement, Lease, license, franchise or operating agreement relating to all or any portion of the Real Property, including any restaurant, entertainment, retail space or other improvements or activities at the Real Property; and

(xii) each Contract that contains a non-competition or non-solicitation covenant or otherwise materially limits or restricts the ability of the Company to compete or otherwise conduct the business of the Company or conduct business at the Real Property or to solicit or hire any individual or group of individuals.

(b) Except as set forth on **Section 3.08(b)** of the Disclosure Schedules: (i) each Material Contract is a valid and binding obligation of the Company and, to the Knowledge of the Company, each other party to such Material Contract; (ii) each Material Contract is enforceable against the Company and, to the Knowledge of the Company, each such other party in accordance with its terms (except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity, regardless of whether enforcement is sought in a proceeding at law or in equity); (iii) the Company is not in breach of, or default under, any Material Contract; (iv) to the Knowledge of the Company, no such other party is in breach of, or default under, any Material Contract; (v) the Company has not given or received any written notice of the intention of any Person to repudiate or terminate any Material Contract; and (vi) the Company has made available to Buyer in the Data Room a correct and complete copy of all Material Contracts.

Section 3.09 Title to Assets; Real Property.

(a) The Company has good and valid title to, or a valid leasehold interest in, all tangible personal property and other assets reflected in the Audited Financial Statements or acquired after the Balance Sheet Date, other than properties and assets sold or otherwise disposed of in the Ordinary Course of Business since the Balance Sheet Date. All such properties and assets (including leasehold interests) are free and clear of Encumbrances except for the following (collectively referred to as "**Permitted Encumbrances**"):

(i) Encumbrances set forth on **Section 3.09(a)** of the Disclosure Schedules;

(ii) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures and for which adequate reserves has been made on the latest balance sheet included in the Financial Statements;

(iii) mechanics, carriers', workmen's, repairmen's or other like liens arising or incurred in the Ordinary Course of Business with respect to obligations that are not yet delinquent or that are being contested in good faith by appropriate proceedings;

(iv) (x) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property and/or (y) the rights of tenants under leases and licenses relating to the Real Property;

(v) other than with respect to Owned Real Property, liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the Ordinary Course of Business; or

(vi) other immaterial or de minimis imperfections of title or Encumbrances, if any.

(b) **Section 3.09(b)** of the Disclosure Schedules lists the street address of each parcel of Owned Real Property. Except for the Owned Real Property and the properties listed as "Sold Properties" set forth on **Section 3.09(b)** of the Disclosure Schedules, the Company does not own, has not since October

1, 2011 owned, and does not have any right to acquire, any real property. The Company has good and marketable fee simple title to all Owned Real Property, and to all Improvements thereon and all fixtures thereto, subject only to the Permitted Encumbrances.

(c) **Section 3.09(c)** of the Disclosure Schedules lists the street address of each parcel of Leased Real Property, and a list, as of the date of this Agreement, of all Leases including the identification of the lessee and lessor thereunder. The Company has a valid and enforceable leasehold interest in all of the Leased Real Property. All rental and other material payments due under each of the Leases have been duly paid in accordance with the terms of all such Leases, and the consummation of the transactions contemplated hereby will not require the consent of any party to any Lease and will not terminate or allow any party to terminate any Lease.

(d) No options have been granted to others to purchase, lease or otherwise acquire any interest in the Owned Real Property or, to the Knowledge of the Company, Leased Real Property. None of the Sellers, the Company or any of their respective Affiliates has transferred any air rights or development rights with respect to the Leased Real Property or the Owned Real Property.

(e) There are no Actions pending (or, to the Company's Knowledge, overtly contemplated or threatened, whether in writing or orally) against the Company or otherwise relating to the Real Property or the interests of the Company therein, which would be reasonably likely to interfere with the use, ownership, improvement, development and/or operation of the Real Property, in each case except for such actions, proceedings or litigation, that, individually or in the aggregate, would not reasonably be expected to be material to the Company. All requisite certificates of occupancy and other material licenses, permits and approvals required with respect to the ownership and operation of the Improvements and the occupancy and use thereof have been obtained and are currently in effect.

(f) Neither any Seller nor the Company has received written notice that there are pending condemnation, eminent domain, or similar proceedings or actions pending or, to the Company's Knowledge, threatened with regard to the Real Property or that would materially impair the current use, occupancy or operation of the Real Property.

(g) There are no violations or alleged violations of any Laws with respect to the Real Property, including zoning Laws, that, individually or in the aggregate, would reasonably be expected to be material to the Company. To the Company's Knowledge, there are no material inquiries, complaints, proceedings or investigations (excluding routine, periodic inspections) pending regarding compliance of the Real Property with any such Laws.

(h) To the Company's Knowledge, all material Improvements located on, under, over or within the Real Property, and all other aspects of each parcel of Real Property, (i) are in good operating condition and repair and are structurally sound and free of any material defects and (ii) are in material compliance with building, zoning and other applicable land use Laws for their current use, except where the failure to be so, individually or in the aggregate, would not reasonably be expected to be material to the Company.

Section 3.10 Intellectual Property.

(a) **Section 3.10(a)** of the Disclosure Schedules lists all patents, patent applications, trademark registrations and pending applications for registration, copyright registrations and pending applications for registration, internet domain name registrations and other Intellectual Property that is the subject of an application for registration or registration under applicable Law owned by the Company (the "**Registered Intellectual Property**"). All applications for the Registered Intellectual Property are pending in good standing and all registrations for the Registered Intellectual Property are valid and enforceable. There are no overdue filings or unpaid filing, maintenance or renewal fees currently overdue with respect to any Registered Intellectual Property.

(b) **Section 3.10(b)** of the Disclosure Schedules lists all unregistered Intellectual Property owned or held by the Company that is material to the conduct of the business of the Company as currently conducted or planned to be conducted.

(c) Except as set forth in **Section 3.10(c)** of the Disclosure Schedules, the Company owns or has the right to use all Intellectual Property necessary to conduct the business as currently conducted (the "**Company Intellectual Property**") free and clear of all Encumbrances (other than Permitted Encumbrances).

(d) The Company Intellectual Property as currently licensed or used by the Company, and the Company's conduct of its business as currently conducted, do not infringe, misappropriate or otherwise violate the Intellectual Property of any Person. To Company's Knowledge no Person is infringing, misappropriating or otherwise violating any Company Intellectual Property.

(e) There is no Action pending or, to the Company's Knowledge, threatened (whether in writing or orally) in which the ownership, validity or enforceability of any of the Owned Intellectual Property is being contested or challenged or in which the Company's conduct of its business as currently conducted is alleged to infringe, misappropriate or otherwise violate the Intellectual Property of any Person.

(f) Each employee, consultant and independent contractor who has conceived or developed any material Owned Intellectual Property is under an obligation, either by operation of law or written agreement, to assign to the Company the sole and exclusive ownership of such Intellectual Property. No Person has retained any rights, licenses, claims or interests in or to any such Intellectual Property.

(g) To the Company's Knowledge, there has been no unauthorized access to, or disclosure or misappropriate of, any trade secrets or confidential data used in the business of the Company, including personal data of any individual. The Company has complied, in all material respects, with all applicable Laws relating to data protection and privacy and maintains policies and procedures regarding data security and privacy consistent with industry standards and applicable Law. The use and dissemination of any and all data and information concerning individuals by the Company is in compliance in all material respects with all applicable privacy policies, terms of use, customer agreements and Law. Following receipt of the consents set forth in **Section 3.04** of the Disclosure Schedules, the execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby (including the receipt and taking over by Buyer of all of the Company's databases and other information and data concerning individuals held by or on behalf of the Company), will not cause, constitute or result in a breach or violation of applicable privacy policies, terms of use, customer agreements or Law.

Section 3.11 Insurance.

(a) **Section 3.11** of the Disclosure Schedules sets forth a list, as of the date hereof, of all insurance policies maintained by the Company or with respect to which the Company is a named insured or otherwise the beneficiary of coverage (collectively, the "**Insurance Policies**").

(b) A detailed summary of the Insurance Policies has been made available to the Buyer in the Data Room and a complete copy of each Insurance Policy will be made available to Buyer upon Buyer's request.

(c) The Insurance Policies are in full force and effect on the date of this Agreement and all premiums due on such Insurance Policies have been paid. No written notice of cancellation or termination or revocation or other written notice that any such Insurance Policy is no longer in full force or effect has been received by the Company.

(d) The Company has timely filed claims with applicable insurers with respect to all material matters relating to its assets and occurrences for which it has coverage and there are no open material claims that have been denied by any of the Company's insurance providers or for which any such insurance provider has issued a reservation of rights letter.

Section 3.12 Legal Proceedings; Governmental Orders.

(a) Except as set forth in **Section 3.12(a)** of the Disclosure Schedules, there are no Actions pending or, to Company's Knowledge, threatened (whether in writing or orally) against or by the Company or any of the Company's managers, officers, employees or Affiliates in their capacities as such or otherwise affecting any of the Company's properties, assets or membership interests. To the Company's Knowledge, there are no facts or circumstances existing which would reasonably be expected to constitute a valid basis for any such Action that would reasonably be expected to be material to the Company.

(b) Except as set forth in **Section 3.12(b)** of the Disclosure Schedules, there are no outstanding Governmental Orders (other than performed Governmental Orders) and no unsatisfied judgments, penalties or awards against or affecting the Company or any of its properties or assets.

Section 3.13 Compliance With Laws; Permits.

(a) Except as set forth in **Section 3.13(a)** of the Disclosure Schedules, since January 1, 2012, the Company has complied with, been in compliance with and operated its business in material compliance with all Laws and Permits applicable to it or its business, properties or assets.

(b) All Permits required for the Company to conduct its business and which are material to the business have been obtained by it and are valid and in full force and effect (which includes, for the avoidance of doubt, all Permits under Gaming and Racing Laws). To the Knowledge of the Company, the Company is in material compliance with the terms of the Permits.

(c) Except as set forth in **Section 3.13(c)** of the Disclosure Schedules and for matters relating to Gaming and Racing Laws and the Governmental Authorities responsible therefor, which matters are addressed in **Section 3.13(d) below**, since January 1, 2012, the Company has not received any written notice or other written communication from any Governmental Authority or other Person (x) asserting any material violation of, or failure to comply with, any requirement of any Law or Permit or (y) notifying the Company of the non-renewal, revocation or withdrawal of any Permit that is material to the operation of the business.

(d) Neither the Company nor any of its Affiliates, as applicable, nor any director, managers, officer, key employee or Person performing management functions similar to directors, managers, officers or key employees of the Company or its Affiliates has received any written claim, demand, notice, complaint, court order or administrative order from any Governmental Authority in the past three (3) years under, or relating to any violation or possible violation of any Gaming and Racing Laws which did or would be reasonably likely to result in fines or penalties of $50,000 or more, per violation, or $200,000 or more, in the aggregate. None of the Company, its Affiliates or any officer, director, manager, key employee or Person performing any management functions similar to an officer, manager, director or key employee of the Company or its Affiliates, has suffered a suspension or revocation of any license held under the Gaming and Racing Laws by the Company necessary to conduct the business and operations of the Company. To the Company's Knowledge, and with respect to the Company and the Sellers only and not with respect to Buyer, there are no facts, which if known to the Gaming and Racing Authorities, will or would reasonably be expected to result in (i) the failure to obtain any Regulatory Approval by the Gaming and Racing Authorities, or (ii) the failure to maintain in good standing any Permit (including any finding of suitability, registration or approval) of the Company or any of the Sellers.

(e) All amounts which are required to be deposited into the Horse Purse Cash Accounts pursuant to Indiana Code Section 4-35-7-12 (Part of Adjusted Gross Gaming Receipts that Must Be Devoted To Purses, Horsemen's Associations and the Gaming Integrity Fund) or any other Gaming and Racing Law have been properly deposited into the Horse Purse Cash Accounts in accordance with such Laws.

(f) Except as set forth in **Section 3.13(f)** of the Disclosure Schedules, the Company has not, nor to the Knowledge of the Company has any of its Representatives, in any manner related the Company, (i) directly or indirectly, given, or agreed to give, any illegal gift, contribution, payment or similar

benefit to any supplier, customer, governmental official or employee or other Person who was or was expected to be in a position to help or hinder the Company (or assist in connection with any actual or proposed transaction) or made, or agreed to make, any illegal contribution, or reimbursed any illegal political gift or contribution made by any other Person, to any candidate for federal, state, local or foreign public office or (ii) established or maintained any unrecorded fund or asset or made any false entries on any books or records for the purpose of facilitating any of the matters set forth in clause (i) above.

(g) The Company has in place, and at all times has had in place, a written anti-money laundering program, a written customer identification program, and a responsible gaming program, in each case in compliance in all material respects with applicable Law, and has complied in all material respects with the terms of such programs.

(h) None of the representations and warranties contained in **Section 3.13** shall be deemed to relate to environmental matters (which are governed by **Section 3.14**), employee benefits matters (which are governed by **Section 3.15**), employment matters (which are governed by **Section 3.16**) or tax matters (which are governed by **Section 3.17**).

Section 3.14 Environmental Matters.

(a) Except as set forth in **Section 3.14(a)** of the Disclosure Schedules, the Company is and at all times since January 1, 2012 has been in material compliance with all Environmental Laws and has not received from any Person any (i) Environmental Notice or written Environmental Claim or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date.

(b) The Company has obtained and is and at all times since January 1, 2012 has been in material compliance with all Environmental Permits (each of which is disclosed in **Section 3.14(b)** of the Disclosure Schedules) necessary for the ownership, lease, operation or use of the business or assets of the Company.

(c) No Real Property is listed on, or has been proposed for listing on, the National Priorities List, the Comprehensive Environmental Response, Compensation and Liability Information System, the Superfund Enterprise Management System, or any similar state list. To the Company's Knowledge, no facility, site or location to which the Company has sent or transported waste or otherwise arranged for the disposal or treatment of waste is listed on, or has been proposed for listing on, the National Priorities List, the Comprehensive Environmental Response, Compensation and Liability Information System, the Superfund Enterprise Management System, or any similar state list. To the Company's Knowledge, the Company is not liable under CERCLA with respect to any facility, site or location to which the Company has sent or transported waste or otherwise arranged for the disposal or treatment of waste.

(d) Except as set forth in **Section 3.14(d)** of the Disclosure Schedules, there has been no material Release of Hazardous Materials or solid waste in contravention of Environmental Laws with respect to the business or assets of the Company or any Real Property. The Company has not received an Environmental Notice that any Real Property (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material or solid waste which would reasonably be expected to result **i**n an Environmental Claim against, or a material violation of Environmental Laws or term of any Environmental Permit by, the Company.

(e) The Company has previously made available to Buyer in the Data Room or otherwise copies of the most recent environmental reports, studies, audits, records, sampling data, site assessments and other similar documents with respect to the business or assets of the Company or any Real Property which are in the possession or control of the Company.

Section 3.15 Employee Benefit Matters.

(a) **Section 3.15(a)** of the Disclosure Schedules contains a list of each "employee benefit plan" (as defined in Section 3(3) of ERISA), as well as each other benefit, retirement, employment, consulting, compensation, incentive, bonus, stock or other equity, option, incentive compensation, restricted stock, stock appreciation right or similar right, phantom equity, profits interests, change in control, retention, severance, vacation, paid time off, welfare, flexible benefit, cafeteria, dependent care, and fringe-benefit agreement, plan, policy and program, whether or not reduced to writing, that is maintained, sponsored, contributed to, or required to be contributed to by the Company or an ERISA Affiliate, or with respect to which the Company or an ERISA Affiliate is a party, participates in, or has any Liability with respect thereto (as listed on **Section 3.15(a)** of the Disclosure Schedules, each, a "**Benefit Plan**").

(b) True and complete copies of each of the following documents have been made available to Buyer: (i) Benefit Plans, including with respect to any Benefit Plan that is not in writing, a written description of the material terms thereof and (ii) with respect to each Benefit Plan, to the extent applicable: (A) any related trust agreement, or insurance contract or documents relating to other funding arrangements, (B) any related administrative service agreement, (C) for the three (3) most recently ended plan years, all IRS Form 5500s (including schedules and financial statements attached thereto), (D) all current summary plan descriptions and subsequent summaries of material modifications required under ERISA, (E) a current IRS determination or opinion letter; and (F) the most recent financial and actuarial valuation reports.

(c) Except as set forth in **Section 3.15(c)** of the Disclosure Schedules, (i) each Benefit Plan and related trust complies, in all material respects, in form with all requirements of applicable Laws and has been administered in all material respects in accordance with their terms and with all applicable Laws (including ERISA, the Code and applicable local Laws), and no notice has been issued by any governmental authority questioning or challenging such compliance, (ii) each Benefit Plan that is intended to be qualified under Section 401(a) of the Code (a "**Qualified Benefit Plan**") has received a favorable determination letter from the Internal Revenue Service, or with respect to a prototype plan, can rely on an opinion letter from the Internal Revenue Service to the prototype plan sponsor, to the effect that such Qualified Benefit Plan is so qualified and that the plan and the trust related thereto are exempt from federal income Taxes under Sections 401(a) and 501(a), respectively, of the Code, all amendments to any such Qualified Benefit Plan for which the remedial amendment period (within the meaning of section 401(b) of the Code and applicable regulations) has expired are covered by a favorable Internal Revenue Service determination letter or opinion letter, and no fact or event has occurred that could affect adversely the qualified status of any such Qualified Benefit Plan or the exempt status of any such trust, (iii) all benefits, contributions and premiums required by and due under the terms of each Benefit Plan, the terms of any collective bargaining agreements and applicable Law have been timely paid in accordance with the terms of such Benefit Plan, the terms of any collective bargaining agreements, the terms of all applicable Laws and GAAP, (iv) all Benefit Plans that are subject to section 409A of the Code comply with section 409A in form and have been administered in accordance with their terms and section 409A of the Code, and (v) there has been no prohibited transaction (within the meaning of Section 406 of ERISA or Section 4975 of the Code, other than a transaction that is exempt under a statutory or administrative exemption) with respect to any Benefit Plan with respect to which the Company would be reasonably expected to have any liability.

(d) None of the Company or its ERISA Affiliates contributes to, has contributed to, or has Liability with respect to: (i) a plan subject to the minimum funding standards of Section 302 of ERISA or Section 412 of the Code; (ii) a "multi-employer plan" (as defined in Section 3(37) of ERISA); (iii) a multiple employer plan (within the meaning of Section 4063 or 4064 of ERISA or Section 413(c) of the Code); or (iv) a multiple employer welfare arrangement (within the meaning of Section 3(40) of ERISA). None of the assets of any Benefit Plan are invested in employer securities or employer real property. None of the Company or any of its ERISA Affiliates is a nonqualified entity within the meaning of section 457A of the Code.

(e) Except as set forth in **Section 3.15(e)** of the Disclosure Schedules and other than as required under Section 4980B of the Code or other applicable Law, none of the Company or its ERISA Affiliates has any Liability for providing benefits or coverage in the nature of health, life or disability insurance

following retirement or other termination of employment (other than death benefits when termination occurs upon death).

(f) Except as set forth in **Section 3.15(f)** of the Disclosure Schedules, (i) there is no pending or, to Company's Knowledge, threatened action or claim relating to a Benefit Plan or the assets thereof (other than routine claims for benefits), and no facts exist that would reasonably give rise to any such actions or claims; and (ii) no Benefit Plan has within the three (3) years prior to the date hereof been the subject of an examination or audit by a Governmental Authority.

(g) Each Benefit Plan that is a "group health plan" as defined in Section 733(a)(1) of ERISA (i) is currently in compliance in all material respects with the Healthcare Reform Laws, and (ii) has been in compliance in all material respects with all applicable Healthcare Reform Laws since March 23, 2010.

(h) There have been no acts or omissions by the Company or any of its ERISA Affiliates which have given rise to or would reasonably be expected to give rise to interest, fines, penalties, taxes or related charges under Sections 406 or 502 of ERISA or Chapters 43, 47, 68 or 100 of the Code or the Healthcare Reform Laws for which the Company or any of its ERISA Affiliates may be liable or under Section 409A of the Code for which the Company, any of its ERISA Affiliates or any participant in any Benefit Plan that is a nonqualified deferred compensation plan (within the meaning of Section 409A of the Code) may be liable.

(i) Except as set forth in **Section 3.15(i)** of the Disclosure Schedules, neither the consummation of the transaction contemplated by this Agreement (alone or in combination with any other event) will: (i) result in the payment to any Employee, manager, director or consultant of any money or other property; (ii) accelerate the vesting of or provide any additional rights or benefits (including funding of compensation or benefits through a trust or otherwise) to any Employee, manager, director or consultant; (iii) limit or restrict the ability of Buyer or its Affiliates to merge, amend or terminate any Benefit Plan; or (iv) cause any payments or benefits to any employee, officer or director of the Company to be either subject to an excise Tax or to be non-deductible under Sections 4999 and 280G of the Code.

Section 3.16 Employment Matters.

(a) Except as set forth in **Section 3.16(a)** of the Disclosure Schedules, the Company is not a party to, or bound by, any collective bargaining or other agreement with a labor organization representing any of its Employees, and no union organizational campaign is pending or, to the Company's Knowledge, threatened with respect to any of the Employees. Except as set forth in **Section 3.16(a)** of the Disclosure Schedules, since December 31, 2014, there has not been, nor, to Company's Knowledge, has there been any threat of, any strike, slowdown, work stoppage, lockout, labor arbitration, concerted refusal to work overtime or other similar labor activity or dispute affecting the Company.

(b) The Company is in material compliance with all applicable Laws pertaining to employment and employment practices, including Laws pertaining to terms and conditions of employment, collective bargaining, worker classification, wages, hours of work, withholding, discrimination, immigration and occupational safety and health. The Company (i) has withheld and reported all amounts required by Law or Contract to be withheld and reported with respect to wages, salaries and other payments to current and former employees, consultants, and independent contractors, (ii) is not liable for any arrearage of wages or Taxes or any interest, fine or penalty for failure to comply with the foregoing, and (iii) is not liable for any payment to any trust or other fund governed by or maintained by or on behalf of any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for current or former employees. Except as set forth in **Section 3.16(b)** of the Disclosure Schedules, there are no Actions against the Company pending, or to the Company's Knowledge, threatened (whether in writing or orally) to be brought or filed, by or with any Governmental Authority or arbitrator in connection with the employment of any current or former employee of the Company, including, without limitation, any claim relating to unfair labor practices, employment discrimination, harassment, retaliation, equal pay or any other employment related matter arising under applicable Laws.

(c) Except as set forth in **Section 3.16(c)** of the Disclosure Schedules, the Company has not taken any action with respect to the transactions contemplated by this Agreement that could constitute a "mass layoff" or "plant closing" within the meaning of the Worker Adjustment and Retraining Notification Act or could otherwise trigger any notice requirement or Liability under any state or local plant closing notice Law.

(d) The Company is not a federal contractor or subcontractor covered by laws and regulations enforced by the Office of Federal Contract Compliance Programs.

Section 3.17 Taxes.

(a) Except as set forth in **Section 3.17** of the Disclosure Schedules:

(i) The Company has filed (taking into account any valid extensions) all Tax Returns required to be filed by the Company. Such Tax Returns are true, complete and correct in all material respects. The Company is not currently the beneficiary of any extension of time within which to file any Tax Return other than extensions of time to file Tax Returns obtained in the Ordinary Course of Business. All Taxes due and owing by the Company have been paid or accrued.

(ii) No extensions or waivers of statutes of limitations have been given or requested with respect to any Taxes of the Company.

(iii) There are no ongoing actions, suits, claims, investigations or other legal proceedings by any taxing authority against the Company.

(iv) The Company is not a party to any tax-sharing agreement.

(v) All Taxes which the Company is obligated to withhold from amounts owing to any employee, creditor or third party have been paid or accrued and the Company has complied in all material respects with all information reporting (including Internal Revenue Service Form 1099) and backup withholding requirements, including maintenance of required records with respect thereto.

(vi) There are no Encumbrances on the assets of the Company relating or attributable to Taxes, except for (i) statutory liens for Taxes not yet due and payable or (ii) Taxes that are being contested in good faith through appropriate proceedings and with due diligence, and, in either case (i) or (ii), for which reserves have been established in accordance with generally accepted accounting principles.

(vii) No claim has ever been made by a Governmental Authority in writing in any jurisdiction where the Company does not file Tax Returns that the Company is required to file Tax Returns in such jurisdiction.

(viii) Neither Holdings nor any of its Subsidiaries will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of (A) any open transaction disposition made on or prior to the Closing Date, (B) any prepaid amount received on or prior to the Closing Date, (C) any "closing agreement," as described in Section 7121 of the Code (or any corresponding provision of state, local or non-U.S. income tax law) entered into on or prior to the Closing Date, or (D) a change in the method of accounting for a period ending prior to or including the Closing Date.

(ix) Neither Holdings or any of its Subsidiaries has engaged in a "reportable transaction" as defined in Treasury Regulations Section 1.6011-4(b).

(x) Neither Holdings or any of its Subsidiaries (i) has any liability for any Tax or any portion of a Tax (or any amount calculated with reference to any portion of a Tax) of any Person other than the Company, including as transferee or successor, or by contract (other than customary agreements not primarily related to Taxes entered into in the Ordinary Course of Business) (ii) has been a member of an affiliated group filing combined or consolidated income or franchise Tax Returns (except for the group of

which the Company is the common parent) for federal, state, local or foreign Tax purposes or (iii) has been a party to a tax sharing, protection, indemnification or allocation agreement (other than customary agreements not primarily related to Taxes entered into in the Ordinary Course of Business).

(xi) No power of attorney related or attributable to Taxes that currently is in effect has been granted by Holdings or any of its Subsidiaries.

(xii) Neither Holdings nor any of its Subsidiaries has distributed stock of another Person, or had its stock distributed by another Person, in a transaction intended or purported to be governed, in whole or in part, by Section 355 of the Code or Section 361 of the Code.

(xiii) Holdings is not and has not been a "United States real property holding corporation" within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(xiv) Neither Holdings nor any of its Subsidiaries is a party to any joint venture, partnership, other arrangement or contract which may reasonably be expected to be treated as a partnership for U.S. federal income Tax purposes.

(b) Since October 1, 2011, Holdings has been classified as an association taxed as a corporation for U.S. federal income tax purposes and has not made any election to the contrary.

(c) Since October 1, 2011, each direct and indirect Subsidiary of Holdings has at all times been classified as a disregarded entity for U.S. federal income tax purposes and has not made any election to the contrary.

Section 3.18 Brokers. Except for Deutsche Bank Securities Inc. and UBS Securities LLC, whose fees and expenses shall be paid by Sellers, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company.

Section 3.19 Sufficiency of Assets.

(a) The tangible personal property owned and operated, or leased and operated, by the Company (i) is in good repair and good operating condition, ordinary wear and tear excepted, or (ii) is suitable for immediate use in the Ordinary Course of Business. The owned and leased items of tangible personal property of the Company, together with the Real Property of the Company and the owned and licensed Intellectual Property of the Company, is sufficient, without material supplement, for the continuation of the Company's business and operations in the Ordinary Course of Business.

(b) The assets and properties owned, leased or licensed by the Company constitute all of the properties used by the Company to conduct its business and operations as currently conducted.

Section 3.20 Related Party Transactions. Except as set forth on **Section 3.20** of the Disclosure Schedules (the agreements required to be disclosed on **Section 3.20** of the Disclosure Schedules, "**Seller Related Party Agreements**"), no Seller, officer, manager, director or shareholder of any Seller, officer or manager of the Company, or any Affiliate of any of the foregoing, (a) is a party to any Contract with or binding upon the Company or any of its properties or assets or (b) has any ownership interest in any property owned, leased or otherwise used by the Company. **Section 3.20** of the Disclosure Schedules sets forth a true and complete list of the Seller Related Party Agreements. For purposes of this **Section 3.20**, the term "**Affiliate**" shall include, in the case of Persons that are natural persons, each member of the immediate family of such individuals and each Affiliate thereof.

Section 3.21 Bank Accounts; Authorized Signatories. **Section 3.21** of the Disclosure Schedules sets forth a true and complete list of each account maintained by or for the benefit of the Company at any bank or other financial institution, including the name of the bank or financial institution and the account number. **Section 3.21** of the Disclosure Schedules includes a true and complete list of each Person, with

respect to each account, that is authorized to act in the name or on behalf of the Company, by power of attorney or otherwise, and except as set forth on **Section 3.21** of the Disclosure Schedules, no other Person has access to or any other rights regarding any of the accounts.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF SELLERS

Except as set forth in the Disclosure Schedules, each Seller, as to itself only, represents and warrants to Buyer that the statements contained in this **Article IV** are true and correct as of the date hereof and as of the Closing.

Section 4.01 Organization and Authority of Seller.

(a) If such Seller is an entity, such Seller is duly organized, validly existing and, to the extent applicable, in good standing under the Laws of the state of its organization and has all necessary power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by such Seller of this Agreement and the Ancillary Agreements to which it is a party, the performance by such Seller of its obligations hereunder and thereunder and the consummation by such Seller of the transactions contemplated hereby and thereby have been duly authorized by all requisite action on the part of such Seller. This Agreement has been (and when executed and delivered, the Ancillary Agreements to which it is a party will be) duly executed and delivered by such Seller, and (assuming due authorization, execution and delivery by the Buyer) this Agreement constitutes (and when executed and delivered, the Ancillary Agreements to which it is a party will constitute) a legal, valid and binding obligation of such Seller, enforceable against such Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

(b) If such Seller is an individual, such Seller has the capacity and power to enter into this Agreement and the Ancillary Agreements to which such Seller is a party, to carry out his or her obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by such Seller, and (assuming due authorization, execution and delivery by the Buyer) this Agreement constitutes (and when executed and delivered, the Ancillary Agreements to which it is a party will constitute) a legal, valid and binding obligation of such Seller enforceable against such Seller in accordance with its terms. When each Ancillary Agreement to which such Seller is or will be a party in connection with this Agreement has been duly executed and delivered by such Seller (assuming due authorization, execution and delivery by the Buyer), such agreement will constitute a legal and binding obligation of such Seller enforceable against it in accordance with its terms.

Section 4.02 Ownership. Such Seller (i) is the record, beneficial and legal owner of, and has good and valid title, to the Existing Units and Warrants set forth opposite such Seller's name on **Schedule 1** and (ii) is the record, beneficial and legal holder of all rights as the lender holding the Member Notes identified on **Schedule 1** and issued under the applicable Member Term Loans in the original principal amount set forth opposite such Seller's name on **Schedule 1**, in each case free and clear of all Encumbrances and any right of first refusal, right of first offer, or preemptive right (other than those Encumbrances (A) created by this Agreement, (B) created by Buyer, (C) as set forth in the Holdings Operating Agreement, the Third Party Loan, the Award Agreements and Management Notes, the Warrants, the Member Notes and Member Term Loans and the Clairvest Co-Investor Agreement or (D) those restrictions on the subsequent transfer imposed by state and federal securities laws and Gaming and Racing Laws). Except as set forth in the Clairvest Co-Investor Agreement, such Seller has not assigned, transferred or waived any rights with respect to any of the Existing Units (including the MIP Units), Warrants, Member Notes or related Member Term Loans or grant document related to the MIP Units. Upon consummation of the transactions contemplated by this Agreement (including, without limitation, the provisions of **Section 6.17** (Holdings Operating Agreement, Warrants and Member Term Loans)), such Seller shall have transferred to the Buyer, and Buyer shall have acquired, good title to all of the Existing Units, Warrants and Member Notes identified on **Schedule 1** being sold by such Seller and a

valid assignment of all of the Seller's rights under the Member Term Loans, in each case free and clear of all Encumbrances (other than Encumbrances created by Buyer and restrictions on the subsequent transfer imposed by state and federal securities laws and Gaming and Racing Laws and the non-waivable provisions of the Member Term Loans and Warrants which restrict subsequent transfers of the Member Notes and the Warrants without the consent of the Gaming and Racing Authorities). None of the Existing Units, the Warrants or the Member Notes were issued or entered into in violation of such Seller's obligations under any agreement, arrangement or commitment to which such Seller is a party or applicable Law. Other than (i) the organizational documents of Holdings, the Warrant and Note Documents, the Member Term Loans and the MIP Units, the Clairvest Co-Investor Agreement and the employment agreement of such Seller entered into with the Company and described in **Section 4.02** of the Disclosure Schedules, if applicable to such Seller, Seller is not party to any agreement or arrangement containing a voting trust or other agreements or understandings in effect with respect to the voting or transfer of any of the Existing Units, Warrants or Member Notes and related Member Term Loans. As of the Closing Date, but immediately prior to the Closing, the transactions contemplated by **Section 6.17** (Holdings Operating Agreement, Warrants and Member Term Loans) shall have been completed and, following such completion, all of the Existing Units, the Warrants and the Member Notes will be owned of record, beneficially and legally by the applicable Seller, free and clear of all Encumbrances (other than Encumbrances (A) created by this Agreement, (B) created by Buyer, or (C) those restrictions on the subsequent transfer imposed by state and federal securities laws and Gaming and Racing Laws).

Section 4.03 No Conflicts; Consents. Assuming receipt of all Regulatory Approvals, the execution, delivery and performance by such Seller of this Agreement and any Ancillary Agreement to which such Seller is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of any provision of the organizational documents of such Seller; (b) result in a material violation or breach of any provision of any Law, Permit or any Governmental Order applicable to such Seller; (c) result in the creation or imposition of any Encumbrance on such Seller's Existing Units, Warrants, Member Notes or related Member Term Loans; or (d) breach any preemptive or subscription rights, rights of first refusal, voting trusts, member agreements or other agreements or understandings in effect with respect to the issuance, voting or transfer of any of the Existing Units, the Warrants or Member Notes and Member Term Loans to which such Seller is party or by which such Seller is bound. Other than the Regulatory Approvals, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to such Seller in connection with the execution, delivery or performance of this Agreement or any of the Ancillary Agreements to which such Seller is a party or the consummation of the transactions contemplated hereby or thereby (including the assignment and transfer of the Holdings Interests).

Section 4.04 Brokers. Except for Deutsche Bank Securities Inc. and UBS Securities LLC (whose fees and expenses shall be paid by Sellers), no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller for which the Company or Buyer could be liable.

Section 4.05 Legal Proceedings. There are no Actions pending or, to the knowledge of such Seller, threatened (whether in writing or orally) against or by such Seller or any Affiliate of such Seller that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

Section 4.06 No Other Representations and Warranties. Except for the representations and warranties contained in **Article III** and this **Article IV** (including the related portions of the Disclosure Schedules), the Company has not made and does not make, no Seller has made and no Seller makes, and no other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of any Seller or the Company, including any representation or warranty as to the accuracy or completeness of any information regarding the Company furnished or made available to the Buyer and its Representatives (including the Confidential Information Memorandum with respect to the Company dated Summer 2017, and any information, documents or material made available to the Buyer in the Data Room, management presentations or in any other form in expectation of the transactions contemplated hereby) or as

to the future revenue, profitability or success of the Company, or any representation or warranty arising from statute or otherwise in law.

ARTICLE V
REPRESENTATIONS AND WARRANTIES OF BUYER

Except as set forth in the Disclosure Schedules, Buyer represents and warrants to each Seller that the statements contained in this **Article V** are true and correct as of the date hereof and as of the Closing.

Section 5.01 Organization and Authority of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the state of Delaware. Buyer has all necessary corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery by Buyer of this Agreement and the Ancillary Agreements to which it is a party, the performance by Buyer of its obligations hereunder and thereunder and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been (and when executed and delivered, the Ancillary Agreements to which it is a party will be) duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Holdings and each Seller) this Agreement constitutes (and when executed and delivered, the Ancillary Agreements to which it is a party will constitute) a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 5.02 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and the Ancillary Agreements to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) result in a violation or breach of any provision of the organizational documents of Buyer; (b) result in a violation or breach of any provision of any Law or Governmental Order applicable to Buyer; or (c) except as set forth in **Section 5.02** of the Disclosure Schedules and assuming receipt of the filings, consents and approvals set forth on **Section 3.04** of the Disclosure Schedules, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which Buyer is a party, except, in the case of **clause (c)**, where the failure to obtain such consents, notices or other action or such conflicts, violations, breaches, defaults, accelerations, cancellations would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby. Assuming receipt of the filings, consents, and approvals set forth in **Section 3.04** of the Disclosure Schedules, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice or submission to, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, except for such filings as may be required under the HSR Act and as set forth in **Section 5.02** of the Disclosure Schedules and such consents, approvals, Permits, Governmental Orders, declarations, filings, notices or submissions which would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

Section 5.03 Investment Purpose. Buyer is acquiring the Existing Units, the Warrants and the Member Notes solely for its own account for investment purposes and not with a present view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Existing Units, the Warrants and the Member Notes are not registered under the Securities Act of 1933, as amended, or any state securities laws, and that the Existing Units, the Warrants and the Member Notes may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. Buyer is able to bear the economic risk of holding the Existing Units, the Warrants and the Member Notes for an indefinite period (including total loss of its investment), and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

Section 5.04 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer.

Section 5.05 Financial Resources. On the Closing Date, Buyer will have sufficient cash on hand or other sources of immediately available funds (including pursuant to a committed financing facility) to enable it to make payment of the Purchase Price (and any adjustments thereto in accordance with **Section 2.06**) and all other necessary fees, expenses and other amounts in connection with the consummation of the transaction contemplated by this Agreement.

Section 5.06 Legal Proceedings. There are no Actions pending or, to Buyer's knowledge, threatened (whether in writing or orally) against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

Section 5.07 Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Company, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of the Company and the Sellers set forth in **Article III** or **Article IV** of this Agreement (including the related portions of the Disclosure Schedules); (b) none of the Company, any Seller, or any other Person has made any representation or warranty as to the Company, any Seller or this Agreement, except as expressly set forth in **Article III** and **Article IV** of this Agreement (including the related portions of the Disclosure Schedules) and any certificates, agreements or other documents required pursuant to this Agreement to be delivered at the Closing; and (c) Buyer is not relying upon any advice from any Seller and no Seller, nor any of their respective Affiliates, is acting as a financial advisor, agent, underwriter or broker to Buyer or any of Buyer's Affiliates or otherwise on behalf of Buyer or any of Buyer's Affiliates in connection with the transactions contemplated by this Agreement and the agreements entered into in connection herewith.

Section 5.08 Buyer Compliance with Gaming Laws.

(a) Buyer and its Affiliates (the "**Licensed Affiliates**") and each of their respective directors, managers, officers, key employees and Persons performing management functions similar to directors, managers, officers or key employees, hold all material licenses, permits and other authorizations necessary to comply with gaming and racing laws in the jurisdictions in which such Licensed Affiliates operate (the "**Affiliate Permits**") and are in material compliance with the terms of the Affiliate Permits. Neither Buyer nor any of its Affiliates have received notice of any proceeding or review by any Governmental Authority under any gaming and racing law with respect to Buyer or any of its Affiliates that would have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

(b) Except as disclosed in **Section 5.08(b)** of the Disclosure Schedules, neither Buyer nor any of its Affiliates, nor any their respective directors, managers, officers, key employees and Persons performing management functions similar to directors, managers, officers or key employees, has received any written claim, demand, notice, complaint, court order or administrative order from any Gaming and Racing Authority in the past three (3) years under, or relating to any violation or possible violation of any Gaming and Racing Laws which did or would be reasonably likely to result in fines or penalties of $100,000 or more, in the aggregate. To Buyer's knowledge, with respect to Buyer and its Licensed Affiliates only and not with respect to the Company or Sellers, there are no facts, which if known to the Gaming and Racing Authorities, will or would reasonably be expected to result in the failure to obtain any Regulatory Approval by the Gaming and Racing Authorities. None of Buyer or its Affiliates, or any of their respective directors, managers, officers, key employees and Persons performing management functions similar to directors, managers, officers or key employees, has suffered a suspension or revocation of any license held under the Gaming and Racing Laws necessary to conduct the business and operations of Buyer or its Affiliates in Indiana, as applicable.

ARTICLE VI
COVENANTS

Section 6.01 Conduct of Business Prior to the Closing. From the date hereof until the Closing, except as otherwise provided in this Agreement, required by Law or consented to in writing by Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), the Company shall, and the Sellers shall cause the Company, to: (i) conduct the business of the Company in the Ordinary Course of Business; (ii) use commercially reasonable efforts to maintain and preserve intact the current organization, business and franchise of the Company and to preserve the rights, franchises, goodwill and relationships of its Employees, customers, lenders, suppliers, regulators and others having business relationships with the Company. Without limiting the generality of the foregoing, from the date hereof until the Closing Date, except as consented to in writing by Buyer (which consent shall not be unreasonably withheld, conditioned or delayed), the Company shall not, and the Sellers shall not cause or permit the Company to, (A) take any action that would cause any of the changes, events or conditions described in **Section 3.07** to occur (assuming for this purpose, that **Section 3.07** applies to the period from the date hereof until the Closing) or (B) enter into, amend or terminate any Material Contract, other than in the Ordinary Course of Business; (iii) use reasonable best efforts to cause all reports to any Gaming and Racing Authority for any period ended on or before December 31, 2017 to be filed before Closing; and (iv) comply with the provisions of **Section 6.01** of the Disclosure Schedules. From the date hereof until the Closing, the Company shall not, and the Sellers shall cause the Company not to, without Buyer's prior written consent, enter into any written Contract with a term of more than 60 days that does not include language that permits the Company to terminate the Contract in the event that its compliance committee determines in good faith that the counterparty to such contract is unsuitable to do business with the Company or any of its Affiliates.

Section 6.02 Access to Information; Schedule Updates.

(a) From the date hereof until the Closing, the Company shall, and the Sellers shall cause the Company to: (i) afford Buyer and its Representatives reasonable access to and the right to inspect all of the Real Property (including for the purposes of updating Phase I environmental assessments), properties, assets, premises, books and records, contracts, agreements and other documents and data related to the Company; (ii) furnish Buyer and its Representatives with such financial, operating and other data and information related to the Company as Buyer or any of its Representatives may reasonably request; and (iii) instruct the Representatives of the Company to cooperate with Buyer in its investigation of the Company; *provided, however,* that any such investigation shall be conducted during normal business hours upon reasonable advance notice to the Company and Sellers Representative, under the supervision of the Company's personnel and in such a manner as not to interfere with the normal operations of the Company. All requests by Buyer for access pursuant to this **Section 6.02(a)** shall be submitted or directed exclusively to John Keeler and Tammy Schaeffer, with a copy to Sellers Representative or such other individuals as Sellers Representative may designate in writing from time to time. Notwithstanding anything to the contrary in this Agreement, neither the Company, nor any Seller, shall be required to disclose any information to Buyer if such disclosure would, in Sellers Representative's sole discretion: (x) cause significant competitive harm to any Seller, the Company or their respective businesses if the transactions contemplated by this Agreement are not consummated; (y) jeopardize any attorney-client or other privilege; or (z) contravene any applicable Law, fiduciary duty or binding agreement entered into prior to the date of this Agreement. Prior to the Closing, without the prior written consent of Sellers Representative, which may be withheld for any reason, Buyer shall not contact any suppliers to, or customers of, the Company and Buyer shall have no right to perform invasive or subsurface investigations of the Real Property. Buyer shall, and shall cause its Representatives to, abide by the terms of the Confidentiality Agreement with respect to any access or information provided pursuant to this **Section 6.02(a)**.

(b) From time to time prior to the Closing, the Sellers and the Company may supplement or amend the Disclosure Schedules hereto with respect to any matter arising after the date hereof (other than as a result of a breach of any covenant of this Agreement) (each a "**Schedule Supplement**"). Any disclosure in any such Schedule Supplement shall not be deemed to have cured any inaccuracy in or breach of any representation or warranty contained in this Agreement, including for purposes of the indemnification or

termination rights contained in this Agreement or of determining whether or not the conditions set forth in **Section 7.02(a)** have been satisfied; *provided, however*, that if properly delivered Schedule Supplements include matters that, individually or in the aggregate, would cause conditions precedent to the Closing set forth in **Section 7.02(a)(iii)** or **Section 7.02(n)** to be untrue on the Closing Date, and Buyer waives such conditions to Closing, then Buyer shall have irrevocably waived its right to indemnification under **Section 9.01** with respect to such matters. Promptly following receipt by Buyer of any Schedule Supplement, Buyer shall consult in good faith with the Company regarding the matters set forth herein.

(c) From time to time prior to the Closing, if any Seller wishes to sell, transfer or assign all (but not less than all) of the Holdings Interests owned by it to another Seller, then: (i) such Sellers shall enter into a customary assignment agreement with respect to such Holdings Interests (the "**Assigned Interests**"), the form and substance of which shall be reasonably acceptable to Buyer; (ii) the applicable Sellers shall effect such assignment in accordance with applicable Law, including the requirements of any Gaming and Racing Authority; (iii) the Company and the Sellers shall provide Buyer with a Schedule Supplement to reflect such assignment; (iv) for the avoidance of doubt, such Schedule Supplement will be disregarded for the purpose of any claim for Losses by any Buyer Indemnified Party as provided in **Section 9.02(a)(v)** (Capitalization Representation); and (v) the transferring and acquiring Sellers shall (at their sole cost and expense) make such representations and warranties to Buyer regarding the Assigned Interests and the transactions related thereto as Buyer shall reasonably request and procure in favor of Buyer a policy of representation and warranty insurance with respect thereto or provide to Buyer a letter of credit, guaranty from a credit-worthy Person or other financial assurance that is sufficient, in Buyer's good faith judgment, to provide Buyer with protection against breaches of representations that Buyer would have had but for the assignment; *provided, however, that* no Clairvest Seller shall sell, transfer or assign any of its Holdings Interests.

Section 6.03 Certain Benefit Matters.

(a) 280(g) Matters.

(i) To the extent that (x) any Employee is a "disqualified individual" (as such term is defined for purposes of Section 280G of the Code) of the Company (a "**Disqualified Individual**") and may be entitled to any payment or benefit as a result of the transactions contemplated by this Agreement (either alone or upon the occurrence of any additional or subsequent events), including in connection with any payments to Rod Ratcliff in connection with the anticipated repayment of the Churchill Note and (y) such payment or benefit would or could reasonably be expected to constitute a "parachute payment" under Section 280G of the Code or could reasonably be expected to result in the imposition of any excise Tax imposed under Section 4999 of the Code, Holdings shall use reasonable best efforts to:

(A) At least ten (10) Business Days prior to the Closing, obtain a binding written waiver by such Disqualified Individual (each, an "**Excess Parachute Waiver**") of any portion of such parachute payment as exceeds three times such individual's "base amount" within the meaning of Section 280G(b)(3) of the Code less one dollar (collectively, the "**Excess Parachute Payments**") to the extent such Excess Parachute Payments are not subsequently approved pursuant to a unitholder vote in accordance with the requirements of Section 280G(b)(5)(B) of the Code and Treasury Regulations § 1.280G-1 thereunder (the "**280G Approval Requirements**");

(B) At least five (5) Business Days prior to the Closing Date, seek unitholder approval in a manner intended to satisfy the 280G Approval Requirements in respect of the Excess Parachute Payments payable to all such Disqualified Individuals; and

(C) At least five (5) Business Days prior to the Closing Date, provide all disclosure to all Persons entitled to vote under Section 280G(b)(5)(B)(ii) of the Code and the regulations thereunder and hold a vote of unitholders in the manner intended to satisfy the 280G Approval Requirements.

(ii) Holdings shall provide the calculations, Excess Parachute Waivers, disclosures and any other resolutions, notices or other documents to be issued, distributed, adopted or executed in connection with the implementation of this **Section 6.03** to Buyer for its prior review and comment (such

comments to be provided within three (3) Business Days after Buyer's receipt thereof), and Holdings shall consider in good faith any reasonable comments made by Buyer.

(iii) To the extent any Excess Parachute Payments with respect to which any Excess Parachute Waiver is obtained are not approved as contemplated pursuant to **Section 6.03(a)(i)**, such Excess Parachute Payments shall not be made or provided. Prior to the Closing Date, Holdings shall deliver to Buyer written evidence of satisfaction of the 280G Approval Requirements or written notice of the non-satisfaction thereof.

(b) 401(k) Matters. At the written request of Buyer not less than five (5) days prior to the Closing Date, the Company shall take all action necessary to cease contributions to and terminate each plan qualified under Code Section 401(k) (the "**Company 401(k) Plan**"), including adopting written resolutions, the form and substance of which shall be reasonably satisfactory to Buyer, to terminate such Company 401(k) Plan effective as of the day immediately prior to the Closing Date and to one hundred percent (100%) vest all participants in the Company 401(k) Plan, in the case of each of the foregoing, effective as of and contingent upon the consummation of the transactions contemplated by this Agreement.

Section 6.04 Resignations. The Company shall, and the Sellers shall cause the Company to, deliver to Buyer written resignations, effective as of the Closing Date, of the officers and managers of the Company requested by Buyer at least five (5) Business Days prior to the Closing.

Section 6.05 Director and Officer Indemnification and Insurance.

(a) Buyer agrees that all rights to indemnification, advancement of expenses and exculpation by the Company now existing in favor of each Person who is now, or has been at any time prior to the date hereof or who becomes prior to the Closing Date, an officer or manager of the Company, as provided at Law or pursuant to the certificate of formation or limited liability company agreement of the Company, in each case as in effect on the date of this Agreement, or pursuant to any other agreements in effect on the date hereof and disclosed in **Section 6.05(a)** of the Disclosure Schedules, shall survive the Closing Date and shall continue in full force and effect in accordance with their respective terms.

(b) The Company shall, and Buyer shall cause the Company to (i) maintain in effect for a period of six (6) years after the Closing Date, if available, the current policies of directors' and officers' liability insurance maintained by the Company immediately prior to the Closing Date (*provided, however,* that the Company may substitute therefor policies, of at least the same coverage and amounts and containing terms and conditions that are not less advantageous to the managers and officers of the Company when compared to the insurance maintained by the Company as of the date hereof), or (ii) obtain as of the Closing Date "tail" insurance policies with a claims period of six (6) years from the Closing Date with at least the same coverage and amounts, and containing terms and conditions that are not less advantageous to the managers and officers of the Company, in each case with respect to claims arising out of or relating to events which occurred on or prior to the Closing Date (including in connection with the transactions contemplated by this Agreement); provided that Buyer shall not be obligated to expend an amount on an annualized basis for such six (6) year period in excess of three hundred percent (300%) of the annual premiums for the current policies of directors', managers' and officers' liability insurance maintained by the Company to purchase such "tail" insurance. If such insurance coverage can only be obtained at an annualized premium for such six (6) year period in excess of three hundred percent (300%) of the annual premium for the current policies, Buyer shall obtain and maintain one or more policies with the greatest coverage available for an annualized premium equal to three hundred percent (300%) of such current annual premium.

(c) The obligations of Buyer and the Company under this **Section 6.05** shall not be terminated or modified in such a manner as to adversely affect any manager or officer to whom this **Section 6.05** applies without the consent of such affected manager or officer (it being expressly agreed that the managers and officers to whom this **Section 6.05** applies shall be third-party beneficiaries of this **Section 6.05**, each of whom may enforce the provisions of this **Section 6.05**).

(d) In the event Buyer, the Company or any of their respective successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or surviving corporation or entity in such consolidation or merger or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in either such case, proper provision shall be made so that the successors and assigns of Buyer or the Company, as the case may be, shall assume all of the obligations set forth in this **Section 6.05**.

Section 6.06 Confidentiality.

(a) Buyer acknowledges and agrees that the Confidentiality Agreement remains in full force and effect and, in addition, covenants and agrees to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided to Buyer pursuant to this Agreement. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement and the provisions of this **Section 6.06** shall nonetheless continue in full force and effect.

(b) Following the Closing, each Seller shall, and shall cause its Affiliates and Representatives to, keep confidential all information relating to the Company and its business, except (x) to the extent legally permissible, in connection with any Action to enforce this Agreement or (y) to the extent such information is required to be disclosed by applicable Law, in which case such Seller shall, to the extent legally permissible, (i) provide Buyer with prompt written notice of such requirement so that Buyer may seek an appropriate protective order or other remedy or waive compliance, in whole or in part, with this **Section 6.06(b)**, (ii) cooperate with Buyer, at Buyer's expense, to obtain such protective order or other remedy, (iii) disclose only the portion of that information such Seller or its Affiliate or Representative is advised by counsel is legally required to be disclosed, (iv) before making any disclosure, provide Buyer with the text of the proposed disclosure and consider in good faith Buyer's suggestions concerning the scope and content of the information to be disclosed and (v) use its reasonable best efforts to preserve the confidentiality of all information so disclosed; *provided* that, notwithstanding the foregoing, each Seller and their respective Representatives may disclose any information to the extent that such information is requested or required by any tax or regulatory authority having jurisdiction over such Seller or its Representatives.

Section 6.07 Governmental and Regulatory Approvals and Other Third-party Consents

(a) *Consents Generally.* Each party hereto shall, as promptly as possible, use its reasonable best efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all third parties, including Governmental Authorities that are necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement, including those notices and consents set forth on **Section 3.04** and **Section 5.02** of the Disclosure Schedules and with respect to applicable state and federal securities Laws, the HSR Act and Gaming and Racing Laws, including, for the avoidance of doubt, each party hereto providing information with respect to executing and filing any submissions in respect thereof and participating in meetings with the applicable Gaming and Racing Authorities. Each party shall cooperate fully with the other parties and their respective Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals (including supplying the other parties with any information which may be required in order to obtain such consents, authorizations, orders and approvals and responding as promptly as practicable to any inquiry or request received from any Governmental Authority for additional information or documentation) and, once obtained, shall comply with the terms and conditions of such Regulatory Approvals. The parties hereto shall not willfully take any action that would reasonably be expected to have the effect of delaying, impairing or impeding in any material respect the receipt of any required consents, authorizations, orders and approvals, including Regulatory Approvals.

(b) *HSR.* Each party hereto agrees to make (or cause its ultimate parent entity, as such term is used in the regulations implementing the HSR Act to make) an appropriate filing pursuant to the HSR Act with respect to the transactions contemplated by this Agreement within fifteen (15) Business Days following the date of this Agreement.

(c) *Gaming and Racing Laws.* Each party hereto agrees (i) to make (or cause its ultimate parent entities to make), to the extent applicable, an appropriate initial filing pursuant to each applicable Gaming and Racing Law with respect to the Regulatory Approvals within thirty (30) days following the date

of this Agreement and (ii) to respond as promptly as possible to any request for information from any Gaming and Racing Authority.

(d) *Cooperation*. Subject to applicable Laws relating to the exchange of information, prior to making any application or material written communication to, or filing with, any Governmental Authority, each party shall provide the other parties with drafts thereof and afford the other parties a reasonable opportunity to comment on such drafts. To the extent relating to the transactions contemplated by this Agreement, Buyer, Sellers and the Company shall, and shall cause their Representatives to, (i) each use their respective reasonable best efforts to schedule and attend any hearings or meetings with Governmental Authorities, including Gaming and Racing Authorities, (ii) permit, to the extent allowed, the other parties to participate in any meetings or conference calls with any Governmental Authorities, (iii) consult with each other with respect to the exchange of information (including relating to filings made in respect of the HSR Act and Gaming and Racing Laws), and (iv) promptly notify one another following (x) receipt of any comments, requests or other communications (whether written or oral) from any Governmental Authority (and provide to the other parties copies of any written communications so received) and (y) receipt of any threatened action, suit, arbitration, investigation or other proceeding.

(e) *Covenants relating to Governmental Approvals*. Without limiting the foregoing, Buyer, Sellers and the Company shall each use its reasonable best efforts to:

(i) avoid the entry of, or have vacated or terminated, any decree, order or judgment that would restrain, delay or prevent the Closing from occurring on or before the Outside Date and to take any and all actions required to defend any lawsuits or other proceedings challenging this Agreement or the consummation of the transactions contemplated by this Agreement, and in furtherance of the foregoing, the parties agree to appeal, as promptly as possible, any such decree, judgment, lawsuit or other proceeding; and

(ii) avoid or eliminate any impediment under the HSR Act, any Gaming and Racing Laws, or any other applicable Law, order or judgment that may be asserted by any Governmental Authority or any other Person with respect to the Closing so as to enable the Closing to occur as soon as reasonably possible (and in any event prior to the Outside Date), including implementing, contesting or resisting any litigation before any court or administrative tribunal seeking to restrain or enjoin the transaction. In furtherance of the foregoing, and to the extent necessary to obtain any Buyer Regulatory Approvals, Buyer and its Affiliates agree that they will commit to divestitures, or will agree to a hold separate covenant or similar undertaking or arrangement, with respect to its or their respective assets, licenses or businesses, *provided, however,* that nothing in this Agreement shall be interpreted to require or permit the Company or any Seller (or, for the avoidance of doubt, to require Buyer or any of its Affiliates) to divest or agree to a hold separate covenant with respect to any of the Company's assets, licenses or businesses.

(f) *Buyer Regulatory Approvals*. Notwithstanding anything to the contrary herein, in no event shall Buyer have any responsibility with respect to any Seller Gaming Regulatory Approval.

(g) *Consent Expenses.* Buyer shall be responsible for all filing and other similar fees payable in connection with any filings or submissions under the HSR Act and with respect to the other Regulatory Approvals and for its costs and expenses associated with obtaining any other third-party consents. In addition, all reasonable documented out of pocket fees and expenses (including attorneys fees and expenses), up to a maximum of $1,000,000 incurred by the Sellers or the Company due to compliance with any "second request" for additional information or documentary material from any Governmental Authority relevant to the transactions contemplated by this Agreement (other than any such request related to any Seller Gaming Regulatory Approval) shall be promptly reimbursed by Buyer. Neither the Company nor any Seller shall be obligated to pay any consideration to any third party from whom consent or approval is requested.

Section 6.08 Books and Records.

(a) In order to facilitate the resolution of any claims made against or incurred by any Seller prior to the Closing, or for any other reasonable regulatory or tax purpose, for a period of six (6) years after the Closing, Buyer shall:

(i) retain the books and records (including personnel files) of the Company relating to periods prior to the Closing in a manner reasonably consistent with the prior practices of the Company; and

(ii) upon reasonable notice and request, afford the Representatives of any affected Seller reasonable access (including the right to make, at such Seller's expense, photocopies), during normal business hours, to such books and records to the extent related to any period prior to the Closing (and Buyer shall have the right to first require a reaffirmation of such Seller's confidentiality obligations with respect thereto, in a form reasonably determined by Buyer).

(b) In order to facilitate the resolution of any claims made by or against or incurred by Buyer or the Company after the Closing, or for any other reasonable regulatory or tax purpose, for a period of six (6) years following the Closing, each Seller shall:

(i) retain the books and records (including personnel files) of such Seller which relate to the Company and its operations for periods prior to the Closing; and

(ii) upon reasonable notice and request, afford the Buyer, any of its Affiliates and any of its or their respective Representatives reasonable access (including the right to make, at Buyer's expense, photocopies), during normal business hours, to such books and records solely to the extent related to the Company.

(c) Neither Buyer nor any Seller shall be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this **Section 6.08** where such access would violate any Law.

Section 6.09 Closing Conditions. From the date hereof until the Closing, each party hereto shall use reasonable best efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in **Article VII** hereof (provided, however, that **Section 6.07** shall apply to the matters set forth therein), but in no event shall a party be required to waive any closing conditions set forth in **Article VII**.

Section 6.10 Public Announcements. Between the date hereof and the Closing Date, unless otherwise required by applicable Law or the rules of any applicable stock exchange (based upon the reasonable advice of counsel), no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the Company, Buyer and Sellers Representative (which consent shall not be unreasonably withheld, conditioned or delayed), and the parties shall cooperate as to the timing and contents of any such announcement. Notwithstanding the foregoing, after the Closing Date, the institutions who own or control a Seller may disclose the transactions contemplated hereunder in their respective continuous disclosure documents and other disclosures to limited partners or other investors in a manner consistent with past practices, which disclosure may set forth the Purchase Price, realized proceeds, multiple of invested capital and internal rate of return.

Section 6.11 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

Section 6.12 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such Taxes and fees (including any penalties and interest) incurred in connection with this Agreement (including any real property transfer Tax and any other similar Tax) shall be borne and paid by

Buyer when due. Buyer shall, at its own expense, timely file any Tax Return or other document with respect to such Taxes or fees (and each Seller shall cooperate with respect thereto as necessary).

Section 6.13 Release. Effective as of the Closing, each Seller, for itself and on behalf of its Affiliates, and each of its and their respective successors, assigns, heirs and executors, hereby irrevocably, knowingly and voluntarily releases, covenants not to sue, discharges and forever waives and relinquishes all claims, demands, Liabilities, defenses, affirmative defenses, setoffs, counterclaims, actions and causes of action of whatever kind or nature, whether known or unknown, which any such releasing Person has, may have or may assert now or in the future, solely in connection with its ownership of the Holdings Interests in the case of a Seller affiliated with The Goldman Sachs Group, Inc. or Fortress Investment Group, LLC against the Company, any current or former officer, director, manager, employee, agent or other Representative of the Company, or any of their respective successors, assigns, heirs and executors, arising out of, based upon or resulting from any Contract, transaction, event, circumstance, action, failure to act, occurrence or omission of any sort or type, whether known or unknown, and which occurred, existed, was taken, permitted or begun prior to the Closing. Notwithstanding the foregoing, nothing in this **Section 6.13** shall be deemed to release or waive any rights or remedies of any releasor under this Agreement or any claims of any releasor for compensation or otherwise as an employee or officer of the Company.

Section 6.14 Financing Cooperation. If, prior to the Closing, Buyer notifies Sellers Representative that it intends to obtain debt financing in order to fund a portion of the Purchase Price (it being agreed that obtaining such debt financing is not a condition to the consummation of the Closing and that the Closing may not be delayed or postponed by Buyer for any reason related to the availability or funding of any debt financing), Buyer shall provide a copy of the commitment letter, engagement letter, term sheet or other applicable document providing a summary of the terms of such debt financing (it being understood and agreed that any fees therein and any applicable fee letter may be redacted in a customary manner) to Sellers Representative in connection with such debt financing and, following delivery of such commitment letter, engagement letter, term sheet or other applicable document with respect to the Debt Financing (as defined below), and if reasonably requested by Buyer, and at the Buyer's sole expense, the Company shall provide, and shall use its commercially reasonable efforts to cause its accountants, legal counsel, agents and other advisers to provide, such cooperation in connection with the arrangement of any debt financing (or any alternative or replacement financing) as may be reasonably requested by Buyer (the "**Debt Financing**") (provided that such requested cooperation does not unreasonably interfere with the ongoing operations of the Company and is not, in the reasonable opinion of the Company taking into consideration customary market practices, unduly burdensome). Such cooperation shall include (a) making members of senior management and other Representatives of Holdings and its Subsidiaries directly available to Buyer and its proposed Financing Sources, (b) furnishing Buyer and its proposed Financing Sources with the Required Information and other financial and other pertinent information regarding the Company, (c) using commercially reasonable efforts, at Buyers expense, to assist with the preparation, presentation and distribution of any information, documentation or communication reasonably required by Buyer or its proposed Financing Sources in connection with the Debt Financing (or any alternative or replacement financing), including the Marketing Material, rating agency presentations, customary financial information and projections to be used in connection with the Debt Financing (or any alternative or replacement financing), and customary closing documents (it being agreed and acknowledged that the Company shall not be responsible for the primary drafting of such presentations or communications), (d) using commercially reasonable efforts, at Buyer's expense, to cause its independent auditors to cooperate with the Debt Financing (or any alternative or replacement financing), including by providing the Specified Auditor Assistance, (e) furnishing Buyer and its proposed Financing Sources with all documentation and other information required by regulatory authorities under applicable "*know your customer*" and anti-money laundering rules and regulations, including without limitation the USA Patriot Act (at least three (3) Business Days prior to the Closing Date, in each case to the extent requested of Holdings at least ten (10) Business Days prior to the Closing Date) and (f) the Company executing and delivering any agreement, instrument, certificate or other document as may be reasonably requested by Buyer or its proposed Financing Sources, provided that no documentation binds or becomes effective against the Company until the Closing. The Company will use commercially reasonable efforts to provide to Buyer and its Financing Sources such information regarding Holdings, its Subsidiaries and their respective businesses

as may be necessary so that the Required Information and Marketing Material are complete and correct in all material respects in each case with respect to Holdings, its Subsidiaries and their respective businesses; *provided that*, for the avoidance of doubt and without limiting any representation or warranty in **Article III** or **Article IV**, it is agreed and acknowledged that neither (i) prior to Closing, the Company nor (ii) any Seller, is making, will make, or shall be required to make, any representations or warranties to Buyer, the Financing Sources, or any other Person with respect the completeness or accuracy of any information provided, or assistance rendered, in connection with this **Section 6.14**. The Company hereby consents to the use of its logos, trademarks and servicemarks in connection with the Debt Financing (or any alternative or replacement financing); provided, however, that such logos are used solely in a manner that is not intended to nor reasonably likely to harm or disparage Holdings or its Subsidiaries.

Section 6.15 Interim Financial Statements. The Company shall provide to Buyer soon as practical after the end of each calendar month prior to the Closing Date financial statements for the Company as regularly prepared by the management of the Company in the Ordinary Course of Business.

Section 6.16 Data Room. No later than two (2) Business Days prior to the Closing Date, the Company shall deliver to Buyer an electronic copy of all materials contained in the Data Room as of the date hereof and no materials shall be added to the Data Room after the date hereof.

Section 6.17 Holdings Operating Agreement, Warrants and Member Term Loans; Churchill Note . Effective as of the date hereof, each Seller and the Company hereby waives, and effective as of immediately prior to the Closing each Seller and the Company hereby terminate, any and all restrictions, including any rights of first refusal, preemptive rights, pre-payment restrictions, notice rights and other similar rights, that such Seller or Company may have under the Holdings Operating Agreement, the Member Notes and Member Term Loans, the other Warrant and Note Documents and the Clairvest Co-Investor Agreement in connection with the transactions described in this Agreement. Prior to the Closing, the Company shall cause all Units held by the persons listed on **Section 3.02(h)** of the Disclosure Schedule to be redeemed in full for cash, including by exercising any call or repurchase right with respect to such Units. Effective as of the Closing, each Seller and the Company acknowledge and agree that the Holdings Operating Agreement, the Warrants, the Member Notes, the other documents relating to the Member Term Loans and the other Warrant and Note Documents may be terminated or amended in any manner by the sole action of Buyer (subject at all times to Buyer's obligations under **Section 6.05** (Director and Officer Indemnification and Insurance)) and the Sellers shall cause the Clairvest Co-Investor Agreement to be terminated effective as of the Closing. Effective as of prior to the Closing, the Company covenants that it shall require the Churchill Note to be repaid in full and, for the avoidance of doubt, any Taxes related to such repayment shall be considered Taxes relating to the Pre-Closing Tax Period and any such repayment (including, for the avoidance of doubt, any amount paid to Rod Ratcliff in connection therewith) shall be effected in accordance with all applicable Laws.

ARTICLE VII
CONDITIONS TO CLOSING

Section 7.01 Conditions to Obligations of All Parties. The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

(a) The filings of Buyer, the Company and any applicable Seller pursuant to the HSR Act, if any, shall have been made and the applicable waiting period and any extensions thereof shall have expired or been terminated.

(b) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(c) The Company, the Sellers and Buyer shall have received all Closing Regulatory Approvals (other than the Buyer Consolidation Regulatory Approval) and each such Regulatory Approval shall be in full force and effect.

Section 7.02 Conditions to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Buyer's waiver, at or prior to the Closing, of each of the following conditions:

(a) (i) The Fundamental Representations (other than Funded Debt Representations and the Tax Representations) contained in **Article III** and **Article IV** shall be true and correct in all respects as of the Closing Date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date). (ii) The Funded Debt Representations and the Tax Representations contained in **Article III** shall be true and correct in all material respects as of the Closing Date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all material respects as of that specified date). (iii) The other representations and warranties of the Company contained in **Article III** and of each Seller contained in **Article IV** shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a Material Adverse Effect.

(b) The Company and each Seller shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) The Sellers shall have delivered to Buyer the Assignment Agreements, duly executed by the applicable Sellers, Holdings and, to the extent required, the administrative agent under the Member Term Loan and the administrative agent under the Member Term Loan shall have updated the register of Member Notes and the Company shall have updated the register of Warrants, in each case, to reflect such transfer to Buyer.

(d) The applicable Sellers shall have delivered to Holdings and Buyer a unit power in form and substance reasonably acceptable to Buyer, transferring ownership of the Existing Units to Buyer, effective as of the Closing, and authorizing Holdings to update Holdings' books and records to reflect the transfer of such Existing Units.

(e) The board of managers of the Company shall have approved the admission of Buyer as the sole Member of Holdings, effective as of Closing.

(f) The Cash Count shall have been successfully completed.

(g) Buyer shall have received (i) evidence that each of the Swap Transactions has been settled prior to the Closing and (ii) payoff letters, in a form and substance reasonably satisfactory to Buyer ("**Payoff Letters**"), from each of the lenders (or the applicable agent for such lenders) under the Third-Party Loan (i) specifying the amount of cash to be funded to such lender (or such agent) on the Closing Date to satisfy the amount of Funded Debt owed to such lender (or the lenders represented by such agent) as of the Closing Date, (ii) specifying that each such applicable lender (or the applicable agent on behalf of itself and the lenders represented by it) has agreed to release all guarantees of and Encumbrances securing all Indebtedness of the Company from such lender (or the lenders represented by such agent) upon receipt of the amounts indicated in such Payoff Letters, and (iii) authorizing the Company or its designees to file the applicable UCC-3 termination statements, intellectual property releases, mortgage releases and other releases of such Encumbrances upon such lender's (or such agent's) receipt of such amounts.

(h) The Sellers holding (i) Member Notes issued in connection with the Member Term Loans and (ii) Warrants shall have delivered such Member Notes and Warrants to the Company.

(i) Buyer shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of the Company, that each of the conditions set forth in **Section 7.02(a)** and **Section 7.02(b)** have been satisfied.

(j) Buyer shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of the Company certifying (i) that attached thereto are true and complete copies of all resolutions adopted by the managers of the Company authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and (ii) that attached thereto are correct and complete copies of Schedule A-1 to the Holdings Operating Agreement setting forth a list of holders of Existing Units (including amount and type held by such holder) and the register of Warrant holders (including amount and type held by each holder), in each case approved by the Board of Holdings.

(k) Buyer shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of the Company certifying the names and signatures of the officers of the Company authorized to sign this Agreement and the other documents to be delivered by it hereunder.

(l) Buyer shall have received ALTA form owner's title policies issued by the Title Insurer insuring the Company is the owner of the Owned Real Property, subject only to the Permitted Encumbrances (other than Encumbrances that would cost less than $5,000,000 to remediate and Encumbrances that would not result in a diminution in value to the Company's Owned Real Property of more than $5,000,000), in the amount reasonably determined by Buyer, together with such endorsements as may be reasonably requested by Buyer, including, (i) extended coverage, (ii) owner's comprehensive, (iii) access, (iv) survey (land same as survey), (v) location (address), (vi) separate tax lot, (vii) plat act/subdivision or legal lot (if applicable), (viii) zoning 3.1 (with parking and loading docks), (ix) contiguity (if applicable), (x) restrictions (if applicable), (xi) non-imputation, (xii) environmental protection lien and (xiii) utility facility endorsement (the "**Title Policies**").

(m) Buyer and the Title Insurer shall have received a seller's/owner's title insurance affidavit executed by the respective owners of the Owned Real Property as reasonably and customarily required from the Title Insurer in connection with the deletion of (or insurance over) the standard preprinted exceptions for any of the following: matters arising subsequent to the effective date of the corresponding title commitment (but prior to recording of the insured instrument), mechanics liens, broker liens, and parties in possession.

(n) Since the date of this Agreement, there shall have been no Material Adverse Effect.

(o) All of the Indebtedness evidenced by each of the promissory notes set forth on **Section 7.02(o)** of the Disclosure Schedules shall have been repaid in full to the Company, and Buyer shall have received written evidence, in form and substance reasonably satisfactory to Buyer of such repayment and cancellation of such promissory notes.

(p) Buyer shall have received written evidence, in form and substance reasonably satisfactory to Buyer that, (i) each of the Encumbrances set forth on **Section 7.02(p)** of the Disclosure Schedules has been, or will be, released and (ii) each of the UCC financing statements set forth on **Section 7.02(p)** of the Disclosure Schedules has been terminated.

(q) The Buyer shall have received the Buyer Consolidation Regulatory Approval and such Regulatory Approval shall be in full force and effect.

Except as set forth in **6.02(b)**, no waiver by Buyer of any condition based on the accuracy of any representation or warranty of the Company or any Seller, or on the Company's or any Seller's performance of or compliance with any covenant or agreement, will affect any right to indemnification or other remedy of Buyer or any other Buyer Indemnified Party provided for in this Agreement based on such representation, warranty, covenant or agreement.

Section 7.03 Conditions to Obligations of the Company and the Sellers. The obligations of the Company and the Sellers to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or waiver by Sellers Representative (on behalf of each Seller and the Company), at or prior to the Closing, of each of the following conditions:

(a) The Fundamental Representations of Buyer contained in **Article V** shall be true and correct in all respects as of the Closing Date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date). The other representations and warranties contained in **Article V** shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby.

(b) Buyer shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(c) The Cash Count shall have been successfully completed.

(d) Sellers Representative shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Buyer, that each of the conditions set forth in **Section 7.03(a)** and **Section 7.03(b)** have been satisfied.

(e) Sellers Representative shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying that attached thereto are true and complete copies of all resolutions adopted by the Board of Directors of Buyer or its duly authorized committee authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby.

(f) Sellers Representative shall have received a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying the names and signatures of the officers of Buyer authorized to sign this Agreement and the other documents to be delivered hereunder.

(g) Buyer shall have delivered to Sellers Representative cash in an amount equal to the Closing Cash Consideration by wire transfer in immediately available funds, to an account or accounts designated at least two (2) Business Days prior to the Closing Date in a written notice to Buyer.

No waiver by Sellers Representative of any condition based on the accuracy of any representation or warranty of Buyer, or on Buyer's performance of or compliance with any covenant or agreement, will affect any right to indemnification or other remedy of any Seller Indemnified Party provided for in this Agreement based on such representation, warranty, covenant or agreement.

ARTICLE VIII
CERTAIN TAX MATTERS

Section 8.01 Tax Returns**.**

(a) *Pre-Closing Tax Returns.* The Company shall, and Buyer will cooperate in causing the Company to, prepare and timely file all Tax Returns and amendments thereto required to be filed by the Company for all Tax periods ending on or prior to the Closing Date which must be filed after the date of the Closing ("**Pre-Closing Tax Returns**") in a manner consistent with past practices to extent permitted by applicable Law.

(b) *Straddle Period Tax Returns.*

(i) For any Straddle Period, the amount of any Taxes based on or measured by income, receipts, transfers, transactions or payroll of the Company for the Pre-Closing Tax Period will be determined based on an interim closing of the books as of the close of business on the day before the Closing Date (and for such purpose, the taxable period of any partnership or other pass-through entity in which the Company holds a beneficial interest shall be deemed to terminate at such time) and the amount of other Taxes of the Company for a Straddle Period that relates to the Pre-Closing Tax Period will be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction the numerator of which is the number of days in the taxable period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period.

(ii) Buyer will cause the Company to prepare and timely file all Tax Returns required to be filed by the Company on or after the Closing Date with respect any Straddle Period ("**Straddle Period Returns**") in a manner consistent with past practices to extent permitted by applicable Law. Buyer will provide drafts of all Straddle Period Returns to Sellers Representative for review and comment at least thirty (30) days prior to the applicable due date or the filing date of any amendments thereto, together with a detailed statement allocating the appropriate portion of Taxes due on such Straddle Period Returns to the Pre-Closing Tax Period and to the Post-Closing Tax Period and describing how such allocations were determined.

(iii) Sellers Representative shall have ten (10) days to review the Straddle Period Return. If Sellers Representative disagrees with the allocation of Taxes between the Pre-Closing Tax Period and the Post-Closing Tax Period shown on such Tax Return, Sellers Representative may, within such 10-day review period, deliver a notice to Buyer specifying those items as to which Sellers Representative disagrees and setting forth Sellers Representative's proposed allocation. If such a notice of disagreement is timely delivered to Buyer, Sellers Representative and Buyer shall use commercially reasonable efforts to reach agreement on the disputed items or amounts in order to determine the allocation of the Taxes. If Sellers Representative and Buyer are unable to agree on the allocation of the Taxes, such dispute shall be resolved by the Independent Accountant in accordance with **Sections 2.06(c)(ii)** through **2.06(c)(v)**, applied *mutatis mutandis* to the dispute arising under this **Section 8.01(b)**.

(iv) The Sellers will be entitled to the amount of any refund of Taxes of the Company with respect to a Pre-Closing Tax Period (to the extent such Taxes were paid by the Company on or prior to the Closing Date, or by the Sellers after the Closing Date, or were included in the calculation of the Closing Statement and related adjustment set forth in **Section 2.06**) which refund is actually received by Buyer or its subsidiaries (including the Company) after the Closing, net of any cost to Buyer or its Affiliates attributable to the obtaining and receipt of such refund, unless (i) such refund or credit is attributable to the carryback of Tax attributes arising in a taxable year beginning after the Closing Date, (ii) such refund is attributable to Taxes which the Sellers have not yet borne or paid pursuant to this **Section 8.01**, or (iii) such refund does not exceed the amounts that the Sellers otherwise owe to Buyer for any Tax liabilities hereunder. Buyer will pay such amount to Sellers Representative within 10 Business Days of the receipt of the refund by the Company. Buyer and the Company will cooperate with Sellers Representative in filing any reasonable claims for such tax refunds to which the Sellers are entitled to with respect to a Pre-Closing Tax Period. If any refund to which Sellers are entitled under this **Section 8.01(b)(iv)** is subsequently reduced or disallowed as a result of an audit, the Sellers shall promptly pay the amount so reduced or disallowed (including any interest thereon payable to the applicable Governmental Authority) to Buyer.

(v) From and after the Closing, neither Buyer nor the Company will amend Tax Returns in respect of a Pre-Closing Tax Period or Straddle Period in a manner that would give rise to a Tax liability of the Sellers or an indemnification obligation of the Sellers under this Agreement, unless required by any applicable Law, without obtaining the written consent of Sellers Representative (such consent not to be unreasonably withheld, conditioned or delayed).

Section 8.02 Tax Contests.

(a) Buyer and Sellers Representative will notify one another in writing within fifteen (15) Business Days of receipt of any notice of any audit, assessment, proposed adjustment, notice of deficiency,

litigation, dispute or other proceeding with respect to Taxes that, if determined adversely to the taxpayer, could be grounds for indemnification under this Agreement by the other party (each, a "**Tax Contest**"); *provided, however*, that a failure to give such notification will not affect indemnification provided hereunder, except and only to the extent that the indemnitee actually and materially was prejudiced by such delay. Buyer will have the right to control the conduct of any Tax Contest*; provided, however,* that Buyer will (i) keep Sellers Representative reasonably informed of the progress of any Tax Contest, (ii) provide Sellers Representative with copies of any pleadings, correspondence, and other documents received from the relevant tax authority, and all written materials submitted to such taxing authority by Buyer with respect to any Tax Contest, (iii) permit Sellers Representative to participate in (but not control), at its own expense, any Tax Contest relating to any Pre-Closing Tax Period and (iv) provide Sellers Representative an opportunity to comment in connection with any Tax Contest and act reasonably in deciding whether to accept or reject such comments; *provided further* that, in addition to and not in limitation of the foregoing, Buyer will not settle or compromise any Tax Contest relating to any Pre-Closing Tax Period without Sellers Representative's prior written consent (not to be unreasonably withheld, conditioned or delayed).

(b) Sellers Representative and Buyer will (i) reasonably assist one another in preparing and filing any Tax Returns that Buyer or Sellers Representative is or are responsible for preparing and filing with respect to the Company for the Straddle Period and reasonably cooperate in preparing for any audits by, or disputes or other proceedings with, any Governmental Authority or with respect to any matters relating to Taxes for the Straddle Period and any taxable period beginning before the Closing Date, (ii) make available to one another and to any Governmental Authority as reasonably requested by any such party all information, records and documents relating to Tax matters (including Tax Returns) of or relating to the Company relating to the Straddle Period or any taxable period beginning before the Closing Date. Notwithstanding anything in this Agreement to the contrary, nothing in this **Section 8.02(b)** will obligate Buyer or Sellers Representative (x) to prepare or create any financial or other data or information outside the Ordinary Course of Business or (y) to disclose to the other party any information if doing so would violate any contract or applicable Law to which the party is subject.

ARTICLE IX
INDEMNIFICATION

Section 9.01 Survival. Subject to the limitations and other provisions of this Agreement, except with respect to the Fundamental Representations, which shall survive Closing and shall remain in full force and effect until the expiration of the applicable statute of limitations, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is 12 months from the Closing Date. The respective covenants and agreements of the Company, the Sellers and Buyer in this Agreement that were to be performed at or prior to the Closing, and the obligations of the Sellers and Buyer pursuant to **Section 9.02** and **Section 9.03**, respectively, with respect to such covenants and agreements shall survive the Closing for a period of 12 months, and all other covenants and agreements contained in this Agreement shall survive for the period contemplated by their respective terms or, if no specific period is specified, until fully performed in accordance with their respective terms. Upon the expiration of the applicable survival period set forth in this **Section 9.01** with respect to any representation, warranty or covenant, the right of any person to bring any claim with respect to any inaccuracy in, breach of, or nonfulfillment of, such representation, warranty or covenant shall immediately terminate. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved.

Section 9.02 Indemnification By Sellers.

(a) Following the Closing and subject to the other terms and conditions of this **Article IX**, each Seller, severally and not jointly, shall indemnify Buyer, its Representatives and the Company (the "**Buyer Indemnified Parties**") against, and shall hold the Buyer Indemnified Parties harmless from and

against, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnified Parties based upon, arising out of, with respect to or by reason of:

(i) any inaccuracy in or breach of any of the Fundamental Representations (other than the Capitalization Representations) of the Company contained in this Agreement (disregarding, for the avoidance of doubt, any Schedule Supplement except to the extent provided in **Section 6.02(b)**);

(ii) any inaccuracy in or breach of any representations or warranties of the Company contained in **Article III** of this Agreement (other than the Fundamental Representations of the Company) (disregarding, for the avoidance of doubt, any Schedule Supplement except to the extent provided in **Section 6.02(b)**);

(iii) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by the Company at or prior to the Closing pursuant to this Agreement (other than the covenants set forth in **Section 6.14** (Financing Cooperation));

(iv) any Taxes of the Company that are allocable to Pre-Closing Tax Periods under this Agreement or otherwise due with respect to Pre-Closing Tax Periods to the extent not factored into the adjustment to the Purchase Price in **Section 2.06**;

(v) any inaccuracy in or breach of any Capitalization Representation (disregarding, for the avoidance of doubt, any Schedule Supplement except to the extent provided in **Section 6.02(b)**); or

(vi) any matter identified in **Section 9.02(a)(vi)** of the Disclosure Schedules (the "**Specific Indemnity Matters**");

in each case with such indemnification obligation to be borne solely by the Sellers in their respective Indemnity Allocation Percentages (subject to the first sentence of **Section 9.06(b)**).

(b) Following the Closing and subject to the other terms and conditions of this **Article IX**, each Seller, severally and not jointly, shall indemnify the Buyer Indemnified Parties against, and shall hold the Buyer Indemnified Parties harmless from and against, any and all Losses incurred or sustained by, or imposed upon, the Buyer Indemnified Parties based upon, arising out of, with respect to or by reason of:

(i) any inaccuracy in or breach of any of the Fundamental Representations of such Seller contained in this Agreement (disregarding, for the avoidance of doubt, any Schedule Supplement except to the extent provided in **Section 6.02(b)**);

(ii) any inaccuracy in or breach of any representations or warranties of such Seller contained in **Article IV** of this Agreement (other than Fundamental Representations of such Seller) (disregarding, for the avoidance of doubt, any Schedule Supplement except to the extent provided in **Section 6.02(b)**); or

(iii) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by such Seller (and not by the Company at the direction of the Sellers) pursuant to this Agreement;

in each case with such indemnification obligation to be borne by the Seller responsible for such inaccuracy, breach or non-fulfillment severally and not jointly (any claim creating such indemnification obligation, a "**Seller Several Claim**").

Section 9.03 Indemnification By Buyer. Following the Closing and subject to the other terms and conditions of this **Article IX**, Buyer shall indemnify Sellers, Sellers Representative and each of their respective Representatives (the "**Seller Indemnified Parties**") against, and shall hold the Seller Indemnified Parties harmless from and against, any and all Losses incurred or sustained by, or imposed upon, the Seller Indemnified Parties based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the Fundamental Representations of Buyer contained in this Agreement;

(b) any inaccuracy in or breach of any of the representations or warranties of any Buyer contained in this Agreement (other than Fundamental Representations of Buyer);

(c) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer or, following the Closing, the Company, pursuant to this Agreement; or

(d) any Taxes of the Company that are allocable to Post-Closing Tax Periods under this Agreement or otherwise due with respect to Post-Closing Tax Periods.

Section 9.04 Certain Limitations. The party making a claim under this **Article IX** is referred to as the "**Indemnified Party**", and the party against whom such claims are asserted under this **Article IX** is referred to as the "**Indemnifying Party**". The indemnification provided for in **Section 9.02** and **Section 9.03** shall be subject to the following limitations:

(a) If the Indemnifying Party is a Seller and the Indemnified Party is a Buyer Indemnified Party:

(i) such Seller shall not be liable to the Buyer Indemnified Party for indemnification under **Section 9.02(a)(ii)** (Company Non-Fundamental Representations) or **Section 9.02(b)(ii)** (Seller Non-Fundamental Representations) unless (I) the amount of such claim, together with any other related claims, exceeds $100,000 (an "**Indemnifiable Claim**") and (II) the aggregate amount of all Losses attributable to Indemnifiable Claims made against the Sellers by the Buyer Indemnified Parties exceeds $16,500,000 (the "**Deductible**"), in which event the Sellers shall be required to pay or be liable for all indemnifiable Losses of the Buyer Indemnified Parties for all Losses over $8,250,000, being an amount equal to 50% of the Deductible; and

(ii) the aggregate amount of all Losses for which the Sellers, in the aggregate, shall be liable pursuant to **Section 9.02(a)(i)** (Company Fundamental Representations), **Section 9.02(a)(ii)** (Company Non-Fundamental Representations), **Section 9.02(a)(iii)** (Company Covenants) to the extent of an unintentional breach thereof, **Section 9.02(a)(iv)** (Pre-Closing Taxes) and **Section 9.02(b)(ii)** (Seller Non-Fundamental Representations), other than in respect of any Specific Closing Breaches (the "**Specified Capped Liabilities**"), shall not exceed an aggregate amount equal to $8,250,000 (the "**Specified Liability Cap**"). Setoff against the Deferred Purchase Price Payment in accordance with the terms of **Exhibit A** and **Section 9.06(b)** shall be the Buyer Indemnified Parties' sole source of recovery against Sellers for any indemnification pursuant to the Specified Capped Liabilities and in no event shall the Sellers, in the aggregate, have any liability to any Buyer Indemnified Party for any indemnification obligations pursuant to any Specified Capped Liabilities in excess of the Specified Liability Cap; and

(iii) the aggregate amount of all Losses for which a Seller shall be liable pursuant to **Section 9.02(a)(v)** (Capitalization Representations), **Section 9.02(b)(i)** (Seller Fundamental Representations) and **Section 9.02(b)(iii)** (Seller Covenants) shall not exceed the amount of Closing Cash Consideration received by such Seller, and Buyer (or Assignee) shall first satisfy such Losses by set-off against the Deferred Purchase Price Payment in accordance with the terms of **Exhibit A** and **Section 9.06(b)**; and

(iv) the aggregate amount of all Losses for which a Seller shall be liable pursuant to **Section 9.02(a)(iii)** (Company Covenants) to the extent of an intentional breach thereof, in respect of the Specific Indemnity Matters and in respect of the Specific Closing Breaches, shall not exceed the then outstanding aggregate amount of the Deferred Purchase Price Payment and Buyer's sole and exclusive source of recovery to satisfy such Losses shall be by set-off against the Deferred Purchase Price Payment in accordance with the terms of **Exhibit A** and **Section 9.06(b)**.

(b) If the Indemnifying Party is a Buyer and the Indemnified Party is a Seller Indemnified Party:

(i) Buyer shall not be liable to the Seller Indemnified Party for indemnification under **Section 9.03(b)** (Buyer Non-Fundamental Representations) unless (i) the amount of such claim is an Indemnifiable Claim and (ii) the aggregate amount of all Losses attributable to Indemnifiable Claims made against Buyer by the Seller Indemnified Parties exceeds the Deductible, in which event Buyer shall be required to pay or be liable for all indemnifiable Losses of the Seller Indemnified Parties in excess of $8,250,000, being an amount equal to 50% of the Deductible; and

(ii) the aggregate amount of all Losses for which Buyer shall be liable pursuant to **Section 9.03(a)** (Buyer Fundamental Representations) shall not exceed the aggregate amount of the Closing Cash Consideration; and

(iii) the aggregate amount of all Losses for which Buyer shall be liable pursuant to **Section 9.03(b)** (Buyer Non-Fundamental Representations) shall not exceed an amount equal to the Specified Liability Cap.

(c) Payments by an Indemnifying Party pursuant to **Section 9.02** or **Section 9.03** in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment actually received by the Indemnified Party (net of any fees, costs or expenses) in respect of any such claim. The Indemnified Party shall use its reasonable best efforts to recover under such insurance policies or indemnity, contribution or other similar agreements (collectively, the "**Recovery Policies**" which, for the avoidance of doubt, excludes the RWI Policy) for any Losses; *provided, however,* that failure to successfully obtain such insurance, indemnity, contribution or other similar mitigation for any Losses shall not limit the obligation of the Indemnifying Party under this Agreement.

(d) In furtherance of the foregoing:

(i) Upon making any payment to an Indemnified Party for any indemnification claim under this Agreement, the Indemnifying Party shall be subrogated, to the extent of such payment, to any rights which the Indemnified Party or any Affiliate thereof may have against any other Person(s) (including under any insurance policies, but excluding the RWI Policy) with respect to the subject matter underlying such indemnification claim; *provided, however* that (x) if the Indemnified Party is a Buyer Indemnified Party, the Sellers shall not have any rights of subrogation in respect of a Specified Capped Liability and, in the case of any Liability that is not a Specified Capped Liability, shall not have any rights to seek payment from the Buyer or its Affiliates (including, after the Closing, the Company) on account of such subrogation rights and (y) if the Indemnified Party is a Seller Indemnified Party, the Buyer shall not have any rights to seek payment from the Sellers or their respective Affiliates on account of such subrogation rights.

(ii) if an Indemnified Party receives proceeds from a Recovery Policy with respect to Losses for which the Indemnified Party has made an indemnification claim prior to the date on which the Indemnifying Party is required pursuant to this **Article IX** to pay such indemnification claim, the indemnification claim shall be reduced by an amount equal to such proceeds actually received by the Indemnified Party in accordance with **Section 9.04(c)**; and

(iii) if such proceeds are received by the Indemnified Party after the date on which the Indemnifying Party pays such indemnification claim to the Indemnified Party, the Indemnified Party shall remit such proceeds to the Indemnifying Party (less any amounts consistent with **Section 9.04(c)**) no later than five (5) Business Days after the receipt of such insurance proceeds.

(e) Notwithstanding anything else in this Agreement, no Buyer Indemnified Party shall have any right to indemnification by any Seller under this **Article IX** unless and until recovery under the terms of the RWI Policy has been denied or is otherwise unavailable due to the application of the deductible or an exclusion under the RWI Policy. Buyer covenants and agrees that the RWI Policy will expressly exclude any right of subrogation against the Sellers (in their capacities as such) except in the case of Fraud, and Buyer shall indemnify and hold harmless the Sellers and each of their post-Closing Affiliates from and against and in respect of any and all Losses, Liabilities, damages or expenses (including reasonable legal fees) incurred

by any of them as a result of any such claim brought or maintained by the insurer under the RWI Policy in contravention of this **Section 9.04(e)**.

(f) The parties agree and acknowledge that where one and the same set of facts qualifies under more than one provision entitling an Indemnified Party to a claim or remedy under this Agreement, such Indemnified Party shall not be entitled to recovery under this Agreement, in the aggregate, in excess of the indemnifiable Losses suffered thereby.

(g) Notwithstanding anything to the contrary contained in this Agreement, no Seller, shall have any right of contribution, indemnification or similar right (whether at common law, by statute or otherwise) from or against the Company with respect to any claim by a Buyer Indemnified Party pursuant to this Agreement, including this **Article IX**. Effective as of the Closing, each Seller hereby waives and releases the Company and the Buyer Indemnified Parties from any such right of contribution, indemnification or similar right but, for the avoidance of doubt, does not waive rights to indemnification which continue under **Section 6.05** (Director and Officer Indemnification) with respect to such Seller.

Section 9.05 Indemnification Procedures.

(a) **Third-Party Claims**. If any Indemnified Party receives notice of the assertion or commencement of any action, suit, claim or other legal proceeding made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "**Third-Party Claim**") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Third-Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third-Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defense; *provided,* that the Indemnifying Party will not have the right to assume control of the defense of a Third-Party Claim if (1) such Third-Party Claim seeks non-monetary relief (in whole or in part) or relates to or arises in connection with any criminal proceeding or any Gaming and Racing Laws, (2) the Indemnified Party reasonably believes that an adverse determination with respect to such Third-Party Claim would be materially detrimental to or materially injure the reputation or future business prospects of the Indemnified Party or any of its Affiliates, (3) the named parties in such Third-Party Claim (including any impleaded parties) include both the Indemnified Party and the Indemnifying Party (or their respective Affiliates) and the representation of both parties by the same counsel would be inappropriate due to actual or potential differing or conflicts of interest between them, (4) if related to any breach of any representation or warranty, Sellers are the Indemnifying Party and such Third-Party Claim seeks money damages in excess of the Specified Liability Cap, or (5) the Indemnifying Party fails to actively and diligently conduct the defense of such Third-Party Claim. In the event that the Indemnifying Party assumes the defense of any Third-Party Claim, subject to **Section 9.05(b)**, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right, at its own cost and expense, to participate in the defense of any Third-Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defense thereof. If the Indemnifying Party elects not to compromise or defend a Third-Party Claim or fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, the Indemnified Party may, subject to **Section 9.05(b)**, pay, compromise, defend such Third-Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third-Party Claim. Sellers Representative and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third-Party Claim, including making available (subject to the provisions of **Section 6.06**) records relating to such Third-Party Claim and furnishing, without expense (other than

reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third-Party Claim.

(b) **Settlement of Third-Party Claims**. Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third-Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this **Section 9.05(b)**. If a firm offer is made to settle a Third-Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third-Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within 30 days after its receipt of such notice (or such shorter period, not to be less than ten days, if such shorter period is required in connection with the terms of the offer of settlement), the Indemnified Party may continue to contest or defend such Third-Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third-Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party has assumed the defense pursuant to **Section 9.05(a)**, it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed) if the aggregate Losses suffered by the Indemnified Parties, after taking into account the proposed settlement, would require payment by the Indemnifying Party (other than payment of 50% of the Deductible in connection with a Specified Capped Liability).

(c) **Direct Claims**. Any claim by an Indemnified Party on account of a Loss which does not result from a Third-Party Claim (a "**Direct Claim**") shall be asserted by the Indemnified Party giving the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. During such 30 day period, the Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Company's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

Section 9.06 Payments; Setoff

(a) Once a Loss from a Direct Claim is agreed to by the Indemnifying Party or adjudicated to be payable pursuant to this **Article IX** or as a result of the outcome of a Third-Party Claim for which the Indemnifying Party has accepted liability or has been adjudicated to be liable, the Indemnifying Party shall satisfy its obligations promptly within 15 Business Days of such determination.

(b) Subject to the limitations set forth in **Section 9.04** and the other provisions of this Agreement (including the last sentence of this **clause (b)**), any Losses payable to a Buyer Indemnified Party under this **Article IX** shall first be satisfied by setoff against the Deferred Purchase Price Payment, on the terms and conditions set forth in **Exhibit A** relating to any such setoff (as if the liability of Sellers in respect thereof was joint and several) to the extent funds are available therefor. Subject to the limitations set forth in **Section 9.04**, to the extent that the amount outstanding under the Deferred Purchase Price Payment has been reduced to zero, any Losses payable to a Buyer Indemnified Party by a Seller under this **Article IX** shall be paid by the applicable Seller(s) by wire transfer of immediately available funds to the account designated by

the applicable Buyer Indemnified Party. For the avoidance of doubt, (i) setoff against the Deferred Purchase Price Payment shall be the Buyer Indemnified Parties' sole source of recovery for any indemnification pursuant to or in respect of the Specified Capped Liabilities, **Section 9.02(a)(iii)** (Company Covenants) to the extent of an intentional breach thereof, the Specific Indemnity Matters and the Specific Closing Breaches, (ii) in no event shall the Sellers, in the aggregate, have any liability to any Buyer Indemnified Party for any indemnification obligations pursuant to any Specified Capped Liabilities in excess of the Specified Liability Cap and (iii) the remedy of setoff against the Deferred Purchase Price Payment shall be subject at all times to the applicable survival periods for the assertion of claims set forth in **Section 9.01** and the applicable limitations set forth in **Section 9.04**. Notwithstanding the foregoing, with respect to any Losses payable to a Buyer Indemnified Party by a Seller under **Section 9.02(a)(v)** (Capitalization Representations), **Section 9.02(b)(i)** (Seller Fundamental Representations) and **Section 9.02(b)(iii)** (Seller Covenants), subject to the limitations set forth in **Section 9.04**, Buyer may elect to have such indemnification payments made directly from such Seller by wire transfer of immediately available funds to the account designated by the applicable Buyer Indemnified Party, *provided that* each Seller's liability for Losses arising from a breach of the Capitalization Representations shall be limited to such Seller's Indemnity Allocation Percentage of such Losses.

(c) Subject to the limitations set forth in **Section 9.04** and the other provisions of this Agreement, any Losses payable to a Seller Indemnified Party under **Section 9.03** shall be paid by wire transfer of immediately available funds to the account designated by the applicable Seller Indemnified Party.

Section 9.07 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

Section 9.08 Exclusive Remedies. Subject to **Section 11.11**, the parties acknowledge and agree that, after the Closing, their sole and exclusive remedy with respect to any and all claims (other than claims arising from Fraud on the part of a party hereto in connection with the transactions contemplated by this Agreement) against another party for any inaccuracy in, breach of, or non-fulfillment of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this **Article IX**. In furtherance of the foregoing, each party hereby waives and releases from and after the Closing, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any inaccuracy in, breach of, or any non-fulfilment of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this **Article IX**. Nothing in this **Section 9.08** shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to **Section 11.11** or to seek any remedy on account of Fraud by any party hereto or under the RWI Policy. For the avoidance of doubt, (i) this **Article IX** shall not apply to claims for indemnification made by any Seller or the Company under **Section 11.16** (Indemnification of Sellers in Connection with Debt Financing) and (ii) after the Closing, nothing herein shall limit the ability of any party to bring any claim to collect amounts owed to them under **Article II** or **Exhibit A**.

Section 9.09 Materiality. For purposes of **Section 9.02(a)(i)** (Company Fundamental Representations), **Section 9.02(a)(ii)** (Company Non-Fundamental Representations), **Section 9.02(a)(v)** (Capitalization Representations), **Section 9.02(b)(i)** (Seller Fundamental Representations), **Section 9.02(b)(ii)** (Seller Non-Fundamental Representations), **Section 9.03(a)** (Buyer Fundamental Representations) and **Section 9.03(b)** (Buyer Non-Fundamental Representations) only, each representation or warranty in this Agreement shall be interpreted without reference or giving effect to any materiality qualification or limitation set forth in such representation and warranty, including the terms "material," "materiality," "in all material respects," "Material Adverse Effect" (which instead shall be read as any adverse effect), "immaterial" or "materially."

ARTICLE X
TERMINATION

Section 10.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) *Mutual Consent*. By the mutual written consent of Sellers Representative and Buyer.

(b) *Buyer Termination Right upon Seller or Company Breach*. By Buyer by written notice to Sellers Representative if Buyer is not in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by the Company or any Seller pursuant to this Agreement that would be reasonably expected to give rise to the failure of any of the conditions specified in **Section 7.01** and **Section 7.02** and in the case of a breach of covenant or agreement only, such breach, inaccuracy or failure either (x) cannot be cured or (y) is not cured within sixty (60) days of notice of such breach being provided by Buyer to Sellers Representative.

(c) *Sellers Termination Right upon Buyer Breach*. By Sellers Representative by written notice to Buyer if neither the Company nor any Seller is in material breach of any provision of this Agreement and there has been a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Buyer pursuant to this Agreement that would that would be reasonably expected to give rise to the failure of any of the conditions specified in **Section 7.01** and **Section 7.03** and in the case of a breach of covenant or agreement only, such breach, inaccuracy or failure either (x) cannot be cured or (y) is not cured within sixty (60) days of notice of such breach being provided by Sellers Representative to Buyer.

(d) *Buyer or Sellers Representative Rights*. By Buyer or Sellers Representative by written notice in any of the following circumstances.

(i) *Illegal Transaction*. There shall be any Law (other than any Governmental Order) that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited.

(ii) *Governmental Order*. Any Governmental Authority (other than in connection with a Regulatory Approval) shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

(iii) *Outside Date and Extension Rights*. If the Closing shall not have occurred by the date that is six (6) months following the date of this Agreement (the "**Outside Date**"); *provided, however* that either Sellers Representative or Buyer may elect (in such party's sole and absolute discretion) to extend such date (which notice of extension must be provided to the parties at least two Business Days prior to the then-scheduled Outside Date) in monthly increments until the date that is twelve (12) months following the date of this Agreement (such extended date, thereafter the "**Outside Date**" for all purposes hereunder) if the only outstanding conditions to the Closing are those conditions set forth in **Article VII** that, by their nature, are to be satisfied or waived at Closing and that are capable of being so satisfied (including the Cash Count) and either:

(A) if the Outside Date extension relates to a Regulatory Approval issue, any of the conditions in **Section 7.01** (Conditions to Obligations of All Parties) or **Section 7.02(q)** (Buyer Consolidation Regulatory Approval) have not been satisfied; or

(B) if the Outside Date extension relates to a Material Adverse Effect issue, any of the conditions in **Section 7.02(a)(iii)** (Representations by Sellers and the Company) or **Section 7.02(n)** (No MAC) have not been satisfied due to the existence of a Material Adverse Effect as contemplated by the last proviso of the definition thereof and the Company and the Sellers are in the process of remediating as permitted by the definition of "Material Adverse Effect";

provided, further, the right to terminate or extend this Agreement under this **Section 10.01(d)(iii)** shall not be available to Buyer if its breach of, or failure to fulfill any covenant or obligation under, this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the Outside Date, or to Sellers Representative if its, the Company's or any Seller's breach of, or failure to fulfill any covenant or obligation under, this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the Outside Date.

(e) *Buyer's No-Fault Failure to Close.* By Buyer or Sellers Representative if: (x) any Gaming and Racing Authority has made a "final order" or "final agency action" under the rules of the applicable Gaming and Racing Authority and the Indiana Administrative Orders and Procedures Act (Ind. Code 4-21.5) (a "**Final Order**") that such Gaming and Racing Authority will not issue all necessary Regulatory Approvals (excluding, for this purpose, the Seller Gaming Regulatory Approvals) from such Gaming and Racing Authority ("**Closing Buyer Gaming Approvals**") by the Outside Date or (y) Buyer's compliance committee determines in good faith based on Buyer's interactions with any Gaming and Racing Authority to withdraw its application, request or petition for any Closing Buyer Gaming Approval because it is unlikely to be obtained; *provided*, *however*, the right to terminate this Agreement under this **Section 10.01(e)** shall not be available to Buyer or Sellers Representative if such party (or, in the case of Sellers Representative, the Company or any of the Sellers) has breached, or failed to fulfill, any covenant or obligation under this Agreement and such breach or failure shall have been the cause of, or shall have resulted in, the failure to obtain any Closing Buyer Gaming Approvals.

(f) *Sellers' No-Fault Failure to Close.* By Buyer or Sellers Representative if any Gaming and Racing Authority has made a Final Order that such Gaming and Racing Authority will not issue all necessary Seller Gaming Regulatory Approvals by the Outside Date; *provided*, *however*, the right to terminate this Agreement under this **Section 10.01(f)** shall not be available to Buyer or Sellers Representative if such party (or in the case of Sellers Representative, the Company or any of the Sellers) has breached, or failed to fulfill, any covenant or obligation under this Agreement and such breach or failure shall have been the cause of, or shall have resulted in, the failure to obtain any Seller Gaming Regulatory Approvals.

Any proper termination of this Agreement pursuant to this **Section 10.01** shall not, in and of itself, be considered a breach or violation of the obligations of the terminating party under **Section 6.09** (Covenant to achieve Closing Conditions**)**.

Section 10.02 Effect of Termination. In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

(a) as set forth in this **Article X**, **Section 6.06** (Confidentiality), **Section 11.01** (Expenses) (to the extent that amounts have been incurred prior to the date of termination) and **Article XI** (Miscellaneous) hereof; and

(b) that nothing herein shall relieve any party hereto from liability for Losses for fraud or for any intentional breach of any provision hereof or Losses caused by a material breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement of any party hereto which gives rise to a right of termination under **Section 10.01(b)** (Buyer Termination Right upon Seller or Company Breach) or **Section 10.01(c)** (Sellers Termination Right upon Buyer Breach), as applicable.

Section 10.03 Remedies Upon Termination.

(a) Notwithstanding anything to the contrary in this Agreement, Buyer and the Sellers agree that:

(i) *Outside Date Buyer Pays Termination Fee.* In the event that this Agreement: (A) is terminated by Sellers Representative or Buyer before the Closing pursuant to **Section 10.01(d)(iii)** (Outside Date); and (B) all of the conditions set forth in **Section 7.01(a)** (HSR) and **Section 7.02** (other than those conditions set forth in **Section 7.02(f)** (Cash Count)**, Section 7.02(g) (**Payoff Letters), **Section**

7.02(q) (Buyer Consolidation Regulatory Approval) and those other conditions set forth in **Section 7.02** that by their nature are to be satisfied or waived at Closing and that are capable of being so satisfied), have been satisfied as of the date of such termination; and (C) the Closing Buyer Gaming Approvals have not been received or are not in effect as of the date of such termination; and (D) either (1) the Gaming and Racing Authorities have informed Buyer and the Company that there are no Seller Gaming Regulatory Approvals that are not in effect or (2) the Gaming and Racing Authorities have not issued the Seller Gaming Regulatory Approvals because of Buyer's failure to obtain the Closing Buyer Gaming Approvals, then Buyer shall pay to Sellers Representative by wire transfer of immediately available funds a fee of $50,000,000 (the "**Termination Fee**").

(ii) *No-Fault Failure to Close Buyer Pays Termination Fee* In the event that this Agreement: (A) is terminated by Sellers Representative or Buyer before the Closing pursuant to **Section 10.01(e)** (Buyer's No-Fault Failure to Close); and (B) the Closing Buyer Gaming Approvals have not been received or are not in effect as of the date of such termination; and (C) the condition set forth in **Section 7.01(a)** (HSR) has been satisfied as of the date of such termination; and (D) either (1) the Gaming and Racing Authorities have informed Buyer and the Company that there are no Seller Gaming Regulatory Approvals that are not in effect or (2) the Gaming and Racing Authorities have not issued the Seller Gaming Regulatory Approvals because of Buyer's failure to obtain the Closing Buyer Gaming Approvals, then Buyer shall pay to Sellers Representative, by wire transfer of immediately available funds, the Termination Fee.

(iii) *Outside Date Company Pays Termination Fee.* In the event that this Agreement: (A) is terminated by Buyer or Sellers' Representative before the Closing pursuant to **Section 10.01(d)(iii)** (Outside Date); and (B) all of the conditions set forth in **Section 7.01(a)** (HSR) and **Section 7.03** (other than those conditions set forth in **Section 7.03(c)** (Cash Count), **Section 7.03(g)** (Payment of Closing Cash Consideration) and those other conditions set forth in **Section 7.03** that by their nature are to be satisfied or waived at Closing and that are capable of being so satisfied) have been satisfied as of the date of such termination; and (C) the Seller Gaming Regulatory Approvals have not been received or are not in effect as of the date of such termination; and (D) either (1) the Gaming and Racing Authorities have informed Buyer and the Company that there are no Closing Buyer Gaming Approvals that are not in effect or (2) the Gaming and Racing Authorities have not issued the Closing Buyer Gaming Approval because of the failure to obtain any Seller Gaming Regulatory Approval, then the Company shall pay to Buyer by wire transfer of immediately available funds, the Termination Fee.

(iv) *No-Fault Failure to Close Company Pays Termination Fee.* In the event this Agreement: (A) terminated by Buyer or Sellers Representative before the Closing pursuant **Section 10.01(f)** (Sellers' No-Fault Failure to Close); and (B) the condition set forth in **Section 7.01(a)** (HSR) has been satisfied as of the date of such termination and (C) the Seller Gaming Regulatory Approvals have not been received or are not in effect as of the date of such termination; and (D) either (1) the Gaming and Racing Authorities have informed Buyer and the Company that there are no Closing Buyer Gaming Approvals that are not in effect or (2) the Gaming and Racing Authorities have not issued the Closing Buyer Gaming Approvals because of the failure to obtain any Seller Gaming Regulatory Approval, then the Company shall pay to Buyer by wire transfer of immediately available funds, the Termination Fee.

(v) If the Termination Fee is payable in accordance with **Section 10.03(a)(i), (ii), (iii) or (iv)**, then the payment of the Termination Fee to the applicable party (such party, together with its officers, directors, employees, agents, consultants or independent contractors, their respective Affiliates, and any Person claiming on behalf of or through any of the them, the "**Termination Fee Claimants**") shall be the Termination Fee Claimants' sole and exclusive remedy under this Agreement (including without limitation as to any Financing Source), and each of the Termination Fee Claimants hereby waives (including without limitation as to any Financing Source) any right to, or to seek, any other remedy or to seek any additional damages, including consequential damages or in respect of any tort or other claim, by reason of any termination of this Agreement or otherwise in connection with the transactions contemplated by this Agreement. The parties agree that it would be impractical and extremely difficult to fix the actual damages that the Termination Fee Claimants might suffer in the event of termination of this Agreement as contemplated by **Section 10.03(a)(i), (ii), (iii) or (iv)** and agree that the amount of liquidated damages provided for in **Section 10.03(a)(i), (ii),**

(iii) and **(iv)** is a fair and reasonable estimate of such damages. In no event shall Buyer or the Company and the Sellers be required to pay the Termination Fee on more than one occasion.

(b) Other than as set forth in **Section 10.03(a)(i), (ii), (iii)** and **(iv)**, upon any other termination of this Agreement, no Termination Fee shall be payable but, for the avoidance of doubt, the provisions of **Section 10.02(b)** shall apply.

(c) Each party acknowledges that the agreements contained in this **Section 10.03** are an integral part of the transactions contemplated by this Agreement and that, without these agreements, no party would have entered into this Agreement. Furthermore, the parties acknowledge that the Company is regulated by the Indiana Gaming Commission (IGC) and the Indiana Horse Racing Commission (IHRC) and this Agreement may be terminated at any time by the IGC pursuant to 68 IAC 1-4-1 and the IHRC pursuant to 71 IAC 11-1-12.

ARTICLE XI
MISCELLANEOUS

Section 11.01 Expenses. Except as otherwise expressly provided herein (including **Section 6.07(g)** (Consent Expenses) and **Section 6.12** (Transfer Taxes) hereof), all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby (collectively, "**Transaction Expenses**") shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred; *provided, however*, that Buyer shall be responsible for costs and expenses associated with the RWI Policy.

Section 11.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 11.02**):

If to Sellers or Sellers Representative:	c/o Clairvest Group Inc. 22 St. Clair Avenue East, Suite 1700 Toronto, Ontario, Canada, M4T 2S3 Email: jmiller@clairvest.com mwagman@clairvest.com adrianp@clairvest.com Attention: Michael Wagman, James Miller and Adrian Pasricha
with a copy to:	Chapman and Cutler LLP 1270 Avenue of the Americas New York NY 10020 Email: friedman@chapman.com halperin@chapman.com Attention: Michael Friedman and Larry Halperin
If to Buyer:	Caesars Entertainment Corporation One Caesars Palace Drive Las Vegas, Nevada 89109 E-mail: tdonovan@caesars.com, swiegand@caesars.com Attention: General Counsel and Deputy General Counsel
with a copy to:	Mayer Brown LLP 71 S. Wacker Drive Chicago, Illinois 60606 Facsimile: 312-706-8436 E-mail: jsimala@mayerbrown.com, cfabian@mayerbrown.com, nflax@mayerbrown.com Attention: Jodi Simala, Christian Fabian and Nina Flax

Section 11.03 Interpretation. For purposes of this Agreement: (a) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (b) the word

"or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein.

Section 11.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 11.05 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 11.06 Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 11.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed, *provided*, that Buyer may assign its rights (but not its obligations) under this Agreement to any Affiliate and to any Financing Source as collateral in connection with any financing. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 11.08 No Third-party Beneficiaries. Except as provided in **Section 6.05** and **Article IX**, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement. Notwithstanding the foregoing, each Financing Source is an express third-party beneficiary of **Section 10.03(a)(v)**, this **Section 11.08**, **Section 11.09**, **Section 11.10**, **Section 11.11**, and **Section 11.15**.

Section 11.09 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by Buyer and Sellers Representative; *provided* that the provisions set forth in **Section 10.03(a)(v)**, **Section 11.08**, this **Section 11.09**, **Section 11.10**, **Section 11.11** and **Section 11.15** (or any definition relating thereto or other provision of this Agreement the amendment or waiver of which will have the effect of modifying such section) may not be amended in a manner adverse to the Financing Sources without their prior written consent. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise

of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 11.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction), except to the extent that the Laws of such State are superseded by other applicable federal law and/or the Gaming and Racing Laws.

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF NEW YORK IN EACH CASE LOCATED IN THE BOROUGH OF MANHATTAN, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY THE DEBT FINANCING, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION, (B) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS **SECTION 11.10(c)**.

(d) WITHOUT LIMITING **SECTION 11.10(a)**, **SECTION 11.11** OR **SECTION 11.15**, EACH OF THE PARTIES AGREES (I) THAT IT WILL NOT BRING OR SUPPORT ANY ACTION, CAUSE OF ACTION, CLAIM, CROSS-CLAIM, OR THIRD-PARTY CLAIM OF ANY KIND OR DESCRIPTION, WHETHER AT LAW OR IN EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE FINANCING SOURCES ARISING OUT OF OR IN ANY WAY RELATING TO THIS AGREEMENT, ANY DEBT FINANCING OR THE PERFORMANCE THEREOF, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY FORUM OTHER THAN THE SUPREME COURT OF THE STATE OF NEW YORK, COUNTY OF NEW YORK, SITTING IN THE BOROUGH OF MANHATTAN, OR, IF UNDER APPLICABLE LAW EXCLUSIVE JURISDICTION IS VESTED IN THE FEDERAL COURTS, THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK (AND APPELLATE COURTS THEREOF) AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING AND (II) ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, CROSS-CLAIM, OR THIRD-PARTY CLAIM SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO THE CONFLICTS OF LAW RULES OF SUCH STATE THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER STATE. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY

WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

Section 11.11 Specific Performance. Each of the parties hereto agrees that: (a) irreparable damage may occur to the other parties if any provision of this Agreement were not performed by it in accordance with the terms hereof or were otherwise breached by it and (b) in addition to any other remedy to which it is entitled at law or in equity, each party shall be entitled to seek, without posting a bond or similar indemnity, an injunction or injunctions to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any court set forth in **Section 11.10** above. Each party hereby agrees that it will not oppose the granting of an injunction, specific performance or other equitable relief on any argument, and specifically agrees that it shall not oppose such equitable relief on the basis that: (i) the other party has an adequate remedy at law or pursuant to this Agreement; or (ii) that an award of specific performance is not an appropriate remedy for any reason at law or equity. Notwithstanding anything to the contrary in this Agreement, none of the Sellers, the Sellers Representative, the Company, any of their respective officers, directors, employees, agents, consultants or independent contractors, nor any of their respective Affiliates, nor any Person claiming on behalf of or through any of the them (collectively, the "**Seller Claimants**"), shall have any rights or claims of any kind, whether at law or equity, in contract, in tort or otherwise, arising out of, in respect of or resulting from this Agreement, any Debt Financing or the transactions contemplated hereby or thereby, against any Affiliate of Buyer or its Representatives or any of the Financing Sources, and any such rights and claims shall be asserted and pursued only against Buyer directly, and not against any Affiliate of Buyer or its Representatives or Financing Sources, and no Affiliate or Representative of Buyer or any Financing Source shall have any Liability to any of the Seller Claimants, whether by or through an attempted piercing of the corporate (or limited liability company or limited partnership) veil or under any other legal theory (whether at Law, in equity, in contract, in tort or otherwise).

Section 11.12 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 11.13 Sellers Representative.

(a) Each Seller shall irrevocably authorize and appoint Sellers Representative as such Seller's representative and attorney-in-fact to act on behalf of such Seller with respect to this Agreement and **Exhibit A** and to take any and all actions and make any decisions required or permitted to be taken by Sellers Representative pursuant to this Agreement or **Exhibit A**, subject to **Section 11.13(c),** including the exercise of the power to:

(i) give and receive notices and communications;

(ii) authorize setoff against the Deferred Purchase Price Payment in satisfaction of any amounts owed to any Buyer Indemnified Party for indemnification claims made in accordance with the terms of this Agreement (other than as provided in clause (c) below with respect to a Seller Several Claim);

(iii) agree to, negotiate, enter into settlements and compromises of, and comply with orders of courts with respect to claims for indemnification made by Buyer;

(iv) litigate, arbitrate, resolve, settle or compromise any claim for indemnification;

(v) execute and deliver all documents necessary or desirable to carry out the intent of this Agreement, including **Exhibit A**;

(vi) make all elections or decisions contemplated by this Agreement or **Exhibit A**;

(vii) engage, employ or appoint any agents or representatives (including attorneys, accountants and consultants) to assist Sellers Representative in complying with their duties and obligations; and

(viii) take all actions necessary or appropriate in the good faith judgment of Sellers Representative for the accomplishment of the foregoing.

(b) Other than with respect to a Seller Several Claim: (x) Buyer shall be entitled to deal exclusively with Sellers Representative on all matters relating to this Agreement, (y) notices or communications to or from Sellers Representative shall constitute notice to or from each of the Sellers, and (z) no Seller shall have the right under this Agreement to object to, dissent from, protest or otherwise contest the foregoing.

(c) With respect to a Seller Several Claim, Buyer shall deal exclusively with the applicable Seller and Sellers Representative shall have no authority to defend, pay or settle any claim relating to a Seller Several Claim (other than to the extent such Seller Several Claim may entitle Buyer or Assignee to setoff against the Deferred Purchase Price Payment, in which case Sellers Representative shall be involved in the defense, payment and/or settlement of such Seller Several Claim solely to the extent necessary).

(d) All payments made by Buyer or by Assignee to Sellers Representative hereunder or under the Deferred Purchase Price Payment, as applicable, shall be for the benefit of the Sellers and constitute payments to the Sellers for all purposes under this Agreement or the Deferred Purchase Price Payment, as applicable.

(e) Buyer and its Affiliates shall have no responsibility or Liability to any Seller for any such payment once made to Sellers Representative or as directed by Sellers Representative, and the Sellers shall look solely to Sellers Representative in respect of such payments made to Sellers Representative. Buyer and its Affiliates shall have no responsibility or Liability to any Seller for any allocation of payments by or among the Sellers. Each Seller hereby waives any claim against Buyer or any of its Affiliates in respect of any payment made by Buyer or such Affiliate to or at the direction of Sellers Representative, whether at or after the Closing. Each Seller hereby agrees to his or its respective Indemnity Allocation Percentage set forth on Schedule 1.

Section 11.14 Payments and Revenues. If, after the Closing, any party shall receive any payment, revenue or other amount that belongs to another other party pursuant to this Agreement or the Company, such receiving party shall promptly remit or cause to be remitted such amount to Person entitled to such amount.

Section 11.15 Certain Lender Agreements. Notwithstanding anything in this Agreement to the contrary, each Seller agrees on behalf of itself and its Seller Claimants, that the Seller Claimants shall not assert (or support the assertion of) any claims, actions or proceedings against any Financing Source, whether at Law or in equity, whether in contract or in tort or otherwise, arising out of or in any way relating to this Agreement, the Debt Financing or the transactions contemplated hereby, and that the Financing Sources shall have no Liability to the Seller Claimants in connection therewith.

Section 11.16 Indemnification of Sellers in Connection with Debt Financing. Buyer shall indemnify and hold harmless each Seller and, prior to the Closing, the Company, from and against any and all Losses suffered or incurred by it in connection with (i) the arrangement of the Debt Financing and the performance of its obligations under **Section 6.14** (Financing Cooperation) and (ii) any information utilized in connection therewith, in each case except in the event such Losses arose out of or result from the willful misconduct of the Company, such Seller or its representatives. For the avoidance of doubt, nothing in this **Section 11.16** shall limit the obligations of the Company and the Sellers to indemnify the Buyer Indemnified Parties with respect to the breach of any representation or warranty in **Article III** or **Article IV**.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

CEP IV CO-INVESTMENT HOLDINGS LIMITED PARTNERSHIP

By: 2561731 ONTARIO INC., AS GENERAL PARTNER

By: /s/ Michael Wagman /s/Daniel Cheng

Name: Michael Wagman / Daniel Cheng

Title: Managing Director / CFO

CEP IV CO-INVESTMENT HOLDINGS LIMITED PARTNERSHIP

By: 2561731 ONTARIO INC., as general partner

By: /s/ Michael Wagman /s/Daniel Cheng

Name: Michael Wagman / Daniel Cheng

Title: Managing Director / CFO

CEP IV-A-INDY AIV LIMITED PARTNERSHIP

By: Clairvest General Partners IV, L.P., its general partner

By: Clairvest GP (GPLP) Inc., its general partner

By: /s/ Michael Wagman

Name: Michael Wagman

Title: Managing Director

By: /s/ Daniel Cheng

Name: Daniel Cheng

Title: CFO

CLAIRVEST EQUITY PARTNERS IV HOLDINGS LIMITED PARTNERSHIP

By: 2561731 ONTARIO INC., its general partner

By: /s/ Michael Wagman /s/Daniel Cheng

Name: Michael Wagman / Daniel Cheng

Title: Managing Director / CFO

/s/ G. John Krediet

G. John Krediet

PFCF, LLC

By: /s/ Keil Luse

Name: Keil Luse

Title: V.P.

NORTHLEAF CAPITAL PRIVATE EQUITY COLLECTOR (CANADA) LP, by its general partner, NORTHLEAF CAPITAL PARTNERS GP LTD.

By: /s/ Katherine Gurney

Name: Katherine Gurney

Title: General Counsel

By: /s/ Stuart Waugh

Name: Stuart Waugh

Title: Managing Director and Managing Partner

WEST FACE LONG TERM OPPORTUNITIES GLOBAL MASTER L.P., by its adviser West Face Capital Inc.

By:/s/ Peter L. Fraser_____

Name: Peter L. Fraser

Title: Partner

FCO MA II UB SECURITIES LLC

By: /s/ Constantine M. Dakolias__

Name: Constantine M. Dakolias

Title: President

FCO MA LSS LP

By: FCO MA LSS GP LLC, its general partner

By: /s/ Constantine M. Dakolias__

Name: Constantine M. Dakolias

Title: President

FCO MA MAPLE LEAF LP

By: FCO MA MAPLEAF GP LI C, its general partner

By: /s/ Constantine M. Dakolias__

Name: Constantine M. Dakolias

Title: President

FCOF II UBX SECURITIES LLC

By: /s/ Constantine M. Dakolias__
Name: Constantine M. Dakolias
Title: President

FCOF UB INVESTMENTS LLC

By: /s/ Constantine M. Dakolias__

Name: Constantine M. Dakolias

Title: President

FTS SIP L.P.

By: FCO MA GP LLC, its general partner

By: /s/ Constantine M. Dakolias

Name: Constantine M. Dakolias

Title: President

SPECIAL SITUATIONS INVESTING GROUP, INC.

By: /s/ Daniel S. Oneglia

Name: Daniel S. Oneglia

Title: Authorized Signatory

SPECTRUM INVESTMENT PARTNERS LP

By: /s/ Jeffrey A. Schiffer

Name: Jeffrey A. Schiffer

Title: Managing Member

THE RODERICK J RATCLIFF TRUST, DATED APRIL 16, 2016

By: /s/ Roderick J. Ratcliff_____

Name: Roderick J. Ratcliff

Title: Trustee

/s/ James L. Brown

James L. Brown

/s/ John S. Keeler

John S. Keeler

JOHN KEELER SELF-DIRECTED IRA

By: The National Bank of Indianapolis, as custodian

By: /s/ Sue Johnson_____

Name: Sue Johnson

Title: V.P.

/s/ Kurt E. Wilson_____

Kurt E. Wilson

KURT WILSON SELF-DIRECTED IRA

By: The National Bank of Indianapolis, as custodian

By: /s/ Sue Johnson_____

Name: Sue Johnson

Title: V.P.

/s/ Barton A. Early

Barton A. Early

/s/ Roderick J. Ratcliff

Roderick J. Ratcliff

CAESARS ENTERTAINMENT CORPORATION

By: /s/ Eric Hession_____

Name: Eric Hession

Title: Chief Financial Officer

CENTAUR HOLDINGS, LLC

By: /s/ John S. Keeler_____

Name: John S. Keeler

Title: VP and General Counsel

Solely in its capacity as Sellers Representative, CLAIRVEST GP MANAGECO INC.

By: /s/ Michael Wagman /s/ Daniel Cheng

Name: Michael Wagman / Daniel Cheng

Title: Managing Director / CFO

Exhibit 10.43

PURCHASE AND SALE AGREEMENT

by and between

VEGAS DEVELOPMENT LLC,
a Delaware limited liability company

as Seller

and

EASTSIDE CONVENTION CENTER, LLC,
a Delaware limited liability company

as Buyer

Clark County Assessor Parcel Numbers 162-16-410-060 through
162-16-410-089, inclusive, Clark County, Nevada

Effective Date: November 29, 2017

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") made as of November 29, 2017 (the "Effective Date") by and between **VEGAS DEVELOPMENT LLC,** a Delaware limited liability company, having an office at 8329 W. Sunset Road, Suite 210, Las Vegas, Nevada 89113 ("Seller"), and **EASTSIDE CONVENTION CENTER, LLC**, a Delaware limited liability company, having an office at One Caesars Palace Drive, Las Vegas, Nevada 89109 ("Buyer").

W I T N E S S E T H:

WHEREAS, Seller desires to sell and convey and Buyer desires to purchase and acquire all of the equity in the owner of that certain parcel of real property and the buildings and other improvements, if any, constructed thereon, having Clark County Assessor Parcel Numbers of 162-16-410-060 through 162-16-410-089, inclusive, Clark County, Nevada, as more particularly bounded and described in Exhibit A annexed hereto and made a part hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein the parties hereto do hereby agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

SECTION 1.1. Definitions. In addition to terms defined elsewhere in this Agreement, as used herein, the following terms shall have the following meanings:

"Affiliate" shall mean with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Buildings" shall mean all buildings, structures and other improvements and fixtures, if any, located on the Land on the Effective Date, collectively.

"Business Day" shall mean any day other than Saturday, Sunday, any Federal holiday, or any holiday in the State in which the Property is located. If any period expires or action is to be taken on a day which is not a Business Day, the time frame for the same shall be extended until the next Business Day.

"Buyer's Warranties" shall mean, collectively, Buyer's representations and warranties set forth in Section 7.1.

"CEC" shall mean Caesars Entertainment Corporation, a Delaware corporation.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§9601 *et seq*., as amended by SARA (Superfund Amendment and Reauthorization Act of 1986) and as the same may be further amended from time to time.

"Clark County Real Estate Records" shall mean the Office of the County Recorder of Clark County, Nevada.

"Closing" shall mean the closing of the Transaction.

"Closing Date" shall mean the Closing Date (as defined in the Other Land PSA).

"Closing Documents" shall mean all documents executed and delivered by Buyer or Seller or their respective Affiliates as required by Section 6.2 and Section 6.3 or as otherwise executed and delivered by Buyer or Seller or their respective Affiliates as part of Closing.

"Closing Period" shall mean the Closing Period (as defined in the Other Land PSA).

"Contracts" shall mean all contracts and agreements, including brokerage agreements, licensing agreements, marketing agreements, design contracts, construction contracts, service and maintenance contracts and agreements, relating to the Property, together with any extensions, renewals, replacements or modifications of any of the foregoing; provided that the term "Contracts" does not include Leases.

"Control" shall mean possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, partnership interests or any other equity interests or by contract, and "Controlling" and "Controlled" shall have meanings correlative thereto.

"Deed" shall have the meaning given in Section 6.2(a).

"Environmental Laws" shall mean any and all federal, state, municipal and local laws, statutes, ordinances, rules, regulations, orders, decrees or judgments, whether statutory or common law, as amended from time to time, now or hereafter in effect, or promulgated, pertaining to the environment, public health and safety and industrial hygiene and relating to the use, generation, manufacture, production, storage, release, discharge, disposal, handling, treatment, removal, decontamination, cleanup, transportation or regulation of any Hazardous Substance, including the Industrial Site Recovery Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act and relevant provisions of the Occupational Safety and Health Act.

"Environmental Reports" shall mean that certain Phase I Environmental Site Assessment, prepared by EHS Support LLC, dated as of March, 2017.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"Escrow Agent" shall mean Fidelity National Title Insurance Company, Attn: Frederic Glassman, E-Mail: fred.glassman@fnf.com, Fax: (212) 481-1325.

"Fixtures" shall mean all equipment, machinery, fixtures and other items of property, including all components thereof, that are now or hereafter (a) located in or on, or used in connection with, and (b) permanently affixed to or otherwise incorporated into the Land and/or the buildings and other improvements located on the Land.

"Harrah's New Property Owner" shall mean New Property Owner (as defined in the Other Land PSA).

"Inspections" shall have the meaning given in Section 4.1.

"Intangible Property" shall mean, collectively, all intangible personal property of Seller that in any way relates to the Property, including (i) any licenses, permits and other written authorizations in effect as of the Closing Date with respect to the Real Property, (ii) any guaranties and warranties in effect as of the Closing Date with respect to any portion of the Real Property or the Personal Property (collectively, "Warranties"), (iii) all rights in, to and under, and all physical embodiments of, any architectural, mechanical, electrical and structural plans, studies, drawings, specifications, surveys, renderings and other technical descriptions that relate to the Property, and (iv) any zoning or development rights that pertain solely to the Real Property (collectively, "Development Rights").

"Land" shall mean the real estate legally described in Exhibit A, together with all easements, development rights and other rights appurtenant to the Land or the buildings, structures or other improvements thereon, collectively.

"Laws" shall mean, collectively, all municipal, county, State or Federal statutes, codes, ordinances, laws, rules or regulations.

"Leases" shall mean all leases, licenses and occupancy agreements of an interest in the Real Property and all amendments, modifications, extensions and other written agreements pertaining thereto but excluding any agreements or licenses for third parties to use any portion of the Property that do not create an interest in land and do not run with the land.

"Liabilities" shall mean, collectively, any and all conditions, losses, costs, damages, claims, liabilities, expenses, demands or obligations of any kind or nature whatsoever, including liabilities under the Americans with Disabilities Act, CERCLA and RCRA, any state or local counterparts thereof, and any regulations promulgated thereunder.

"Lien" shall mean any of the following to the extent it will be binding on Buyer or New Property Owner after the Closing: any charge, claim, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction or encumbrance of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"Major Condemnation" shall have the meaning given in Section 10.1.

"Material Adverse Effect" shall mean a material adverse effect on (a) the value of the Property, (b) Seller's authority and/or ability to convey title to the Property within the time or otherwise in accordance with the provisions of this Agreement and/or (c) the use and/or operation of the Property as same is being used and/or operated on the date hereof.

"Membership Interest Assignment and Assumption Agreement" shall have the meaning given in Section 6.2(e).

"New Property Owner" shall mean a Delaware limited liability company that is (a) duly formed by Seller no earlier than the day preceding the Closing Period pursuant to a certificate of formation and operating agreement reasonably acceptable to Buyer and (b) the sole managing member of which is Seller.

"Non-CPLV Lease Amendment" shall mean that certain First Amendment to Lease (Non-CPLV), by and among the "Landlord" entities listed therein, CEOC, LLC, a Delaware limited liability company and the other "Tenant" entities listed therein, in the form of Exhibit B hereto.

"Notice Date" shall have the meaning given in Section 10.1.

"Objection" shall have the meaning given in Section 3.1.

"Objection Notice" shall have the meaning given in Section 3.1.

"Ordinary Course" shall mean the course of day-to-day operations of the Property, in a manner which does not materially and adversely vary from the policies, practices and procedures in effect as of the Effective Date.

"Other Land Buyer" shall mean Claudine Property Owner LLC, a Delaware limited liability company, which is an Affiliate of Seller.

"Other Land Property" shall mean the Property (as defined in the Other Land PSA).

"Other Land PSA" shall mean that certain Purchase and Sale Agreement dated as of the date hereof between Other Land Seller, as seller, and Other Land Buyer, as purchaser, with respect to certain land in Las Vegas, Nevada.

"Other Land Seller" shall mean Harrah's Las Vegas, LLC, a Nevada limited liability company, which is an Affiliate of Buyer.

"Owner's Title Policy" shall mean one (1) or more ALTA owner's title insurance policies in favor of New Property Owner issued by the Title Company in an aggregate amount equal to the Purchase Price, insuring that fee title to the Real Property is vested in New Property Owner subject only to the Permitted Exceptions, together with a non-imputation endorsement in favor of New Property Owner in the form of Exhibit C hereto.

"Permitted Exceptions" shall mean the following: (a) applicable zoning, building and land use Laws, (b) such state of facts as would be disclosed by an accurate land title survey or a physical inspection of the Property, provided same do not render title uninsurable, do not restrict the current use of the Property and do not have a material impact on the value of the Property, (c) the lien of real estate taxes, assessments and other governmental charges or fees not yet due and payable, and (d) the title exceptions reflected on Exhibit D hereto (but excluding, in each case, any Required Removal Exceptions).

"Person" shall mean any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

"Personal Property" shall mean all tangible personal property that is in any way related to the Real Property and that Seller owns or possesses, including any such property that is located on the Real Property and used in the ownership, operation and maintenance of the Real Property, including all books, records and files of Seller relating to the Real Property.

"Proceedings" shall have the meaning given in Section 11.14.

"Prohibited Person" shall have the meaning given in Section 7.1(c).

"Property" shall mean, collectively, (a) the Real Property, (b) the Intangible Property, and (c) the Personal Property.

"Purchase Price" shall have the meaning given in Article 2.

"Put-Call Agreement" shall mean that certain Put-Call Right Agreement, by and among New Property Owner, Harrah's New Property Owner and 3535 LV Newco, LLC, a Delaware limited liability company, in the form of Exhibit E hereto.

"Put-Call Owner" shall mean, collectively, 3535 LV Newco, LLC, a Delaware limited liability company and New Property Owner.

"Put-Call Owner Guaranty" shall mean a guaranty dated as of the Closing Date by Net Lease Guarantor (as defined in the Other Land PSA) in favor of Harrah's New Property Owner.

"Put-Call VICI Guaranty" shall mean a guaranty dated as of the Closing Date by VICI Properties 1 LLC, a Delaware limited liability company, in favor of Put-Call Owner.

"RCRA" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 *et seq*., as the same may be amended from time to time.

"Real Property" shall mean the Land, all Buildings, if any, the Development Rights and any, to the extent constituting rights and privileges in real property, rights and privileges pertaining thereto, collectively. For the avoidance of doubt, the Real Property includes Seller's ownership interest in adjoining roadways, alleyways, strips, gores and the like appurtenant to the real estate described above; all buildings, structures, Fixtures and improvements of every kind that are, as of the date hereof (subject to the other express provisions of this Agreement), located on or permanently affixed to the Land or on the improvements that are located thereon,

including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines appurtenant to such buildings and structures.

"Remediation Contractor" shall have the meaning given in Section 8.7(b).

"Remediation Project" shall have the meaning given in Section 8.7(a).

"Remove" with respect to any exception to title shall mean that Seller, at its sole cost, removes such title exception of record and/or causes the Title Company to omit the same from the Owner's Title Policy at Closing; provided, however, that Seller shall only be permitted to cause the Title Company to omit from the Owner's Title Policy (without removing the same of record) the following title exceptions: mechanics' and materialman's liens for work, the aggregate amount of which is no greater than Two Hundred Fifty Thousand Dollars ($250,000.00).

"Required Removal Exceptions" shall mean, collectively, (i) all mortgages, deeds of trust, deeds to secure debt or other security documents recorded against or otherwise secured by the Property or any portion thereof and related UCC filings and assignment of leases and rents and other evidence of indebtedness secured by the Property; (ii) liens or other encumbrances or title matters intentionally created or consented to by Seller or its Affiliates after the date hereof (but not including unrecorded mechanics' or materialman's liens); and (iii) the following so long as they are (A) not Permitted Exceptions, (B) not caused by the acts or omissions of Buyer, and (C) not consented to by Buyer: (1) judgments against Seller or New Property Owner; and (2) liens (including mechanics' and materialmen's liens for work) or other encumbrances or matters to the extent any of them shall be in a readily determined monetary amount, but only (in the case of (iii)) if the cost to remove such liens or encumbrances does not exceed One Million Five Hundred Thousand Dollars ($1,500,000.00); provided, that any title exception that existed prior to Seller's acquisition of the Property shall not constitute a Required Removal Exception.

"Seller's Knowledge" or words of similar import shall refer to the current actual knowledge (without any duty of investigation) of John Payne.

"Seller's NPO Warranties" shall mean, collectively, Seller's representations and warranties set forth in Sections 7.2(l) and (m).

"Seller's Warranties" shall mean, collectively, Seller's representations and warranties set forth in Section 7.2.

"Survival Period" shall have the meaning given in Section 7.3(a).

"Title Commitment" shall mean the Title Commitment from the Title Company annexed to this Agreement as Exhibit F.

"Title Company" shall mean Fidelity National Title Insurance Company, Attn: Frederic Glassman, E-Mail: fred.glassman@fnf.com, Fax: (212) 481-1325 and such other nationally recognized title insurance company, if any, as Buyer shall elect to act as co-insurers with Fidelity.

"Transaction" shall mean the transactions contemplated by this Agreement and the Other Land PSA, collectively.

"Update" shall have the meaning given in Section 3.1.

"VICI" shall mean VICI Properties L.P., a Delaware limited partnership.

SECTION 1.2. Terms Generally. Definitions in this Agreement apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references herein to Articles, Sections, Schedules and Exhibits shall be deemed to be references to Articles and Sections of, and Schedules and Exhibits to, this Agreement unless the context shall otherwise require. All references in this Agreement to "not to be unreasonably withheld" or correlative

usage, mean "not to be unreasonably withheld, delayed or conditioned". Any accounting term used but not defined herein shall have the meaning assigned to it in accordance with GAAP. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation" unless such phrase already appears. The word "or" is not exclusive and is synonymous with "and/or" unless it is preceded by the word "either". The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision.

ARTICLE 2
SALE OF PROPERTY

SECTION 2.1. Purchase Price. Subject to and upon the terms and conditions of this Agreement and the Closing Documents, Seller agrees to sell and Buyer agrees to purchase all of the Membership Interests (as defined below) in New Property Owner, which New Property Owner will own the Property subject only to the Permitted Exceptions. In consideration therefor, Buyer shall pay to Seller Seventy Three Million Six Hundred Thousand and No/100 Dollars ($73,600,000.00) (the "Purchase Price"). The Purchase Price shall be paid as set forth in this Article 2.

SECTION 2.2. Cash at Closing. On the Closing Date, Buyer shall deposit or cause to be deposited into escrow with the Escrow Agent an amount equal to the Purchase Price, in immediately available funds as more particularly set forth in Section 6.1. Such escrow shall be held and delivered by Escrow Agent in accordance with the provisions of such Section 6.1.

ARTICLE 3
TITLE MATTERS

SECTION 3.1. Title Objections; Required Removal Exceptions. Buyer shall have the right to have title updated, and shall provide to Seller any update to the Title Commitment (as applicable, an "Update") that Buyer obtains upon Buyer's receipt thereof. Buyer shall give Seller written notice (an "Objection Notice") of any exception to title to the Property in the Update that is not a Permitted Exception and to which Buyer objects (an "Objection"). Seller shall have no obligation to bring any action or proceeding, or to incur any expense or liability, to Remove an Objection. If Seller elects to attempt to remedy any Objection, then Seller shall notify Buyer in writing within two (2) Business Days after Seller receives the Objection Notice, in which case Seller will endeavor to remedy such Objection, but Seller will have no liability to Buyer if Seller is unable or fails to remedy such Objection (unless such objection is a Required Removal Exception). If Seller either is unable to convey title to the Property in accordance with the provisions of this Agreement, or elects not to remedy any Objection(s) which it may elect not to Remove, then Seller may so notify Buyer in writing within two (2) Business Days after Seller receives the Objection Notice referencing such Objection(s). If Buyer delivers an Objection Notice to Seller, and (a) Seller does not notify Buyer within such two (2) Business Day period that Seller will attempt to cure such Objection, or (b) Seller notifies Buyer within such two (2) Business Day period that Seller will not attempt to cure such Objection, then, Buyer shall have the right to elect, by written notice to Seller given not later than the second (2nd) Business Day after (a) the receipt by Buyer of notice from Seller that Seller will not cure such Objection or (b) the second (2nd) Business Day after Seller received such Objection Notice if Seller did not within such two (2) Business Day period elect to cure such Objection, either (x) to accept such title as Seller is able to convey, without any reduction of the Purchase Price or any credit or allowance on account thereof or any other claim against Seller (in which case the exception to which Buyer had raised an Objection and which Seller did not elect to cure shall be deemed to be a Permitted Exception), or (y) to terminate this Agreement. If Buyer delivers an Objection Notice to Seller, and Seller does not notify Buyer within such two (2) Business Day period that Seller will attempt to cure such Objection, then Seller shall be deemed to have elected not to remedy such Objection(s). The Closing under this Agreement and under the Other Land PSA shall be adjourned (but not beyond December 28, 2017) to permit such process to be completed, and if such process shall be ongoing as of 11:59 p.m. on December 28, 2017, then this Agreement will automatically terminate without either party having any liability (other than obligations that, pursuant to the express terms hereof, survive termination hereof (for the avoidance of doubt, Seller's failure to Remove any exception that is not a Required Removal Exception shall be neither a breach nor a default hereunder)) unless Buyer agrees to accept such title as

Seller is able to convey, without any reduction of the Purchase Price or any credit or allowance on account thereof or any other claim against Seller. If Buyer elects to terminate this Agreement pursuant to the preceding clause (b), then this Agreement shall terminate and be deemed null, void and of no further force or effect. Notwithstanding anything to the contrary contained herein, Seller shall be required to Remove all Required Removal Exceptions at or prior to Closing.

ARTICLE 4
ACCESS; AS-IS SALE

SECTION 4.1. Buyer's Access to the Property.

(a) During the period between the Effective Date and the Closing Date, Buyer, at its cost, may conduct such surveys and non-invasive investigations and inspections of the Property (collectively "Inspections") as Buyer elects in its sole discretion and Seller, at reasonable times, shall provide reasonable access to the Property to Buyer and Buyer's consultants and other representatives for such purpose. Buyer's right to perform the Inspections shall be subject to and will not unreasonably interfere with or disturb the rights of tenants, guests and customers at the Property and the Inspections shall not unreasonably interfere with the Seller's business operations. Buyer and its agents, contractors and consultants shall comply with Seller's reasonable requests with respect to the Inspections to minimize such interference. Buyer will cause each of Buyer's consultants that will be performing such tests and inspections (other than purely visual inspections) to provide (as a condition to performing such Inspections) proof of commercial general liability insurance on an occurrence form with limits of not less than One Million Dollars ($1,000,000.00) per occurrence and Five Million Dollars ($5,000,000.00) aggregate limit bodily injury, death and property damage per occurrence shall be provided to Seller.

(b) Buyer hereby agrees to indemnify and hold harmless Seller from and against any loss that Seller shall incur as the result of the acts of Buyer or Buyer's representatives or consultants in conducting physical diligence with respect to the Property, or, in the case of physical damage to the Property resulting from such physical diligence, for the reasonable cost of repairing or restoring the Property to substantially its condition immediately prior to such damage (unless Buyer promptly shall cause such damage to be repaired or restored); provided, however, (i) the foregoing indemnity and agreement to hold Seller harmless shall not apply to, and Buyer shall not be liable or responsible for, (A) the discovery of any fact or circumstance not caused by Buyer or its representatives or consultants (except to the extent Buyer exacerbates such fact or circumstance), (B) any pre-existing condition (except to the extent Buyer exacerbates such pre-existing condition), or (C) the negligence or willful misconduct of Seller, any of Seller's Affiliates or any of their respective agents, employees, consultants or representatives and (ii) in no event shall Buyer be liable for any consequential, punitive or special damages; provided that, for the avoidance of doubt, such waiver of consequential, punitive and special damages shall not be deemed a waiver of damages that Seller is required to pay to a party other than Seller or an Affiliate of Seller in respect of consequential, punitive or special damages.

SECTION 4.2. As-Is Provision. Buyer acknowledges and agrees that:

(a) **SUBJECT TO THE EXPRESS REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER OR ANY AFFILIATE SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENTS TO BE DELIVERED BY SELLER OR ANY AFFILIATE TO BUYER AT CLOSING, BUYER AGREES THAT: (i) BUYER SHALL ACCEPT THE MEMBERSHIP INTERESTS AND THE PROPERTY IN THEIR PRESENT STATE AND CONDITION AND "AS-IS WITH ALL FAULTS"; (ii) SELLER SHALL NOT BE OBLIGATED TO DO ANY RESTORATION, REPAIRS OR OTHER WORK OF ANY KIND OR NATURE WHATSOEVER ON OR AFFECTING THE PROPERTY AND, SPECIFICALLY, BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER SHALL NOT BE RESPONSIBLE FOR ANY WORK ON OR IMPROVEMENT OF THE PROPERTY NECESSARY (x) TO CAUSE THE PROPERTY TO MEET ANY APPLICABLE HAZARDOUS WASTE LAWS, (y) TO REPAIR, RETROFIT OR SUPPORT ANY PORTION OF THE IMPROVEMENTS DUE TO THE SEISMIC OR STRUCTURAL INTEGRITY (OR ANY DEFICIENCIES THEREIN) OF THE IMPROVEMENTS, OR (z) TO CURE ANY VIOLATIONS; AND (iii) NO PATENT OR LATENT CONDITION AFFECTING THE PROPERTY IN ANY WAY, WHETHER OR NOT KNOWN OR DISCOVERABLE OR DISCOVERED AFTER THE CLOSING DATE, SHALL AFFECT BUYER'S OBLIGATION TO PURCHASE THE PROPERTY OR TO PERFORM ANY OTHER ACT OTHERWISE TO BE PERFORMED BY BUYER UNDER THIS AGREEMENT, NOR SHALL ANY SUCH CONDITION GIVE RISE TO ANY ACTION, PROCEEDING, CLAIM OR RIGHT OF DAMAGE OR**

RESCISSION AGAINST SELLER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT.

(b) **BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENTS TO BE DELIVERED BY SELLER OR ANY AFFILIATE THEREOF TO BUYER AT CLOSING, NEITHER SELLER, NOR ANY OF ITS AFFILIATES, NOR ANY OF ITS OR THEIR RESPECTIVE SHAREHOLDERS, MEMBERS, PARTNERS, TRUSTEES, BENEFICIARIES, DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, ATTORNEYS, ACCOUNTANTS, CONTRACTORS, CONSULTANTS, AGENTS OR REPRESENTATIVES, NOR ANY PERSON PURPORTING TO REPRESENT ANY OF THE FOREGOING, HAVE MADE ANY REPRESENTATION, WARRANTY, GUARANTY, PROMISE, PROJECTION OR PREDICTION WHATSOEVER WITH RESPECT TO THE PROPERTY OR THE BUSINESS OPERATIONS, WRITTEN OR ORAL, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY REPRESENTATION OR WARRANTY AS TO (I) THE CONDITION, SAFETY, QUANTITY, QUALITY, USE (PRESENT OR PROPOSED), OCCUPANCY OR OPERATION OF THE PROPERTY, (II) THE PAST, PRESENT OR FUTURE REVENUES OR EXPENSES WITH RESPECT TO THE PROPERTY OR THE BUSINESS OPERATIONS, (III) THE COMPLIANCE OF THE PROPERTY OR THE BUSINESS OPERATIONS WITH ANY ZONING REQUIREMENTS, BUILDING CODES OR OTHER APPLICABLE LAW, INCLUDING, WITHOUT LIMITATION, THE AMERICANS WITH DISABILITIES ACT OF 1990, (IV) THE ACCURACY OF ANY ENVIRONMENTAL REPORTS OR OTHER DATA OR INFORMATION SET FORTH IN ANY DOCUMENTATION OR OTHER INFORMATION PROVIDED TO BUYER WHICH WERE PREPARED FOR OR ON BEHALF OF SELLER, OR (V) ANY OTHER MATTER RELATING TO SELLER, THE PROPERTY OR THE BUSINESS.**

ARTICLE 5
NO ADJUSTMENTS OR PRORATIONS; CLOSING COSTS

SECTION 5.1. No Adjustments or Prorations of Income or Expenses.

(a) There will be no adjustment or proration of income relating to the Property, but there will be a proration of real estate taxes and assessments in respect of the Property as of 11:59 p.m. on the day immediately preceding the Closing Date, based on final, current bills for such real estate taxes and assessments that have been issued for the Property as of the Closing Date. Seller shall pay all installments of special assessments due and payable, or attributable to the period, prior to the Closing Date, and Buyer shall pay all installments of special assessments due and payable on, or attributable to the period from and after, the Closing Date; provided, however, that if the owner of the Property may elect to pay any special assessment over time, Seller may elect to do so, which election shall be binding on Buyer.

SECTION 5.2. Closing Costs. Closing costs shall be allocated between Buyer and Seller as follows:

(a) Buyer shall pay the following closing costs: (i) all premiums and charges of the Title Company for the Owner's Title Policy (other than in respect of a non-imputation endorsement, as set forth below), (ii) the cost of any surveys of the Property obtained by Buyer, and any updates thereto, (iii) fifty percent (50%) of (A) the cost of any non-imputation endorsement obtained by Buyer in connection with the Transaction and (B) any escrow charges imposed by the Escrow Agent and/or Title Company in connection with the Closing and (iv) all fees due its attorneys and all costs of Buyer's due diligence, including fees due its consultants.

(b) Seller shall pay the following closing costs: (i) all fees due its attorneys, (ii) all costs incurred by Seller in connection with the Removal of any Required Removal Exceptions or other title exceptions that Seller elects or is required to remove and (iii) fifty percent (50%) of (A) the cost of any non-imputation endorsement obtained by Buyer in connection with the Transaction and (B) any escrow charges imposed by the Escrow Agent and/or Title Company in connection with the Closing.

(c) Survival. The provisions of this Section 5.2 shall survive Closing and not be merged therein.

ARTICLE 6
CLOSING

SECTION 6.1. Closing Mechanics.

(a) The parties shall conduct an escrow Closing through the Escrow Agent as escrowee so that it will not be necessary for any party to attend Closing. The escrow Closing shall be conducted in accordance with an escrow arrangement, and pursuant to an escrow agreement, reasonably acceptable to Seller, Buyer and the Escrow Agent (the "Escrow Arrangement"). The Closing shall occur during the Closing Period in accordance with the provisions of subsection 6.1(b) hereof.

(b) On the first (1st) day of the Closing Period, Seller shall cause New Property Owner to be formed and then convey the Property to New Property Owner pursuant to the Deed. On the Closing Date, provided all conditions precedent to Seller's obligations hereunder have been satisfied (or waived) in accordance with Section 6.5, Seller shall assign and transfer all of the Membership Interests to Buyer and provided all conditions precedent to Buyer's obligations hereunder have been satisfied (or waived) in accordance with Section 6.4, Buyer agrees to pay the Purchase Price to Seller, in each case, in accordance with the Escrow Arrangement. The Closing shall be adjourned as and when the Closing under the Other Land PSA is adjourned, provided that in no event shall the Closing Date be adjourned beyond December 28, 2017. Notwithstanding anything to the contrary contained herein, it is expressly agreed to by Seller and Buyer that TIME IS OF THE ESSENCE with respect to Seller's and Buyer's respective obligations to consummate the Transaction on the Closing Date.

(c) The items to be delivered by Seller or Buyer in accordance with the terms of Sections 6.2 or 6.3 (other than those pursuant to subsection 6.2(a)) shall be delivered to Escrow Agent on the Closing Date.

SECTION 6.2. Seller's Closing Deliveries. During the Closing Period, Seller shall execute and deliver (or cause to be executed and delivered by its Affiliates), and, have acknowledged, as applicable, the following and make such payments as specified below (it being understood and agreed that the documents referenced in subsection 6.2(a) shall be executed, delivered, acknowledged and then recorded in the Clark County Real Estate Records on the first day of the Closing Period (with an original, fully-executed counterpart thereof delivered to Buyer on the Closing Date) and the other documents, materials and payments shall be executed, delivered, acknowledged and paid, as applicable on the Closing Date and in the case of the First Amendment to Memorandum of Lease referenced in subsection 6.2(d), be submitted for recording in the Clark County Real Estate Records):

(a) Deed. A deed for the Property in the form of Exhibit G attached hereto (the "Deed"), and the State of Nevada Declaration of Value, executed, acknowledged and delivered by Seller and New Property Owner, as applicable, conveying the Property to New Property Owner.

(b) Evidence of Deed Recordation Etc. Reasonable evidence of the formation of New Property Owner in Delaware, that New Property Owner is qualified to do business and is in good standing in the State of Nevada, and that the Deed was duly recorded in the Clark County Real Estate Records.

(c) Put-Call Agreement. The Put-Call Agreement, executed and delivered by Harrah's New Property Owner.

(d) Non-CPLV Lease Amendment. The Non-CPLV Lease Amendment, executed and delivered by the "Landlord" entities listed therein, together with the duly executed and acknowledged First Amendment to Memorandum of Lease in the form attached as Exhibit A thereto.

(e) Membership Interest Assignment and Assumption Agreement. An assignment and assumption agreement with respect to all of the membership interests in New Property Owner (the "Membership Interests") in the form of Exhibit H attached hereto (the "Membership Interest Assignment and Assumption Agreement"), executed and delivered by Seller, pursuant to which Seller assigns and transfers all such membership interests to Buyer.

(f) Non-Foreign Status Affidavit. A non-foreign status affidavit in the form of Exhibit I attached hereto, in compliance with Treasury Regulations Section 1.1445-2(b)(2) (the "FIRPTA Affidavit"), executed and delivered by Seller.

(g) Evidence of Authority. Delivery by Seller of documentation to establish to Buyer's and the Title Company's reasonable satisfaction the due authorization of Seller's and New Property Owner's consummation of the Transaction, including Seller's execution of this Agreement and Seller's, New Property Owner's and VICI's execution of the Closing Documents required to be delivered by each such party.

(h) Title Affidavit, Non-Imputation Affidavit and Related Documents. An owner's affidavit in the form of Exhibit J-1 attached hereto, a non-imputation affidavit in the form of Exhibit J-2 attached hereto, and such other documents, certificates, indemnities and affidavits as may be otherwise agreed upon by Seller and Buyer in each of their reasonable discretions and/or reasonably and customarily required by the Title Company to consummate the Transaction, executed and delivered by Seller and New Property Owner, as applicable.

(i) Seller Costs. Seller shall cause costs required to be paid by Seller under the provisions of this Agreement to be debited against the proceeds to Seller on the Title Company's settlement statement.

(j) Certificate of Representations and Warranties. A certificate, dated as of the Closing Date, in substantially the form attached hereto as Exhibit K, executed and delivered by Seller, stating that the representations and warranties of Seller contained in Section 7.2 hereof are true, correct and complete in all material respects as of each day of the Closing Period, except to the extent they expressly relate to an earlier date.

(k) Bill of Sale. An instrument, dated as of the Closing Date, in substantially the form attached hereto as Exhibit N, executed and delivered by Seller, transferring the Personal Property and the Intangible Property to New Property Owner.

SECTION 6.3. Buyer's Closing Deliveries. On the Closing Date, Buyer shall execute and deliver (or cause to be executed and delivered by its Affiliates), and, have acknowledged, as applicable, the following and make such payments as specified below:

(a) Purchase Price. The Purchase Price, plus any other amounts required to be paid by Buyer at Closing hereunder.

(b) Membership Interest Assignment and Assumption Agreement. The Membership Interest Assignment and Assumption Agreement, executed and delivered by Buyer.

(c) Put-Call Agreement. The Put-Call Agreement, executed and delivered by New Property Owner and 3535 LV Newco, LLC, a Delaware limited liability company.

(d) Non-CPLV Lease Amendment. The Non-CPLV Lease Amendment, executed and delivered by CEOC, LLC, a Delaware limited liability company and the other "Tenant" entities listed therein, together with the duly executed and acknowledged First Amendment to Memorandum of Lease in the form attached as Exhibit A thereto.

(e) Evidence of Authority. Delivery by Buyer of documentation to establish to Seller's reasonable satisfaction the due authorization of Buyer's consummation of the Transaction, including Buyer's execution of this Agreement and Buyer's and CEC's execution of the Closing Documents required to be delivered by each such party.

(f) Certificate of Representations and Warranties. A certificate, dated as of the Closing Date, in substantially the form attached hereto as Exhibit L, executed and delivered by Buyer, stating that the representations and warranties of Buyer contained in Section 7.1 hereof are true, correct and complete in all material respects as of the Closing Date, except to the extent they expressly relate to an earlier date.

(g) Other Documents. Such other documents as may be reasonably required by the Title Company or may be agreed upon by Seller and Buyer in each of their reasonable discretions to consummate the Transaction.

SECTION 6.4. Conditions to Buyer's Obligations. Buyer's obligation to close the Transaction is conditioned on the satisfaction or waiver of all of the following on or prior to the Closing Date:

(a) Representations True. All Seller's Warranties shall be true and correct in all material respects on and as of each day of the Closing Period as if made on and as of each such date except to the extent that they expressly relate to an earlier date.

(b) Deed; Title Condition. The Deed shall have been duly recorded in the Clark County Real Estate Records, the New Property Owner shall own fee simple title (other than with respect to appurtenant interests constituting Real Property in which Seller does not hold fee simple title) to the Real Property, title to the Real Property shall be as provided in Section 3.1 and, assuming Buyer pays the premium in respect thereof, the Title Company shall irrevocably commit to issue the Owner's Title Policy to New Property Owner.

(c) Seller's Deliveries Complete. Seller shall have executed and delivered (or caused to be executed and delivered), and have acknowledged, as applicable, all of the documents and other items required pursuant to Section 6.2 and shall have performed all other material obligations to be performed by Seller at or during the Closing Period.

(d) Other Land PSA. The closing under the Other Land PSA shall be consummated concurrently with the Closing hereunder.

(e) No Legal Impediment. There shall not be in effect any law, or any injunction or order of any governmental or judicial authority of competent jurisdiction prohibiting, restraining, enjoining or otherwise preventing the consummation of the Transaction.

(f) No Involuntary Bankruptcy. A petition shall not have been filed against Seller or New Property Owner under the Federal Bankruptcy Code or any similar Laws.

SECTION 6.5. Conditions to Seller's Obligations. Seller's obligation to close the Transaction is conditioned on the satisfaction or waiver of all of the following on or during the Closing Period:

(a) Representations True. All Buyer's Warranties shall be true and correct in all material respects on and as of each day of the Closing Period, as if made on and as of each such date except to the extent they expressly relate to an earlier date.

(b) Buyer's Deliveries Complete. Buyer shall have timely delivered the funds required hereunder and all of the documents to be executed by Buyer set forth in Section 6.3 and shall have performed all other material obligations to be performed by Buyer at or prior to Closing.

(c) Other Land PSA. The closing under the Other Land PSA shall be consummated concurrently with the Closing hereunder.

(d) No Legal Impediment. There shall not be in effect any law, or any injunction or order of any governmental or judicial authority of competent jurisdiction prohibiting, restraining, enjoining or otherwise preventing the consummation of the Transaction.

SECTION 6.6. Failure of Conditions Precedent. In the event any of the conditions set forth in this Article 6 are neither waived nor satisfied as of the applicable day of the Closing Period (subject to Seller's and Buyer's rights to extend the Closing Period pursuant to the terms of this Agreement) and the provisions of Article 9 do not apply, Seller or Buyer (as applicable) may terminate this Agreement by notice to the other party, and thereafter, neither party shall have any further rights or obligations hereunder except for obligations which expressly survive termination of this Agreement. If the Closing does not occur on or before the December 28, 2017, this Agreement shall automatically terminate, other than those terms that, pursuant to the express terms hereof, survive termination hereof.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

SECTION 7.1. Buyer's Representations. Buyer represents and warrants to Seller as of the Effective Date and as of each date of the Closing Period, as follows:

(a) Buyer's Authorization; Non-Contravention. Buyer and each of its Affiliates that is executing any Closing Document, as applicable, (i) is duly organized (or formed), validly existing and in good standing under the Laws of its State of organization and, to the extent required by applicable Laws, the State in which the Property is located, and (ii) is authorized to execute this Agreement and consummate the Transaction and fulfill all of its obligations hereunder and under all Closing Documents to be executed by Buyer and its Affiliates, as applicable, and such instruments, obligations and actions are valid and legally binding upon Buyer and its Affiliates, as applicable, enforceable in accordance with their respective terms. The execution and delivery of this Agreement and all Closing Documents to be executed by Buyer and its Affiliates, as applicable, and the performance of the obligations of Buyer and its Affiliates, as applicable, hereunder or thereunder will not (w) result in the violation of any Laws, or any provision of Buyer's or its Affiliates', as applicable, organizational documents, (x) conflict with any order of any court or governmental instrumentality binding upon Buyer, (y) except with respect to Net Lease Guarantor (as defined in the Other Land PSA) prior to the Closing, conflict or be inconsistent with, or result in any default under, any contract, agreement or commitment to which Buyer or its Affiliates, as applicable, is bound, except to the extent that such conflict, inconsistency or default, as the case may be, would not reasonably be expected to have a Material Adverse Effect, or (z) require the approval, consent or action of, waiver or filing with, or notice to, any third party, including but not limited to, any governmental bodies, agencies or instrumentalities, except as have been obtained or will be obtained on or prior to the Closing Date.

(b) Buyer's Financial Condition. No petition has been filed by or against Buyer under the Federal Bankruptcy Code or any similar Laws.

(c) OFAC; Patriot Act. Buyer hereby represents and warrants to Seller that Buyer is not, nor to its knowledge, any persons or entities holding any Controlling legal or beneficial interest whatsoever in it are, (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons" (collectively, "Prohibited Persons"). Buyer hereby represents and warrants to Seller that no funds tendered to Seller under the terms of this Agreement are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. Buyer will not knowingly engage in any transactions or dealings, or knowingly be otherwise associated with, any Prohibited Persons in connection with the Property.

SECTION 7.2. Seller's Representations. Seller represents and warrants to Buyer, as of the Effective Date and as of each day of the Closing Period as set forth below, as follows:

(a) Seller's Authorization; Non-Contravention. Seller and each of its Affiliates that is executing any Closing Document, as applicable, (i) is duly organized (or formed), validly existing and in good standing under the Laws of its State of organization and, to the extent required by applicable Laws, the State in which the Property is located, and (ii) is authorized to execute this Agreement and consummate the Transaction, and fulfill all of its obligations hereunder and under all Closing Documents to be executed by Seller and its Affiliates, as applicable, and such instruments, obligations and actions are valid and legally binding upon Seller and its Affiliates, as applicable, enforceable in accordance with their respective terms. The execution and delivery of this Agreement and all Closing Documents to be executed by Seller and its Affiliates, as applicable, and the performance of the obligations of Seller and its Affiliates, as applicable, hereunder or thereunder will not (w) result in the violation of any Laws, or any provision of Seller's or its Affiliates', as applicable, organizational documents, (x) conflict with any order of any court or governmental instrumentality binding upon Seller, (y) conflict or be inconsistent with, or result in any default under, any contract, agreement or commitment to which Seller or its Affiliates, as applicable, is bound, except to the extent that such conflict, inconsistency or default, as the case may be, would not reasonably be expected to have a Material Adverse Effect, or (z) require the approval, consent or action of, waiver or filing with, or notice to, any third party, including but not limited to, any governmental bodies, agencies or instrumentalities, except as have been obtained or will be obtained on or prior to the Closing Period.

(b) New Property Owner's Authorization; Non-Contravention. After the formation of the New Property Owner on the first day of the Closing Period and through the Closing Date, (i) New Property Owner shall be duly organized (or formed), validly existing and in good standing under the Laws of its State of organization and,

to the extent required by applicable Laws, the State in which the Property is located, and (ii) New Property Owner shall be authorized to consummate the Transaction, and fulfill all of its obligations hereunder and under all Closing Documents to be executed by New Property Owner and such instruments, obligations and actions shall be valid and legally binding upon New Property Owner, enforceable in accordance with their respective terms. After the formation of the New Property Owner on the first day of the Closing Period and through the Closing Date, the execution and delivery of all Closing Documents to be executed by New Property Owner and the performance of the obligations of New Property Owner thereunder shall not (w) result in the violation of any Laws, or any provision of New Property Owner's organizational documents, (x) conflict with any order of any court or governmental instrumentality binding upon New Property Owner, (y) conflict or be inconsistent with, or result in any default under, any contract, agreement or commitment to which New Property Owner is bound, except to the extent that such conflict, inconsistency or default, as the case may be, would not reasonably be expected to have a Material Adverse Effect, or (z) require the approval, consent or action of, waiver or filing with, or notice to, any third party, including but not limited to, any governmental bodies, agencies or instrumentalities, except as have been obtained or will be obtained on or prior to the Closing Period.

(c) Bankruptcy. As of the Effective Date, no petition has been filed by Seller, nor has Seller received written notice of any petition filed against Seller under the Federal Bankruptcy Code or any similar Laws. As of each day of the Closing Period, no petition has been filed by New Property Owner under the Federal Bankruptcy Code or any similar Laws.

(d) OFAC; Patriot Act. Seller hereby represents and warrants to Buyer that Seller is not, nor to its knowledge, any persons or entities holding any Controlling legal or beneficial interest whatsoever in it are Prohibited Persons. Seller hereby represents and warrants to Buyer that no funds tendered to Buyer under the terms of this Agreement are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. Seller will not knowingly engage in any transactions or dealings, or knowingly be otherwise associated with, any Prohibited Persons in connection with the Property.

(e) Environmental Laws. Except as disclosed in the Environmental Reports, Seller has complied and Seller and the Property are now complying with all Environmental Laws, except to the extent the failure to so comply would not reasonably be expected to have a Material Adverse Effect and/or the non-compliance in question existed prior to Seller's acquisition of the Property.

(f) Litigation. There is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding that is pending, or to Seller's knowledge threatened in writing, against Seller, New Property Owner, the Property or the Membership Interests (other than, in the case of Seller, New Property Owner and the Property, claims for personal injury, property damage or worker's compensation for which Seller's insurance carrier has not disclaimed liability and in which the amounts claimed do not exceed the applicable insurance policy limits).

(g) Compliance with Laws. Subject to the provisions of Section 7.2(e) with respect to Environmental Laws, the Property is in compliance with all applicable Laws, except to the extent the failure to so comply would not reasonably be expected to have a Material Adverse Effect and/or the non-compliance in question existed prior to Seller's acquisition of the Property.

(h) Union Agreement; Employees. As of the Closing Date, each of New Property Owner and Seller do not have any employees.

(i) Taxes. Seller has timely filed with the appropriate taxing authorities all tax returns, if any, that it has been required to file with respect to the Property. All such tax returns are true, correct, and complete in all material respects. All taxes (including any interest or penalties thereon) owed by Seller with respect to the Property have been paid prior to delinquency.

(j) ERISA. Seller is not, and is not acting on behalf of (i) an "employee benefit plan" as defined in Section 3(3) of ERISA, that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to Section 4975 of the Internal Revenue Code, or (iii) an entity deemed to hold "plan asset" of any of the foregoing within the meaning of 29 C.F.R. Section 2510.3 101, as modified by Section 3(42) of ERISA. None of the transactions contemplated by this Agreement are in violation of any state statutes applicable to Seller regulating investments of, and fiduciary

obligations with respect to, governmental plans similar to the provisions of Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

(k) Condemnation. As of the Effective Date, no condemnation or eminent domain proceeding in which Seller has received written notice is pending with respect to the Property, and to Seller's Knowledge, no such proceeding is threatened, or contemplated, in writing.

(l) Membership Interests. As of the Closing Date, (i) immediately prior to assignment thereof to Buyer, Seller is the lawful owner of the Membership Interests, free and clear of all Liens; (ii) the Membership Interests constitute all of the membership interests of New Property Owner; (iii) Seller is the sole member of New Property Owner; (iv) New Property Owner has no manager (other than New Property Owner); (v) the Membership Interests have been duly authorized and validly issued and have not been issued in violation of any purchase or call option, right of first refusal, subscription right, preemptive right or any other rights; (vi) Seller will transfer good, valid and marketable title to the Membership Interests to Buyer, free and clear of all Liens; and (vii) Seller has furnished to Buyer true, correct and complete copies of the certificate of formation and operating agreement of New Property Owner.

(m) New Property Owner. As of the Closing Date, (i) New Property Owner was created solely for the purpose of and has not engaged in any activity or business other than owning the Property; (ii) the only asset of New Property Owner is the Property (and, for the avoidance of doubt, New Property Owner has no direct or indirect subsidiaries and does not own any interests in any other entity); and (iii) New Property Owner has no liabilities (contingent or otherwise) other than those liabilities that arise solely as a result of New Property Owner's ownership of the Property, in its capacity as owner thereof.

(n) Leases. Seller has not entered into any Leases affecting the Property.

SECTION 7.3. General Provisions

(a) Survival of Seller's Warranties and Buyer's Warranties. Seller's Warranties and Buyer's Warranties shall survive Closing and not be merged therein for a period of two hundred seventy (270) days (such period, the "Survival Period"); provided that Seller's NPO Warranties shall survive Closing without limitation of time; provided further that the Survival Period will be extended for so long as any claim of breach of any such representation or warranty notice of which was provided to Seller or Buyer, as applicable, within the period of two hundred seventy (270) days referenced above shall be outstanding.

(b) Seller's aggregate liability to Buyer with respect to any and all such breaches of Seller's representations or warranties set forth in this Agreement (other than Seller's NPO Warranties) shall not exceed Five Percent (5%) of the Purchase Price and Buyer hereby waives any damages, costs and expenses in respect of such breaches in excess of said amount.

(c) Survival. The provisions of this Section 7.3 shall survive Closing (and not be merged therein) or any earlier termination of this Agreement.

(d) Update of Representations and Warranties. Prior to the Closing, Seller shall have the right to amend and otherwise modify the representations and warranties made by Seller by written notice thereof to Buyer to reflect any change in facts or circumstances first occurring after the Effective Date not resulting from a breach or default by Seller or its Affiliates under this Agreement.

ARTICLE 8
COVENANTS

SECTION 8.1. Contracts and Leases. Between the Effective Date and the Closing, Seller shall not enter into any new Contract or Lease or extend, renew, replace or otherwise modify or terminate or cancel any Contract or Lease, except to the extent that such Contract or Lease (in each case as so extended, renewed, replaced or modified, as applicable) will not be binding on New Property Owner after Closing.

SECTION 8.2. Operation of Property. Between the Effective Date and the Closing, Seller shall (and shall cause New Property Owner on the first day of the Closing Period to) operate the Property in the Ordinary Course.

SECTION 8.3. Brokers. Seller and Buyer expressly represent that there has been no broker or any other party representing Seller or Buyer as broker with respect to the Transaction and with respect to this Agreement. Seller agrees to hold Buyer harmless and indemnify Buyer from and against any and all Liabilities (including reasonable attorneys' fees, expenses and disbursements) suffered or incurred by Buyer as a result of any claims by any party claiming to have represented Seller as broker in connection with the Transaction. Buyer agrees to hold Seller harmless and indemnify Seller from and against any and all Liabilities (including reasonable attorneys' fees, expenses and disbursements) suffered or incurred by Seller as a result of any claims by any party claiming to have represented Buyer as broker in connection with the Transaction. The provisions of this Section 8.3 shall survive Closing (and not be merged therein) or the earlier termination of this Agreement.

SECTION 8.4. Transfer Taxes. Seller and Buyer each hereby covenant and agree that in the event any transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest) are incurred in connection with this Agreement and the other Closing Documents (including any real property transfer tax and any other similar tax), all such taxes or fees shall be borne and paid fifty percent (50%) by Seller and fifty percent (50%) by Buyer. Seller and Buyer will cooperate to timely file all necessary tax returns or other documents with respect to such taxes or fees, the provisions of this Section 8.4 shall survive Closing (and not be merged therein).

SECTION 8.5. Publicity. Seller and Buyer agree that any press release or other public statement with respect to the Transaction or this Agreement shall be mutually approved by the other (which approval shall not be unreasonably withheld, conditioned or delayed), except to the extent required by applicable gaming, securities or other Laws or by obligations pursuant to any listing agreement or rules of any securities exchange or in connection with corporate transactions or financings that Seller or Buyer may undertake; provided, that the disclosing party shall use commercially reasonable efforts to provide prior notice to and consult with the non-disclosing party. The provisions of this Section 8.5 shall survive Closing (and not be merged therein) or the earlier termination of this Agreement.

SECTION 8.6. Confidentiality. Seller and Buyer agree that they continue to be bound by the Mutual Non-Disclosure Agreement, dated October 20, 2017, between CEC and VICI (the "Confidentiality Agreement"). Notwithstanding the foregoing and for the avoidance of doubt, each of Seller and Buyer may disclose such information to the extent required by applicable gaming, securities or other Laws or by obligations pursuant to any listing agreement or rules of any securities exchange and to financing sources and as otherwise contemplated by the Confidentiality Agreement, and Section 8.5 above. The provisions of this Section 8.6 shall survive Closing (and not be merged therein) or earlier termination of this Agreement.

SECTION 8.7. Remediation.

(a) Buyer covenants and agrees that it shall cause the work described on Exhibit M attached hereto (the "Remediation Project") to be performed by a duly licensed and experienced contractor selected in accordance with Section 8.7(b).

(b) Buyer shall solicit bids for the Remediation Project from contractors and Buyer, in its sole and absolute discretion, may select any bidding contractor to complete the Remediation Project (the "Remediation Contractor"); provided, that, Buyer shall (i) promptly notify Seller after selecting the Remediation Contractor and (ii) timely provide to Seller any invoices received by Buyer from the Remediation Contractor in connection with the Remediation Project.

(c) The costs of the Remediation Project payable to the Remediation Contractor shall be borne fifty percent (50%) by Seller and fifty percent (50%) by Buyer, *pari passu*, until such time as the total cost incurred in connection with the Remediation Work is equal to Twelve Million Dollars ($12,000,000). Any costs in excess of Twelve Million Dollars ($12,000,000) incurred in connection with the Remediation Project shall be the sole

responsibility of Buyer. Notwithstanding the foregoing, Seller shall have no obligation to reimburse Buyer for any of Seller's share of the costs incurred in connection with the Remediation Project until such time as the Remediation Contractor has completed the Remediation Project and has provided evidence reasonably acceptable to Seller of the same and of the costs in respect thereof.

(d) The provisions of this Section 8.7 shall survive the Closing.

ARTICLE 9
DEFAULTS

SECTION 9.1. Seller's Remedies for Buyer Defaults. Prior to entering into this transaction, Buyer and Seller have discussed the fact that substantial damages will be suffered by Seller if Buyer shall default in its obligation to purchase the Property under this Agreement when required hereunder or the Other Land Seller shall default in its obligation to sell the Other Land Property under the Other Land PSA when required thereunder. If (a) Buyer defaults in its obligation to consummate the Closing as and when required under this Agreement or (b) Other Land Seller defaults in its obligation to consummate the Closing (as defined in the Other Land PSA) as and when required under the Other Land PSA, then, in each case, Seller shall have the right to elect, as its sole and exclusive remedy, to (x) terminate this Agreement by written notice to Buyer, in which case the Other Land PSA will automatically terminate and, pursuant to the terms of the Other Land PSA, Other Land Seller will pay to Other Land Buyer the Buyer Liquidated Damages Amount (as such term is defined in the Other Land PSA), and thereafter, the parties shall have no further rights or obligations hereunder except for other obligations which expressly survive the termination of this Agreement, or (y) waive the default or breach and proceed to close the Transaction.

SECTION 9.2. Buyer's Remedies for Seller Defaults. Prior to entering into this transaction, Buyer and Seller have discussed the fact that substantial damages will be suffered by Buyer if Seller shall default in its obligation to sell the Property under this Agreement when required hereunder or the Other Land Buyer shall default in its obligation to purchase the Other Land Property under the Other Land PSA when required thereunder. If (a) Seller defaults in its obligation to consummate the Closing as and when required under this Agreement or (b) Other Land Buyer defaults in its obligation to consummate the Closing (as defined in the Other Land PSA) as and when required under the Other Land PSA, then, in each case, Buyer shall have the right to elect, as its sole and exclusive remedy, to (x) terminate this Agreement by written notice to Seller, in which case the Other Land PSA will automatically terminate and, pursuant to the terms of the Other Land PSA, Other Land Buyer will pay to Other Land Seller the Seller Liquidated Damages Amount (as such term is defined in the Other Land PSA), and thereafter, the parties shall have no further rights or obligations hereunder except for other obligations which expressly survive the termination of this Agreement, or (y) waive the default or breach and proceed to close the Transaction.

ARTICLE 10
CONDEMNATION

SECTION 10.1. Right to Terminate. If, after the Effective Date, any portion of the Property is taken by condemnation or eminent domain (or is the subject of a pending taking), Seller shall notify Buyer in writing of such fact promptly after obtaining knowledge thereof. If the Property is the subject of a Major Condemnation that occurs after the Effective Date, Buyer shall have the right to terminate this Agreement by giving written notice to Seller no later than the date (the "Notice Date") that is the earlier of (a) December 28, 2017 or (b) five (5) Business Days after Seller notifies Buyer of such Major Condemnation; provided that the commencement of the Closing Period shall be extended (but not beyond December 27, 2017), if necessary, to provide sufficient time for Buyer and Seller to close. The failure by Buyer to terminate this Agreement by the Notice Date shall be deemed an election not to terminate this Agreement. If this Agreement is terminated pursuant to this Section 10.1, and thereafter the parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement. For the purposes of this Agreement, "Major Condemnation" shall mean any condemnation proceedings or eminent domain proceedings if the portion of the Property that is the subject of such condemnation or eminent domain proceedings has a value in excess of seven and one half percent (7.5%) of the Purchase Price, as reasonably determined by a third party contractor or architect selected by Seller and reasonably acceptable to Buyer.

SECTION 10.2. Allocation of Proceeds and Awards. If, after the Effective Date, any portion of the Property is taken by condemnation or eminent domain (or is the subject of a pending taking) and this Agreement is not terminated as permitted pursuant to the terms of Section 10.1, or any portion of the Property is damaged or destroyed, then this Agreement shall remain in full force and effect, and the parties hereto shall consummate the Closing upon the terms set forth herein; provided that at the Closing, Seller shall (i) pay over to Buyer the net amount of the condemnation award collected by Seller, less the actual and reasonable expenses of Seller in collecting such award; and (ii) assign, transfer and set over to Buyer, without representation, warranty or recourse, all of Seller's right, title and interest in and to any condemnation award that is uncollected at the time of the Closing and that may be paid or made in respect of such taking.

SECTION 10.3. Waiver. The provisions of this Article 10 supersede the provisions of any applicable Laws with respect to the subject matter of this Article 10.

ARTICLE 11
MISCELLANEOUS

SECTION 11.1. Buyer's Assignment. Other than in connection with an assignment pursuant to Section 11.16 hereof, Buyer shall not assign this Agreement or its rights hereunder (other than to an entity that is directly or indirectly wholly-owned and controlled by CEC) without the prior written consent of Seller, which consent Seller may grant or withhold in its sole and absolute discretion.

SECTION 11.2. Survival/Merger. Except for the provisions of this Agreement which are explicitly stated to survive the Closing and any document executed in connection herewith, none of the terms of this Agreement shall survive the Closing.

SECTION 11.3. Integration; Waiver. This Agreement embodies and constitutes the entire understanding between the parties with respect to the Transaction and all prior agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. No waiver by either party hereto of any failure or refusal by the other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply.

SECTION 11.4. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Nevada, without regard to the principles of conflicts of laws.

SECTION 11.5. Captions Not Binding; Exhibits. The captions in this Agreement are inserted for reference only and in no way limit the scope or intent of this Agreement or of any of the provisions hereof. All Exhibits attached hereto shall be incorporated by reference as if set out herein in full.

SECTION 11.6. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

SECTION 11.7. Severability. If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

SECTION 11.8. Notices. Any notices or other communications under this Agreement shall be in writing and shall be given by (a) personal delivery, (b) e-mail transmission (with a copy delivered by one of the other methods provided in this Section 11.8) or (c) a reputable overnight courier service, fees prepaid, addressed as follows:

IF TO SELLER:

Vegas Development LLC
c/o VICI Properties Inc.
8329 W. Sunset Road, Suite 210
Las Vegas, Nevada 89113
Attention: John Payne, President & CEO
Telephone #: 504-291-2567
E-mail: jpayne@viciproperties.com

COPY TO:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attention: James P. Godman
Telephone #: 212-715-9466
E-mail: jgodman@kramerlevin.com

IF TO BUYER:

Eastside Convention Center, LLC
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attention: General Counsel
E-mail: corplaw@caesars.com

Any party may designate another addressee for notices hereunder by a notice given pursuant to this Section 11.8. A notice sent in compliance with the provisions of this Section 11.8 shall be deemed given on the date of receipt, with failure to accept delivery to constitute receipt for such purpose. The parties agree that the attorney for such party specified above shall have the authority to deliver notices on such party's behalf to the other party.

SECTION 11.9. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. Signatures to this Agreement transmitted by electronic means shall be valid and effective to bind the party so signing. Each party agrees to promptly deliver an execution original to this Agreement with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement.

SECTION 11.10. No Recordation. Seller and Buyer each agrees that neither this Agreement nor any memorandum or notice hereof shall be recorded. For the avoidance of doubt, Buyer may file a notice of pendency or similar instrument against the Property in connection with an action for specific performance hereunder.

SECTION 11.11. Additional Agreements; Further Assurances. Each of the parties hereto shall execute and deliver such documents as the other party shall reasonably request in order to consummate and make effective the Transaction, so long as the execution and delivery of such documents shall not result in any additional Liability or cost to the executing party.

SECTION 11.12. Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement, any modification hereof or any of the Closing Documents.

SECTION 11.13. Prevailing Party. If any action or proceeding is brought to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to all other damages, all costs and expenses of such action or proceeding, including but not limited to reasonable, actual attorneys' fees, witness fees' and court costs as determined by a court of competent jurisdiction in a final, non-appealable decision. The phrase "prevailing party" as used in this Section shall include a party who receives substantially the relief desired whether by dismissal, summary judgment or otherwise.

SECTION 11.14. JURISDICTION. WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDINGS RELATING TO THE TRANSACTION, THIS AGREEMENT, THE PROPERTY OR THE RELATIONSHIP OF BUYER AND SELLER HEREUNDER ("PROCEEDINGS") EACH PARTY IRREVOCABLY (a) SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE COUNTY OF CLARK, STATE OF NEVADA AND THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEVADA SITTING IN LAS VEGAS, NEVADA, AND (b) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDINGS BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT SUCH PROCEEDINGS HAVE BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDINGS, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY. THE PROVISIONS OF THIS SECTION 11.14 SHALL SURVIVE THE CLOSING (AND NOT BE MERGED THEREIN) OR ANY EARLIER TERMINATION OF THIS AGREEMENT.

SECTION 11.15. WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY PROCEEDINGS BROUGHT BY THE OTHER PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE TRANSACTION, THIS AGREEMENT, THE PROPERTY OR THE RELATIONSHIP OF BUYER AND SELLER HEREUNDER. THE PROVISIONS OF THIS SECTION 11.15 SHALL SURVIVE THE CLOSING (AND NOT BE MERGED THEREIN) OR ANY EARLIER TERMINATION OF THIS AGREEMENT.

SECTION 11.16. Tax Free Exchange. Seller and Buyer each hereby reserve the right to include this transaction as part of one (1) or more tax deferred exchange transactions pursuant to Code Section 1031 and comparable provisions of applicable state law, at no out-of-pocket cost, expense, risk or liability to the other party hereto. Seller and Buyer agree to cooperate with the other party hereto, and to execute any and all documents (including without limitation Code Section 1031 exchange documents) reasonably necessary in connection therewith; provided, however, that the closing of the transaction for the conveyance of the Property shall not be contingent upon, and shall not be subject to, the completion of such exchange, nor shall such affect the Closing Date hereunder. Buyer and Seller shall be obligated to close title to the Property on or before the Closing Date whether or not Buyer or Seller, as applicable, shall have consummated an intended Code Section 1031 tax deferred exchange transaction.

SECTION 11.17. Termination of Other Land PSA. If, at any time on or prior to the Closing Date, the Other Land PSA is terminated, this Agreement shall automatically terminate, provided that such termination shall not relieve either party hereto for liability hereunder that pursuant to the express terms hereof survives termination hereof.

SECTION 11.18. Put-Call Guaranties. Harrah's New Property Owner and Put-Call Owner shall use commercially reasonable efforts to agree on the form of Put-Call VICI Guaranty and Put-Call Owner Guaranty on or before the Closing Date. Under no circumstances will the failure to agree on the form of the Put-Call Owner Guaranty or the Put-Call VICI Guaranty delay the Closing under this Agreement or the Other Land PSA.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed to be effective as of the day and year first above written.

SELLER:

VEGAS DEVELOPMENT LLC,
a Delaware limited liability company

By: /s/ John Payne_____
Name: John Payne
Title: President and Secretary

BUYER:

EASTSIDE CONVENTION CENTER, LLC, a Delaware limited liability company

By: Caesars Entertainment Resort Properties, LLC, a Delaware limited liability company, its sole member

By: /s/ Eric Hession_____
Name: Eric Hession
Title: Treasurer

Exhibit 10.44

AMENDED AND RESTATED LEASE

By and Among

CLAUDINE PROPCO LLC,
a Delaware limited liability company,
together with its permitted successors and assigns)
as "Landlord"

and

HARRAH'S LAS VEGAS, LLC,
a Nevada limited liability company,
together with its permitted successors and assigns)
as "Tenant"

dated

December 22, 2017

for

Harrah's Las Vegas

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AMENDED AND RESTATED LEASE

THIS AMENDED AND RESTATED LEASE (this "Lease") is entered into as of December 22, 2017, by and among Claudine Propco LLC, a Delaware limited liability company (together with its permitted successors and assigns, "Landlord"), and Harrah's Las Vegas, LLC, a Nevada limited liability company (together with its permitted successors and assigns, "Tenant").

RECITALS

A. On December 18, 2017, Tenant formed Landlord as a wholly owned subsidiary of Tenant.

B. On December 22, 2017, Landlord acquired from Tenant all of the real estate comprising the property commonly known as Harrah's Las Vegas which is covered by this Lease and more particularly described on Exhibit A.

C. On December 22, 2017, Landlord and Tenant entered into that certain Lease (the "Original Lease"), whereby Landlord leased to Tenant the property described in Recital B above.

D. Immediately prior to the execution hereof, Claudine Property Owner LLC, a Delaware limited liability company acquired from Tenant one hundred percent (100%) of the membership interests in Landlord.

E. Landlord and Tenant wish to amend and restate the Original Lease in its entirety.

F. Capitalized terms used in this Lease and not otherwise defined herein are defined in Article II hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Original Lease is hereby amended and restated in its entirety and the Parties agree as follows:

ARTICLE I
DEMISE; TERM

1.1 Leased Property. Upon and subject to the terms and conditions hereinafter set forth, Landlord demises and leases to Tenant and Tenant accepts and leases from Landlord all of Landlord's rights and interest in and to the following (collectively, the "Leased Property"):

(a) the real property described in Exhibit B attached hereto, together with any ownership interests in adjoining roadways, alleyways, strips, gores and the like appurtenant thereto (collectively, the "Land");

(b) all buildings, structures, Fixtures and improvements of every kind now or hereafter located on the Land or the improvements located thereon or permanently affixed to the Land or the improvements located thereon, including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines appurtenant to such buildings and structures (collectively, the "Leased Improvements"), provided, however, that the foregoing shall not affect or contradict the provisions of this Lease which specify that Tenant shall be entitled to certain rights with respect to or benefits of the Tenant Capital Improvements as expressly set forth herein; and

(c) all easements, development rights and other rights appurtenant to the Land or the Leased Improvements. The Leased Property is leased subject to all covenants, conditions, restrictions, easements and other matters of any nature affecting the Leased Property or any portion thereof as of the Commencement Date and such subsequent covenants, conditions, restrictions, easements and other matters as may hereafter arise in accordance with the terms of this Lease or as may otherwise be agreed to in writing by Landlord and Tenant, whether or not of record, including any matters which would be disclosed by an inspection or accurate survey of the Leased Property or any portion thereof.

Except as more specifically provided in the following paragraph, to the extent Landlord's ownership of any Leased Property or any portion thereof (including any improvement (including any Capital Improvement) or other property) that does not constitute "real property" within the meaning of Treasury Regulation Section 1.856-3(d), which would otherwise be owned by Landlord and leased to Tenant pursuant to this Lease, could cause Landlord REIT to fail to qualify as a "real estate investment trust" (within the meaning of Section 856(a) of the Code, or any similar or successor provision thereto), then a portion of such property shall automatically instead be owned by PropCo TRS LLC, a Delaware limited liability company, which is a "taxable REIT subsidiary" (within the meaning of Section 856(l) of the Code, or any similar or successor provision thereto) of Landlord REIT (the "Propco TRS"), to the extent necessary such that Landlord's ownership of such Leased Property does not cause Landlord REIT to fail to qualify as a real estate investment trust, provided, there shall be no adjustment in the Rent as a result of the foregoing. In such event, Landlord shall cause the Propco TRS to make such property available to Tenant in accordance with the terms hereof; however, Landlord shall remain fully liable for all obligations of Landlord under this Lease and shall retain sole decision-making authority for any matters for which Landlord's consent or approval is required or permitted to be given and for which Landlord's discretion may be exercised under this Lease.

1.2 Single, Indivisible Lease. This Lease constitutes one indivisible lease of the Leased Property and not separate leases governed by similar terms. The Leased Property constitutes one economic unit, and the Rent and all other provisions have been negotiated and agreed upon based on a demise of all of the Leased Property to Tenant as a single, composite, inseparable transaction and would have been substantially different had separate leases or a divisible lease been intended. Except as expressly provided in this Lease for specific, isolated purposes (and then only to the extent expressly otherwise stated), all provisions of this Lease apply equally and uniformly to all components of the Leased Property collectively as one unit. The Parties intend that the provisions of this Lease shall at all times be construed, interpreted and applied so as to carry out their mutual objective to create an indivisible lease of all of the Leased Property and, in particular but without limitation, that, for purposes of any assumption, rejection or assignment of this Lease under 11 U.S.C. Section 365, or any successor or replacement thereof or any analogous state law, this is one indivisible and non-severable lease and executory contract dealing with one legal and economic unit and that this Lease must be assumed, rejected or assigned as a whole with respect to all (and only as to all) of the Leased Property. The Parties may elect to amend this Lease from time to time to modify the boundaries of the Land, to exclude one or more components or portions thereof, and/or to include one or more additional components as part of the Leased

Property, and any such future addition to the Leased Property shall not in any way change the indivisible and nonseverable nature of this Lease and all of the foregoing provisions shall continue to apply in full force.

1.3 Term. The "Term" of this Lease shall commence on the Commencement Date and expire on the Expiration Date (i.e., the Term shall consist of the Initial Term plus all Renewal Terms, to the extent exercised as set forth in Section 1.4 below, subject to any earlier termination of the Term pursuant to the terms hereof). The initial stated term of this Lease (the "Initial Term") shall commence on December 22, 2017 (the "Commencement Date") and expire on December 31, 2032 (the "Initial Stated Expiration Date"). The "Stated Expiration Date" means the Initial Stated Expiration Date or the expiration date of the most recently exercised Renewal Term, as the case may be.

1.4 Renewal Terms. The Term of this Lease may be extended for four (4) separate "Renewal Terms" of five (5) years each if (a) at least twelve (12), but not more than eighteen (18), months prior to the then current Stated Expiration Date, Tenant (or, pursuant to Section 17.1(e), a Permitted Leasehold Mortgagee) delivers to Landlord a "Renewal Notice" stating that it is irrevocably exercising its right to extend this Lease for one (1) Renewal Term; and (b) no Tenant Event of Default shall have occurred and be continuing on the date Landlord receives the Renewal Notice or on the last day of the then current Term (other than a Tenant Event of Default that is in the process of being cured by a Permitted Leasehold Mortgagee in compliance in all respects with Section 17.1(d) and Section 17.1(e)). Subject to the provisions, terms and conditions of this Lease, upon Tenant's timely delivery to Landlord of a Renewal Notice, the Term of this Lease shall be extended for the then applicable Renewal Term. During any such Renewal Term, except as specifically provided for herein, all of the provisions, terms and conditions of this Lease shall remain in full force and effect. After the last Renewal Term, Tenant shall have no further right to renew or extend the Term. If Tenant fails to validly and timely exercise any right to extend this Lease, then all subsequent rights to extend the Term shall terminate.

ARTICLE II
DEFINITIONS

For all purposes of this Lease, except as otherwise expressly provided or unless the context otherwise requires, (i) the terms defined in this Article II have the meanings assigned to them in this Article and include the plural as well as the singular and any gender as the context requires; (ii) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; (iii) all references in this Lease to designated "Articles," "Sections," "Exhibits" and other subdivisions are to the designated Articles, Sections, Exhibits and other subdivisions of this Lease; (iv) the word "including" shall have the same meaning as the phrase "including, without limitation," and other similar phrases; (v) the words "herein," "hereof" and "hereunder" and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or other subdivision; (vi) all Exhibits, Schedules and other attachments annexed to the body of this Lease are hereby deemed to be incorporated into and made an integral part of this Lease; (vii) all references to a range of Sections, paragraphs or other similar references, or to a range of dates or other range (*e.g.*, indicated by "-" or "through") shall be deemed inclusive of the entire range so referenced; and (viii) for the calculation of any financial ratios or tests referenced in this Lease, this Lease, regardless of its treatment under GAAP, shall be deemed to be an operating lease and the Rent payable hereunder shall be treated as an operating expense and shall not constitute indebtedness or interest expense.

"AAA": As defined in the definition of Appointing Authority.

"Accepted MCI Financing Proposal": As defined in Section 10.4(b).

"Accountant": Either (i) a firm of independent public accountants designated by Tenant, or Guarantor, as applicable and reasonably acceptable to Landlord, or (ii) a "big four" accounting firm designated by Tenant.

"Accounts": All Tenant's accounts, including deposit accounts (but excluding any impound account established pursuant to Section 4.4 and any Fee Mortgage Reserve Account), all rents, profits, income, revenues or rights to payment or reimbursement derived from Tenant's use of any space within the Leased Property or any portion thereof and/or from goods sold or leased or services rendered by Tenant from the Leased Property or any portion thereof (including, without limitation, from goods sold or leased or services rendered from the Leased Property or any portion thereof by the Affiliated property manager or Affiliated Subtenants) and all Tenant's accounts receivable derived from

the use of the Leased Property or goods or services provided from the Leased Property, in each case whether or not evidenced by a contract, document, instrument or chattel paper and whether or not earned by performance, including without limitation, the right to payment of management fees and all proceeds of the foregoing.

"Acquirer": As defined in Article XVIII.

"Additional Charges": All Impositions and all other amounts, liabilities and obligations (excluding Rent) which Tenant assumes or agrees or is obligated to pay under this Lease and, in the event of any failure on the part of Tenant to pay any of those items, except where such failure is due to the wrongful acts or omissions of Landlord, every fine, penalty, interest and cost which may be added for non-payment or late payment of such items pursuant to the terms hereof or under applicable law.

"Additional Fee Mortgagee Requirements": As defined in Section 31.3.

"Additional Fee Mortgagee Requirements Period": As defined in Section 31.3.

"Affiliate": When used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. In no event shall Tenant or any of its Affiliates be deemed to be an Affiliate of Landlord or any of Landlord's Affiliates.

"Alteration" : Any construction, demolition, restoration, alteration, addition, improvement, renovation or other physical changes or modifications of any nature in, on or to the Leased Improvements that is not a Capital Improvement.

"Annual Minimum Building and Improvement Cap Ex Amount": As defined in Section 10.5(a)(ii).

"Applicable Deadline": As defined in Section 23.1(b)(i).

"Applicable Landlord Financing" A financing obtained by Landlord or any one or more of its Affiliates that is secured by this Lease or the Leased Property.

"Applicable Standards": The standards generally and customarily applicable from time to time during the Term to (i) large-scale, integrated gaming-hotel-entertainment facilities and (ii) if and when the Lease is amended to include the Convention Center Property pursuant to the Put-Call Agreement, a convention and exhibition center, as the case may be, that are located in Las Vegas, that are similar to the Hotel/Casino Facility or Convention Center Facility, as applicable, in size and quality of operation, that have annual capital expenditures and are of an age comparable to the age and quality of the Leased Improvements existing at the time this standard is being applied.

"Appointing Authority": Either (i) the Institute for Conflict Prevention and Resolution (also known as, and shall be defined herein as, the "CPR Institute"), unless it is unable to serve, in which case the Appointing Authority shall be (ii) the American Arbitration Association (" AAA") under its Arbitrator Select Program for non-administered arbitrations or whatever AAA process is in effect at the time for the appointment of arbitrators in cases not administered by the AAA, unless it is unable to serve, in which case (iii) the Parties shall have the right to apply to any court of competent jurisdiction to appoint an Appointing Authority in accordance with the court's power to appoint arbitrators. The CPR Institute and the AAA shall each be considered unable to serve if it no longer exists, or if it no longer provides neutral appointment services, or if it does not confirm (in form or substance) that it will serve as the Appointing Authority within thirty (30) days after receiving a written request to serve as the Appointing Authority, or if, despite agreeing to serve as the Appointing Authority, it does not confirm appointment within sixty (60) days after receiving such written request.

"Arbitration Provision": Each of the following: the calculation of the Minimum Cap Ex Amount; the determination of whether a Capital Improvement constitutes a Material Capital Improvement; the calculation of Net Revenue; the calculation of Rent (without limitation of the procedures set forth in Section 3.2); without limitation of the EBITDAR Calculation Procedures, any EBITDAR calculation made pursuant to this Lease or any determination

or calculation made pursuant to this Lease for which EBITDAR is a necessary component of such determination or calculation and the calculation of any amounts under Sections 10.1(a), 10.3, 10.5(a) and 10.5(b).

"Architect": As defined in Section 10.2(b).

"Award": All compensation, sums or anything of value awarded, paid or received from the applicable authority on a total or partial Taking or Condemnation, including any and all interest thereon.

"Base Net Revenue Amount": $356,900,000, which amount Landlord and Tenant agree represents Net Revenue for the Fiscal Period immediately preceding the first (1st) Lease Year.

"Base Rent": The Base Rent component of Rent, as defined in more detail in clauses (b) and (c) of the definition of "Rent."

"Beginning CPI": As defined in the definition of CPI Increase.

"Bookings": Reservations, bookings and short-term arrangements with conventions, conferences, hotel guests, tours, vendors and other groups or individuals (it being understood that whether or not such arrangements or agreements are short-term or temporary shall be determined without regard to how long in advance such arrangements or agreements are entered into), in each case entered into in the ordinary course consistent with past practices.

"Business Day": Each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which national banks in Las Vegas, Nevada or New York, New York are authorized, or obligated, by law or executive order, to close.

"Cap Ex Reserve": As defined in Section 10.5(b)(ii).

"Cap Ex Reserve Funds": As defined in Section 10.5(b)(ii).

"Capital Expenditures": The sum of all expenditures actually paid by or on behalf of Tenant, on a consolidated basis, to the extent capitalized in accordance with GAAP and in a manner consistent with Tenant's annual Financial Statements.

"Capital Improvement": Any construction, restoration, alteration, addition, improvement, renovation or other physical changes or modifications of any nature (excluding maintenance, repair and replacement in the ordinary course) in, on, or to the Leased Improvements, including, without limitation, structural alterations, modifications or improvements of one or more additional structures annexed to any portion of the Leased Improvements or the expansion of existing Leased Improvements, in each case, to the extent that the costs of such activity are or would be capitalized in accordance with GAAP and in a manner consistent with Tenant's Financial Statements, and any demolition in connection therewith.

"Capital Lease Obligations": With respect to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other similar arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations have been or should be classified and accounted for as capital leases on a balance sheet of such person under GAAP (as in effect on the date hereof) and, for purposes hereof, the amount of such obligations at any time shall be the capitalized amount thereof at such time determined in accordance with GAAP (as in effect on the date hereof).

"Cash": Cash and cash equivalents and all instruments evidencing the same or any right thereto and all proceeds thereof.

"Casualty Event": Any loss, damage or destruction with respect to the Leased Property or any portion thereof.

"CEC": Caesars Entertainment Corporation, a Delaware corporation.

"Change of Control": With respect to any party, the occurrence of any of the following: (a) the direct or indirect sale, exchange or other transfer (other than by way of merger, consolidation or amalgamation), in one or a series of related transactions, of all or substantially all the assets of such party and its Subsidiaries, taken as a whole, to one or more Persons; (b) an officer of such party becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the consummation of any transaction or series of related transactions (including, without limitation, any merger, consolidation or amalgamation), the result of which is that any "person" or "group" (as used in Section 13(d)(3) of the Exchange Act or any successor provision), other than, in the case of Tenant, CRC, becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act or any successor provision), directly or indirectly, of more than fifty percent (50%) of the Voting Stock of such party or other Voting Stock into which such party's Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of securities or other ownership interests; (c) the occurrence of a "change of control", "change in control" (or similar definition) as defined in any indenture, credit agreement or similar debt instrument under which such party is an issuer, a borrower or other obligor, in each case representing outstanding indebtedness in excess of One Hundred Million and No/100 Dollars ($100,000,000.00); or (d) such party consolidates with, or merges or amalgamates with or into, any other Person (or any other Person consolidates with, or merges or amalgamates with or into, such party), in any such event pursuant to a transaction in which any of such party's outstanding Voting Stock or any of the Voting Stock of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where such party's Voting Stock outstanding immediately prior to such transaction constitutes, or is converted into or exchanged for, a majority of the outstanding Voting Stock of the surviving Person or any direct or indirect Parent Entity of the surviving Person immediately after giving effect to such transaction measured by voting power rather than number of securities or other ownership interests. For purposes of the foregoing definition: (x) a party shall include any Parent Entity of such party; and (y) "Voting Stock" shall mean the securities or other ownership interests of any class or classes having general voting power under ordinary circumstances, in the absence of contingencies, to elect the directors, managers or trustees (or other similar governing body) of a Person. Notwithstanding the foregoing: (A) the transfer of assets between or among a party's wholly owned subsidiaries and such party shall not itself constitute a Change of Control; (B) the term "Change of Control" shall not include a merger, consolidation or amalgamation of such party with, or the sale, assignment, conveyance, transfer or other disposition of all or substantially all of such party's assets to, an Affiliate of such party (1) incorporated or organized solely for the purpose of reincorporating such party in another jurisdiction, and (2) the owners of which and the number and type of securities or other ownership interests in such party, measured by voting power and number of securities or other ownership interests, owned by each of them immediately before and immediately following such transaction, are materially unchanged; (C) a "person" or "group" shall not be deemed to have beneficial ownership of securities subject to a stock or asset purchase agreement, merger agreement or similar agreement (or voting or option or similar agreement related thereto) prior to the consummation of the transactions contemplated by such agreement; (D) a transaction will not be deemed to involve a Change of Control in respect of a party if (1) such party becomes a direct or indirect wholly owned subsidiary of a holding company, and (2) the direct or indirect owners of such holding company immediately following that transaction are the same as the owners of such party immediately prior to that transaction and the number and type of securities or other ownership interests owned by each such direct and indirect holder immediately following such transaction are materially unchanged from the number and type of securities or other ownership interests owned by such direct and indirect holder in such party immediately prior to that transaction; and (E) no Change of Control shall be deemed to exist for so long as CRC controls Tenant.

"Code": The Internal Revenue Code of 1986 and, to the extent applicable, the Treasury Regulations promulgated thereunder, each as amended from time to time.

"Commencement Date": As defined in Section 1.3.

"Commission": As defined in Section 41.15.

"Condemnation" : The exercise of any governmental power, whether by legal proceedings or otherwise, by any public or quasi-public authority, or private corporation or individual, having such power under Legal Requirements, either under threat of condemnation or while legal proceedings for condemnation are pending.

"Confidential Information": In addition to information described in Section 41.22, any information or compilation of information relating to a business, procedures, techniques, methods, concepts, ideas, affairs, products, processes or services, including source code, information relating to distribution, marketing, merchandising, selling, research, development, manufacturing, purchasing, accounting, engineering, financing, costs, pricing and pricing strategies and methods, customers, suppliers, creditors, employees, contractors, agents, consultants, plans, billing, needs of customers and products and services used by customers, all lists of suppliers, distributors and customers and their addresses, prospects, sales calls, products, services, prices and the like, as well as any specifications, formulas, plans, drawings, accounts or sales records, sales brochures, catalogs, code books, manuals, trade secrets, knowledge, know-how, operating costs, sales margins, methods of operations, invoices or statements and the like.

"Continuously Operated": With respect to the Facility, the Facility is continuously used and operated for its Primary Intended Use and open for business to the public during all business hours usual and customary for such use for comparable properties in Las Vegas, Nevada.

"Control": The possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, partnership interests or any other Equity Interests or by contract, and "Controlling" and "Controlled" shall have meanings correlative thereto.

"Convention Center": The "Eastside Convention Center", as such term is defined in the Put-Call Agreement.

"Convention Center Facility": As defined in the definition of Facility.

"Convention Center Property": The Eastside Convention Center Property, as defined in the Put Call Agreement

"CPI": The United States Department of Labor, Bureau of Labor Statistics Revised Consumer Price Index for All Urban Consumers (1982-84=100), U.S. City Average, All Items, or, if that index is not available at the time in question, then the index designated by such Department as the successor to such index, and if there is no index so designated, an index for an area in the United States that most closely corresponds to the entire United States, published by such Department, or if none, by any other instrumentality of the United States, all as reasonably determined by Landlord and Tenant.

"CPI Increase": The greater of (a) zero and (b) a fraction, expressed as a decimal, determined as of each Escalator Adjustment Date, (x) the numerator of which shall be the difference between (i) the average CPI for the three (3) most recent calendar months (the "Prior Months") ending prior to such Escalator Adjustment Date (for which the CPI has been published as of such Escalator Adjustment Date) and (ii) the average CPI for the three (3) corresponding calendar months occurring one (1) year prior to the Prior Months (such average CPI, the "Beginning CPI"), and (y) the denominator of which shall be the Beginning CPI.

"CPR Institute": As defined in the definition of Appointing Authority.

"CRC": Caesars Resort Collection, LLC, a Delaware limited liability company.

"Dollars" and "$": The lawful money of the United States.

"EBITDA": The same meaning as "EBITDAR" as defined herein but without giving effect to clause (xi) in the definition thereof.

"EBITDAR": For any applicable twelve (12) month period, the consolidated net income or loss of a Person on a consolidated basis for such period, determined in accordance with GAAP, provided, however, that without duplication and in each case to the extent included in calculating net income (calculated in accordance with GAAP): (i) income tax expense shall be excluded; (ii) interest expense shall be excluded; (iii) depreciation and amortization expense shall be excluded; (iv) amortization of intangible assets shall be excluded; (v) write-downs and reserves for

non-recurring restructuring-related items (net of recoveries) shall be excluded; (vi) reorganization items shall be excluded; (vii) any impairment charges or asset write-offs, non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP and related interpretations, and non-cash charges for deferred tax asset valuation allowances, shall be excluded; (viii) any effect of a change in accounting principles or policies shall be excluded; (ix) any non-cash costs or expense incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement shall be excluded; (x) any nonrecurring gains or losses (less all fees and expenses relating thereto) shall be excluded; (xi) rent expense shall be excluded; and (xii) the impact of any deferred proceeds resulting from failed sale accounting shall be excluded. In connection with any EBITDAR calculation made pursuant to this Lease or any determination or calculation made pursuant to this Lease for which EBITDAR is a necessary component of such determination or calculation, (1) promptly following request therefor, Tenant shall provide Landlord with all supporting documentation and backup information with respect thereto as may be reasonably requested by Landlord, (2) such calculation shall be as reasonably agreed upon between Landlord and Tenant, and (3) if Landlord and Tenant do not agree within twenty (20) days of either party seeking to commence discussions, the same may be determined by an Expert in accordance with and pursuant to the process set forth in Section 34.2 hereof (clauses (1) through (3), collectively, the "EBITDAR Calculation Procedures").

"EBITDAR Calculation Procedures": As defined in the definition of EBITDAR.

"EBITDAR to Rent Ratio": For any applicable Lease Year, as determined as of the Escalator Adjustment Date for such Lease year after giving effect to the proposed escalation on such date, the ratio of EBITDAR of Tenant for the applicable Trailing Test Period to Rent for such Lease Year. For purposes of calculating the EBITDAR to Rent Ratio, EBITDAR shall be calculated on a pro forma basis to give effect to any material acquisitions and material asset sales consummated by Tenant during any Trailing Test Period of Tenant as if each such material acquisition had been effected on the first day of such Trailing Test Period and as if each such material asset sale had been consummated on the day prior to the first day of such Trailing Test Period.

"Eligible Account": A separate and identifiable account from all other funds held by the holding institution that is either (a) an account or accounts maintained with a federal or state-chartered depository institution or trust company which complies with the definition of Eligible Institution or (b) a segregated trust account or accounts maintained with a federal or state chartered depository institution or trust company acting in its fiduciary capacity that has a Moody's rating of at least "Baa2" and which, in the case of a state chartered depository institution or trust company, is subject to regulations substantially similar to 12 C.F.R. §9.10(b), having in either case a combined capital and surplus of at least Fifty Million and No/100 Dollars ($50,000,000.00) and subject to supervision or examination by federal and state authority. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"Eligible Institution": Either (a) a depository institution or trust company insured by the Federal Deposit Insurance Corporation, the short-term unsecured debt obligations or commercial paper of which are rated at least "A-1+" by S&P and "P-1" by Moody's in the case of accounts in which funds are held for thirty (30) days or less (or, in the case of Letters of Credit and accounts in which funds are held for more than thirty (30) days, the long-term unsecured debt obligations of which are rated at least "A+" by S&P and "Aa3" by Moody's), or (b) Wells Fargo Bank, National Association, provided that the rating by S&P and Moody's for the short term unsecured debt obligations or commercial paper and long term unsecured debt obligations of the same does not decrease below the ratings set forth in subclause (a) hereof.

"Embargoed Person": Any person, entity or government subject to trade restrictions under U.S. law, including, but not limited to, The USA PATRIOT Act (including the anti-terrorism provisions thereof), the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701, et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder including those related to Specially Designated Nationals and Specially Designated Global Terrorists, with the result that the applicable transaction is prohibited by law or in violation of law.

"Encroachment": As defined in Section 21.2(i).

"End of Term Asset Transfer Notice": As defined in Section 36.1.

"Environmental Costs": As defined in Section 32.4.

"Environmental Laws": Any and all federal, state, municipal and local laws, statutes, ordinances, rules, regulations, orders, decrees or judgments, whether statutory or common law, as amended from time to time, now or hereafter in effect, or promulgated, pertaining to the environment, public health and safety and industrial hygiene and relating to the use, generation, manufacture, production, storage, release, discharge, disposal, handling, treatment, removal, decontamination, cleanup, transportation or regulation of any Hazardous Substance, including the Industrial Site Recovery Act, the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Insecticide, Fungicide, Rodenticide Act, the Safe Drinking Water Act and relevant provisions of the Occupational Safety and Health Act.

"Equity Interests": With respect to any Person, any and all shares, interests, participations, equity interests, voting interests or other equivalents, including membership interests (however designated, whether voting or non-voting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profit, and losses of, or distributions of assets of, such partnership.

"Escalator": (a) During the initial five (5) Lease Years, one (1.0) plus one one-hundredth (0.01), and (b) from and after the commencement of the sixth (6th) Lease Year, one (1.0) plus the greater of (I) two one-hundredths (0.02) and (II) the CPI Increase; provided, however, with respect to clause (b), in the event in any such Lease Year from and after the commencement of the sixth (6th) Lease Year, the Rent calculated pursuant hereto (after giving effect to increases resulting from the Escalator) will cause the EBITDAR to Rent Ratio to be less than 1.6:1, the Escalator will be reduced to such amount (but not less than one (1.0)) that would result in a 1:6.1 EBITDAR to Rent Ratio for such Lease Year.

"Escalator Adjustment Date": The first day of each Lease Year, excluding the first Lease Year of the Initial Term, and the first Lease Year of each Renewal Term.

"Estoppel Certificate": As defined in Section 23.1(a).

"Exchange Act": The Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Excluded Items": As defined in Section 36.1.

"Exercise Notice": As defined in Section 18.2(a)(i).

"Existing Fee Mortgage": The Fee Mortgages as in effect on the Commencement Date (if any), together with any amendments, modifications, and/or supplements thereto after the Commencement Date.

"Existing Leases": Collectively, (i) that certain Lease (CPLV), dated October 6, 2017, by and between various Affiliates of Landlord, as "Landlord," and various Affiliates of Tenant, as "Tenant," with respect to various other Gaming Facilities and other real property assets, as amended, restated or otherwise modified from time to time, (ii) that certain Lease (Non-CPLV), dated October 6, 2017, by and between various Affiliates of Landlord, as "Landlord," and various Affiliates of Tenant, as "Tenant," with respect to various other Gaming Facilities and other real property assets, as amended, restated or otherwise modified from time to time, and (iii) that certain Lease (Joliet), dated October 6, 2017, by and between Harrah's Joliet Landco LLC, as "Landlord," and Des Plaines Development Limited Partnership, as "Tenant," with respect to the Gaming Facility known as Harrah's Joliet, located in Joliet, Illinois, as amended, restated or otherwise modified from time to time.

"Expert": An independent third party professional, with expertise in respect of a matter at issue, appointed by the agreement of Landlord and Tenant or otherwise in accordance with Article XXXIV hereof.

"Expert Valuation Notice": As defined in Section 34.1.

"Expiration Date": The Stated Expiration Date, or such earlier date as this Lease is terminated pursuant to its terms.

"Facility": Collectively, (a) the assets comprising (i) the Leased Property as listed on Exhibit A attached hereto, including the respective Leased Improvements, easements, development rights, and other tangible rights (if any) forming a part thereof or appurtenant thereto, including any and all Capital Improvements (including any Tenant Material Capital Improvements), and (ii) all of Tenant's Property located, or used in connection with the operation of the business conducted, on or about the Leased Property, and (b) the business operated by Tenant on or about the Leased Property or Tenant's Property or any portion thereof or in connection therewith. If and when this Lease is amended to include the East Side Convention Center Property pursuant to the Put Call Agreement, (I) the term "Hotel/Casino Facility" shall be used to refer to the Facility as in effect immediately prior to effectuation of such amendment, (II) the term "Convention Center Facility" shall refer, collectively, to (a) the assets comprising (i) the Convention Center Property, including easements, development rights, and other tangible rights (if any) forming a part thereof or appurtenant thereto, including any and all Capital Improvements (including any Tenant Material Capital Improvements) with respect thereto, and (ii) all of Tenant's Property located, or used in connection with the operation of the business conducted, on or about the Convention Center Property, and (b) the business operated by Tenant on or about the Convention Center Property or such Tenant's Property or any portion thereof or in connection therewith, and (III) the term "Facility" shall refer, collectively, to the Hotel/Casino Facility and the Convention Center Facility.

"Fair Market Base Rental Value": The Fair Market Rental Value, as determined with respect to Base Rent only (and not Variable Rent nor Additional Charges), assuming and taking into account that Variable Rent and Additional Charges shall continue to be paid hereunder during any period in which such Fair Market Base Rental Value shall be paid.

"Fair Market Ownership Value": The fair market purchase price of the Leased Property, Facility or any applicable part thereof, as the context requires, as of the estimated transfer date, in its then-condition, that a willing purchaser would pay to a willing seller for Cash on arm's-length terms (assuming (1) neither such purchaser nor seller is under any compulsion to sell or purchase and that both have reasonable knowledge of all relevant facts, are acting prudently and knowledgeably in a competitive and open market, and assuming price is not affected by undue stimulus and (2) neither party is paying any broker a commission in connection with the transaction), taking into account the provisions of Section 34.1(f) if applicable, and otherwise taking all then-relevant factors into account (whether favorable to one, both or neither Party) and subject to the further factors, as applicable, that are set forth in the definition of "Fair Market Rental Value" herein below as applicable, either (i) as agreed in writing by Landlord and Tenant, or (ii) as determined in accordance with the procedure specified in Section 34.1 of this Lease.

"Fair Market Property Value": The fair market purchase price of the applicable personal property, as the context requires, as of the estimated transfer date, in its then-condition, that a willing purchaser would pay to a willing seller for Cash on arm's-length terms (assuming (1) neither such purchaser nor seller is under any compulsion to sell or purchase and that both have reasonable knowledge of all relevant facts, are acting prudently and knowledgeably in a competitive and open market, and assuming price is not affected by undue stimulus and (2) neither party is paying any broker a commission in connection with the transaction), and otherwise taking all then-relevant factors into account (whether favorable to one, both or neither Party) either (i) as agreed in writing by Tenant and either Landlord or Successor Tenant (as applicable), or (ii) if not agreed upon in accordance with clause (i) above, as determined in accordance with the procedure specified in Section 34.1.

"Fair Market Rental Value": The annual fixed fair market rental value for the Leased Property or any applicable part thereof (excluding Tenant Material Capital Improvements), as the context requires, as of the first day of the period for which the Fair Market Rental Value is being determined, in its then-condition, that a willing tenant would pay to a willing landlord on arm's length terms (assuming (1) neither such tenant nor landlord is under any

compulsion to lease and that both have reasonable knowledge of all relevant facts, are acting prudently and knowledgeably in a competitive and open market, and assuming price is not affected by undue stimulus, (2) such lease contained terms and conditions identical to the terms and conditions of this Lease, other than with respect to the length of term and payment of Rent, (3) neither party is paying any broker a commission in connection with the transaction, and (4) that the tenant thereunder will pay such Fair Market Rental Value for the entire term of such demise (*i.e.*, no early termination)), taking into account the provisions of Section 34.1(g), and otherwise taking all then-relevant factors into account (whether favorable to one, both or neither Party), either (i) as agreed in writing by Landlord and Tenant, or (ii) as determined in accordance with the procedure specified in Section 34.1 of this Lease. In all cases, for purposes of determining the Fair Market Ownership Value or the Fair Market Rental Value, as the case may be, (A) the Leased Property (or Facility, as applicable) to be valued pursuant hereto (as improved by all then existing Leased Improvements, and all Capital Improvements thereto, but excluding any Tenant Material Capital Improvements), shall be valued as (or as part of) a fully-permitted Facility operated in accordance with the provisions of this Lease for the Primary Intended Use, free and clear of any lien or encumbrance evidencing a debt (including any Permitted Leasehold Indebtedness) or judgment (including any mortgage, security interest, tax lien, or judgment lien) (provided, however, for purposes of determining Fair Market Ownership Value of any applicable Tenant Material Capital Improvements pursuant to Section 10.4(e), the same shall be valued on the basis of the then-applicable status of any applicable permits, free and clear of only such liens and encumbrances that will be removed if and when conveyed to Landlord pursuant to said Section 10.4(e)), (B) in determining the Fair Market Ownership Value or Fair Market Rental Value with respect to damaged or destroyed Leased Property, such value shall be determined as if such Leased Property had not been so damaged or destroyed (unless otherwise expressly provided herein), except that such value with respect to damaged or destroyed Tenant Material Capital Improvements shall only be determined as if such Tenant Material Capital Improvements had been restored if and to the extent Tenant is required to repair, restore or replace such Tenant Material Capital Improvements under this Lease (provided, however, for purposes of determining Fair Market Ownership Value pursuant to Section 10.4(e), the same shall be valued taking into account any then-existing damage), and (C) the price shall represent the normal consideration for the property sold (or leased) unaffected by sales (or leasing) concessions granted by anyone associated with the transaction. In addition, the following specific matters shall be factored in or out, as appropriate, in determining Fair Market Ownership Value or Fair Market Rental Value as the case may be: (i) the negative value of (x) any deferred maintenance or other items of repair or replacement of the Leased Property to the extent arising from breach or failure of Tenant to perform or observe its obligations hereunder, (y) any then current or prior Gaming or other licensure violations by Tenant, Guarantor or any of their Affiliates, and (z) any breach or failure of Tenant to perform or observe its obligations hereunder (in each case with respect to the foregoing clauses (x), (y) and (z), without giving effect to any applicable cure periods hereunder), shall, in each case, when determining Fair Market Ownership Value or Fair Market Rental Value, as the case may be, not be taken into account; rather, the Leased Property and every part thereof shall be deemed to be in the condition required by this Lease and Tenant shall at all times be deemed to have operated the Facility in compliance with and to have performed all obligations of Tenant under this Lease (provided, however, for purposes of determining Fair Market Ownership Value under Section 10.4(e), the negative value of the items described in clauses (x), (y) and (z) shall be taken into account); and (ii) in the case of a determination of Fair Market Rental Value, such determination shall be without reference to any savings Landlord may realize as a result of any extension of the Term of this Lease, such as savings in free rent and tenant concessions, and without reference to any "start-up" costs a new tenant would incur were it to replace the existing Tenant for any Renewal Term or otherwise. The determination of Fair Market Rental Value shall be of Base Rent and Variable Rent (but not Additional Charges), and shall assume and take into account that Additional Charges shall continue to be paid hereunder during any period in which such Fair Market Rental Value shall be paid. For the avoidance of doubt, the annual Fair Market Rental Value shall be calculated and evaluated as a whole for the entire term in question, and may reflect increases in one or more years during the applicable term in question (i.e., the annual Fair Market Rental Value need not be identical for each year of the term in question).

"Fee Mortgage": Any mortgage, pledge agreement, security agreement, assignment of leases and rents, fixture filing or similar document creating or evidencing a lien on Landlord's interest in the Leased Property or any portion thereof (or an indirect interest therein, including without limitation, a lien on direct or indirect interests in Landlord) in accordance with the provisions of Article XXXI hereof.

"Fee Mortgage Documents": With respect to each Fee Mortgage and Fee Mortgagee, the applicable Fee Mortgage, loan agreement, pledge agreement, debt agreement, credit agreement or indenture, lease, note, collateral

assignment instruments, guarantees, indemnity agreements and other documents or instruments evidencing, securing or otherwise relating to the loan made, credit extended, or lease or other financing vehicle entered into pursuant thereto.

"Fee Mortgagee": The holder(s) or lender(s) under any Fee Mortgage or the agent or trustee acting on behalf of any such holder(s) or lender(s).

"Fee Mortgage Reserve Account": Any impound, escrow or other reserve or similar account that relates to any operating expenses of the Leased Property, including any fixture, furniture and equipment, capital repair or replacement reserves and/or impounds or escrow accounts for taxes, ground rent and/or insurance premiums.

"FF&E": Collectively, furnishings, fixtures, inventory, and equipment located in the guest rooms, hallways, lobbies, restaurants, lounges, meeting and banquet rooms, parking facilities, public areas or otherwise in any portion of the Facility, including (without limitation) all beds, chairs, bookcases, tables, carpeting, drapes, couches, luggage carts, luggage racks, bars, bar fixtures, radios, television sets, intercom and paging equipment, electric and electronic equipment, heating, lighting and plumbing fixtures, fire prevention and extinguishing apparatus, cooling and air-conditioning systems, elevators, escalators, stoves, ranges, refrigerators, laundry machines, tools, machinery, boilers, incinerators, switchboards, conduits, compressors, vacuum cleaning systems, floor cleaning, waxing and polishing equipment, cabinets, lockers, shelving, dishwashers, garbage disposals, washer and dryers, gaming equipment and other casino equipment and all other hotel and casino resort equipment, supplies and other tangible property owned by Tenant, or in which Tenant has or shall have an interest, now or hereafter located at the Leased Property or used or held for use in connection with the present or future operation and occupancy of the Facility; provided, however, that FF&E shall not include items owned by subtenants that are neither Tenant nor Affiliates of Tenant, by guests or by other third parties.

"Financial Statements" : (i) For a Fiscal Year, consolidated statements of a Person's and its Reporting Subsidiaries', if any, income, stockholders' equity and comprehensive income and cash flows for such period and the related consolidated balance sheet as at the end of such period, together with the notes thereto, all in reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding Fiscal Year and prepared in accordance with GAAP and audited by a "big four" or other nationally recognized accounting firm, and (ii) for a Fiscal Quarter, consolidated statements of a Person's and its Reporting Subsidiaries', if any, income, stockholders' equity and comprehensive income and cash flows for such period and for the period from the beginning of the Fiscal Year to the end of such period and the related consolidated balance sheet as at the end of such period, together with the notes thereto, all in reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding Fiscal Year or Fiscal Quarter, as the case may be, and prepared in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes).

"First Variable Rent Period": As defined in clause (b)(ii)(A) of the definition of "Rent."

"First VRP Net Revenue Amount": As defined in clause (b)(ii)(A)(x) of the definition of "Rent."

"Fiscal Period": With respect to any Person, for any date of determination, the period of the four (4) most recently ended consecutive Fiscal Quarters of such Person for which Financial Statements are available.

"Fiscal Quarter": With respect to any Person, for any date of determination, a fiscal quarter for each Fiscal Year of such Person. In the case of each of Tenant and CRC, "Fiscal Quarter" means each calendar quarter ending on March 31, June 30, September 30 and December 31, for each Fiscal Year of Tenant.

"Fiscal Year": The annual period commencing January 1 and terminating December 31 of each year.

"Fixtures": All equipment, machinery, fixtures and other items of property, including all components thereof, that are now or hereafter located in or on, or used in connection with, and permanently affixed to or otherwise incorporated into the Leased Improvements or the Land.

"Foreclosure Purchaser": As defined in Section 31.1.

"Foreclosure Successor Tenant": Either (i) any assignee pursuant to Sections 22.2(ii)(b) or (c), or (ii) any Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee that enters into a New Lease in compliance in all respects with Section 17.1(f) and all other applicable provisions of this Lease.

"GAAP": Generally accepted accounting principles in the United States consistently applied in the preparation of financial statements, as in effect from time to time.

"Gaming": Casino, racetrack, racino, video lottery terminal or other gaming activities, including, but not limited to, the operation of slot machines, video lottery terminals, table games, pari-mutuel wagering or other applicable types of wagering (including, but not limited to, sports wagering).

"Gaming Authorities": Any gaming regulatory body or any agency or governmental authority which has, or may at any time after the Commencement Date have, jurisdiction over the gaming activities at an applicable Leased Property or any successor to such authority.

"Gaming Facility": A facility at which there are operations of slot machines, video lottery terminals, blackjack, baccarat, keno operation, table games, any other mechanical or computerized gaming devices, pari-mutuel wagering or other applicable types of wagering (including, but not limited to, sports wagering), or which is otherwise operated for purposes of Gaming, and all related or ancillary real property.

"Gaming License": Any license, qualification, registration, accreditation, permit, approval, finding of suitability or other authorization issued by a state or other governmental regulatory agency (including any Native American tribal gaming or governmental authority) or Gaming Authority to operate, carry on or conduct any gaming, gaming device, slot machine, video lottery terminal, table game, race book or sports pool on the Leased Property or any portion thereof, or to operate a casino at the Leased Property required by any Gaming Regulation, including each of the licenses, permits or other authorizations set forth on Schedule 1, and including those related to the Leased Property that may be added to this Lease after the Commencement Date.

"Gaming Regulation(s)": Any and all laws, statutes, ordinances, rules, regulations, policies, orders, codes, decrees or judgments, and Gaming License conditions or restrictions, as amended from time to time, now or hereafter in effect or promulgated, pertaining to the operation, control, maintenance, alteration, modification or capital improvement of a Gaming Facility or the conduct of a person or entity holding a Gaming License, including, without limitation, any requirements imposed by a regulatory agency, commission, board or other governmental body pursuant to the jurisdiction and authority granted to it under applicable law, and all other rules, regulations, orders, ordinances and legal requirements of any Gaming Authority.

"Gaming Revenues": As defined in the definition of "Net Revenue."

"Government List": (1) any list or annex to Presidential Executive Order 13224 issued on September 24, 2001 ("EO13224"), including any list of Persons who are determined to be subject to the provisions of EO13224 or any other similar prohibitions contained in the rules and regulations of OFAC (as defined below) or in any enabling legislation or other Presidential Executive Orders in respect thereof, (2) the Specially Designated Nationals and Blocked Persons Lists maintained by OFAC, (3) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC, or (4) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to any Executive Order of the President of the United States of America.

"Ground Lease": Any lease with respect to the Leased Property or any portion thereof pursuant to which Landlord is a tenant that, subject to Section 7.3, is entered into by Landlord.

"Guarantor": CRC, together with its successors and permitted assigns, in its capacity as "Guarantor" under the Guaranty, and any other Person that becomes a party to the Guaranty by executing a joinder or replacement Guaranty in accordance with the Guaranty or the applicable provisions hereof, until, in the case of each such Guarantor,

such Guarantor is released from its obligations if and to the extent provided under the express provisions of such Guaranty (or replacement Guaranty, as applicable).

"Guaranty": That certain Guaranty of Lease dated as of the date hereof, a form of which is attached as Exhibit F hereto, as the same may be amended, supplemented or replaced from time to time, by and between Guarantor and Landlord.

"Handling": As defined in Section 32.4.

"Hazardous Substances" : Collectively, any petroleum, petroleum product or by product or any substance, material or waste regulated pursuant to any Environmental Law.

"Impositions": Collectively, all taxes, including ad valorem, sales, use, single business, gross receipts, transaction privilege, rent or similar taxes; assessments, including assessments for public improvements or benefits, whether or not commenced or completed prior to the Commencement Date and whether or not to be completed within the Term; ground rents pursuant to Ground Leases (in effect as of the Commencement Date or otherwise entered into in accordance with this Lease); water, sewer and other utility levies and charges; excise tax levies; license, permit, inspection, authorization and similar fees; bonds and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character to the extent in respect of the Leased Property or any portion thereof and/or the Rent and Additional Charges (but not, for the avoidance of doubt, in respect of Landlord's income (as specified in clause (a) below)) and all interest and penalties thereon attributable to any failure in payment by Tenant, which at any time prior to or during the Term may be assessed or imposed on or in respect of or be a lien upon (i) Landlord or Landlord's interest in the Leased Property or any portion thereof, (ii) the Leased Property or any portion thereof or any rent therefrom or any estate, right, title or interest therein, or (iii) any occupancy, operation, use or possession of, or sales from or activity conducted on or in connection with the Leased Property or any portion thereof or the leasing or use of the Leased Property or any portion thereof; provided, however that nothing contained in this Lease shall be construed to require Tenant to pay (a) any tax, fee or other charge based on net income (whether denominated as a franchise or capital stock or other tax) imposed on Landlord or any other Person (except Tenant and its successors), (b) any transfer, or net revenue tax of Landlord or any other Person (except Tenant and its successors and Affiliates), (c) any tax imposed with respect to the sale, exchange or other disposition by Landlord of any Leased Property or any portion thereof or the proceeds thereof, (d) any principal or interest on or other amount in respect of any indebtedness on or secured by the Leased Property or any portion thereof for which Landlord (or any of its Affiliates) is the obligor, or (e) any principal or interest on or other amount in respect of any indebtedness of Landlord or its Affiliates that is not otherwise included as "Impositions" hereunder; provided, further, however, that Impositions shall include (and Tenant shall be required to pay in accordance with the provisions of this Lease) (x) any tax, assessment, tax levy or charge set forth in clause (a) or (b) of the preceding proviso that is levied, assessed or imposed in lieu of, or as a substitute for, any Imposition (and, without limitation, if at any time during the Term the method of taxation prevailing at the Commencement Date shall be altered so that any new, non-income-based tax, assessment, levy (including, but not limited to, any city, state or federal levy), imposition or charge, or any part thereof, shall be measured by or be based in whole or in part upon the Leased Property, or any part thereof, and shall be imposed upon Landlord, then all such new taxes, assessments, levies, impositions or charges, or the part thereof to the extent that they are so measured or based, shall be deemed to be included within the term "Impositions" for the purposes hereof, to the extent that such Impositions would be payable if the Leased Property were the only property of Landlord subject to such Impositions, and Tenant shall pay and discharge the same as herein provided in respect of the payment of Impositions), (y) any transfer taxes or other levy or assessment imposed by reason of any assignment of this Lease or any interest therein subsequent to the execution and delivery hereof, or any transfer or Sublease or termination thereof (other than assignment of this Lease or the sale, transfer or conveyance of the Leased Property or any interest therein made by Landlord) and (z) any mortgage tax or mortgage recording tax imposed by reason of any Permitted Leasehold Mortgage or any other instrument creating or evidencing a lien in respect of indebtedness of Tenant or its Affiliates (but not any mortgage tax or mortgage recording tax imposed by reason of a Fee Mortgage or any other instrument creating or evidencing a lien in respect of indebtedness of Landlord or its Affiliates).

"Incurable Default": Collectively or individually, as the context may require, any defaults not reasonably susceptible to being cured by a Permitted Leasehold Mortgagee or a subsequent owner of the Leasehold

Estate through foreclosure thereof, including the defaults referred to in Sections 16.1(c), 16.1(d), 16.1(e), 16(f), 16.1(g), 16.1(h) and 16.1(l).

"Indebtedness": Of any Person, without duplication, (a) all indebtedness of such Person for borrowed money, whether or not evidenced by bonds, debentures, notes or similar instruments, (b) all obligations of such Person as lessee under capital leases which have been or should be recorded as liabilities on a balance sheet of such Person in accordance with GAAP, (c) all obligations of such Person to pay the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business), (d) all indebtedness secured by a lien on the property of such Person, whether or not such indebtedness shall have been assumed by such Person, (e) all obligations, contingent or otherwise, with respect to the face amount of all letters of credit (whether or not drawn) and banker's acceptances issued for the account of such Person, (f) all obligations under any agreement with respect to any swap, forward, future or derivative transaction or option or similar arrangement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or combination of transactions, (g) all guarantees by such Person of any of the foregoing and (h) all indebtedness of the nature described in the foregoing clauses (a)-(g) of any partnership of which such Person is a general partner.

"Initial Minimum Cap Ex Amount": An amount equal to One Hundred Seventy-One Million and No/100 Dollars ($171,000,000.00).

"Initial Minimum Cap Ex Period": The period commencing on January 1, 2017 and ending on December 31, 2021.

"Initial Stated Expiration Date": As defined in Section 1.3.

"Initial Term": As defined in Section 1.3.

"Insurance Requirements": The terms of any insurance policy required by this Lease and all requirements of the issuer of any such policy and of any insurance board, association, organization or company necessary for the maintenance of any such policy.

"Intellectual Property" or "IP": All rights in, to and under any of the following, as they exist anywhere in the world, whether registered or unregistered: (i) all patents and applications therefor and all reissues, divisions, divisionals, renewals, extensions, provisionals, continuations and continuations-in-part thereof, and all patents, applications, documents and filings claiming priority to or serving as a basis for priority thereof, (ii) all inventions (whether or not patentable), invention disclosures, improvements, business information, Confidential Information, Software, formulas, drawings, research and development, business and marketing plans and proposals, tangible and intangible proprietary information, and all documentation relating to any of the foregoing, (iii) all copyrights, works of authorship, copyrightable works, copyright registrations and applications therefor, and all other rights corresponding thereto, (iv) all industrial designs and any registrations and applications therefor, (v) all trademarks, service marks, trade dress, logos, trade names, assumed names and corporate names, Internet domain names and other numbers, together with all translations, adaptations, derivations and combinations thereof and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith ("Trademarks"), (vi) all databases and data collections (including all guest data) and all rights therein, (vii) all moral and economic rights of authors and inventors, however denominated, (viii) all Internet addresses, sites and domain names, numbers, and social media user names and accounts, (ix) any other similar intellectual property and proprietary rights of any kind, nature or description; and (x) any copies of tangible embodiments thereof (in whatever form or medium).

"Land": As defined in clause (a) of the first sentence of Section 1.1.

"Landlord": As defined in the preamble.

"Landlord Indemnified Parties": As defined in Section 21.1(i).

"Landlord MCI Financing": As defined in Section 10.4(b).

"Landlord Prohibited Person": Any Person that, in the capacity it is proposed to be acting (but not in any other capacity), is more likely than not to jeopardize Landlord's or any of its Affiliates' ability to hold a Gaming License or to be associated with a Gaming licensee under any applicable Gaming Regulations (other than any Gaming Authority established by any Native American tribe).

"Landlord REIT": VICI Properties Inc., a Maryland corporation, the indirect parent of Landlord.

"Landlord Tax Returns": As defined in Section 4.1(a).

"Landlord Work": As defined in Section 10.5(e).

"Landlord's MCI Financing Proposal": As defined in Section 10.4(a).

"Lease": As defined in the preamble.

"Lease Assumption Agreement": As defined in Section 22.2(i).

"Lease Foreclosure Transaction": Either (i) an assignment pursuant to Section 22.2(ii)(b) or (c), or (ii) entry by any Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee into a New Lease in compliance in all respects with Section 17.1(f) and all other applicable provisions of this Lease.

"Lease Year": The first Lease Year of the Term shall be the period commencing on the Commencement Date and ending on the last day of the calendar month in which the first (1st) anniversary of the Commencement Date occurs, and each subsequent Lease Year shall be each period of twelve (12) full calendar months after the last day of the prior Lease Year, except that the final Lease Year of the Term shall end on the Expiration Date.

"Leased Improvements": As defined in clause (c) of the first sentence of Section 1.1.

"Leased Property": As defined in Section 1.1. For the avoidance of doubt, the Leased Property includes all Alterations and Capital Improvements, provided, however, that the foregoing shall not affect or contradict the provisions of this Lease which specify that Tenant shall be entitled to certain rights with respect to or benefits of the Tenant Capital Improvements as expressly set forth herein. Notwithstanding the foregoing, provisions of this Lease that provide for certain benefits or rights to Tenant with respect to Tenant Material Capital Improvements, such as, by way of example only and not by way of limitation, the payment of the applicable insurance proceeds to Tenant due to a loss or damage of such Tenant Material Capital Improvements pursuant to Section 14.1, shall remain in effect notwithstanding the preceding sentence.

"Leasehold Estate": As defined in Section 17.1(a).

"Legal Requirements": All applicable federal, state, county, municipal and other governmental statutes, laws (including securities laws), rules, policies, guidance, codes, orders, regulations, ordinances, permits, licenses, covenants, conditions, restrictions, judgments, decrees and injunctions, whether now or hereafter enacted and in force, as applicable to any Person or to the Facility, including those (a) that affect either the Leased Property or any portion thereof and/or Tenant's Property, all Capital Improvements and Alterations (including any Material Capital Improvements) or the construction, use or alteration thereof, or otherwise in any way affecting the business operated or conducted thereat, as the context requires, and (b) which may (i) require repairs, modifications or alterations in or to the Leased Property or any portion thereof and/or any of Tenant's Property, (ii) without limitation of the preceding clause (i), require repairs, modifications or alterations in or to any portion of any Capital Improvements (including any Material Capital Improvements), (iii) in any way adversely affect the use and enjoyment of any of the foregoing, or (iv) regulate the transport, handling, use, storage or disposal or require the cleanup or other treatment of any Hazardous Substance.

"Letter of Credit": An irrevocable, unconditional, clean sight draft letter of credit reasonably acceptable to Landlord and Fee Mortgagee (as applicable) in favor of Landlord or, at Landlord's direction, Fee Mortgagee and entitling Landlord or Fee Mortgagee (as applicable) to draw thereon based solely on a statement executed by an officer of Landlord or Fee Mortgagee (as applicable) stating that it has the right to draw thereon under this Lease in a location in the United States reasonably acceptable to Landlord or Fee Mortgagee (as applicable), issued by a domestic Eligible Institution or the U.S. agency or branch of a foreign Eligible Institution, and upon which letter of credit Landlord or Fee Mortgagee (as applicable) shall have the right to draw in full: (a) if Landlord or Fee Mortgagee (as applicable) has not received at least thirty (30) days prior to the date on which the then outstanding letter of credit is scheduled to expire, a notice from the issuing financial institution that it has renewed the applicable letter of credit; (b) thirty (30) days prior to the date of termination following receipt of notice from the issuing financial institution that the applicable letter of credit will be terminated; and (c) thirty (30) days after Landlord or Fee Mortgagee (as applicable) has given notice to Tenant that the financial institution issuing the applicable letter of credit ceases to either be an Eligible Institution or meet the rating requirement set forth above.

"Licensing Event":

(a) With respect to Tenant, (i) a communication (whether oral or in writing) by or from any Gaming Authority to Tenant or Tenant's Affiliates (each, a "Tenant Party") or to a Landlord Party (as defined below) or other action by any Gaming Authority that indicates that such Gaming Authority has found or is likely to find that the association of a Tenant Party with Landlord is likely to (A) result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any Gaming License or any other rights or entitlements held or required to be held by Landlord or any of its Affiliates (each, a "Landlord Party") under any Gaming Regulations or (B) violate any Gaming Regulations to which a Landlord Party is subject; or (ii) a Tenant Party is required to be licensed, registered, qualified or found suitable under any Gaming Regulations, and such Tenant Party does not remain so licensed, registered, qualified or found suitable, fails to remain so, and, solely for purposes of determining whether a Tenant Event of Default has occurred under Section 16.1(i), the same causes cessation of Gaming activity at the Facility and would reasonably be expected to have a material adverse effect on the Facility taken as a whole); and

(b) With respect to Landlord, (i) a communication (whether oral or in writing) by or from any Gaming Authority to a Landlord Party or to a Tenant Party or other action by any Gaming Authority that indicates that such Gaming Authority has found or is likely to find that the association of a Landlord Party with Tenant is likely to (A) result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any Gaming License or any other rights or entitlements held or required to be held by a Tenant Party under any Gaming Regulations or (B) violate any Gaming Regulations to which a Tenant Party is subject; or (ii) a Landlord Party is required to be licensed, registered, qualified or found suitable under any Gaming Regulations, and such Landlord Party does not remain so licensed, registered, qualified or found suitable or, after becoming so licensed, registered, qualified or found suitable, fails to remain so, and, solely for purposes of determining whether a default has occurred under Section 41.13 hereunder, the same causes cessation of Gaming activity at the Facility and would reasonably be expected to have a material adverse effect on the Facility taken as a whole).

"Liquor Authority": As defined in Section 41.13.

"Liquor Laws": As defined in Section 41.13.

"Material Capital Improvement": Any single or series of related Capital Improvements that would or does (i) have a total budgeted or actual cost (as reasonably evidenced to Landlord) (excluding land acquisition costs) in excess of Fifty Million and No/100 Dollars ($50,000,000.00) and (ii) either (a) materially alter the Facility (*e.g.*, shoring, permanent framework reconfigurations), (b) expand the Facility (*i.e.*, construction of material additions to existing Leased Improvements) or (c) add improvements to undeveloped portion(s) of the Land.

"Material Indebtedness": At any time, indebtedness of any one or more of Tenant (and its Subsidiaries) and any Guarantor owing to one or more unrelated third parties in an aggregate principal amount exceeding Seventy-Five Million and No/100 Dollars ($75,000,000.00).

"Material Sublease" : A Sublease (excluding a management agreement or similar agreement to operate but not occupy as a tenant a particular space at a Facility) under which the monthly rent and/or fees and other payments payable by the Subtenant (or manager) exceed Fifty Thousand and No/100 Dollars ($50,000.00) (which amount shall be increased by the Escalator on the first (1st) day of each Lease Year (commencing on the first (1st) day of the second (2nd) Lease Year)) per month.

"Minimum Cap Ex Amount": The Initial Minimum Cap Ex Amount and the Annual Minimum Building and Improvement Cap Ex Amount, as applicable.

"Minimum Cap Ex Requirements" : The Initial Minimum Cap Ex Requirement and the Annual Minimum Cap Ex Building and Improvement Requirement, as applicable.

"Net Revenue": The net sum of the following, without duplication, over the applicable time period of measurement: (i) the amount received by Tenant (and its Subsidiaries) from patrons at the Facility for gaming, less, (A) to the extent otherwise included in the calculation of Net Revenue, refunds and free promotional play provided pursuant to a rewards, marketing, and/or frequent users program (including rewards granted by Affiliates of Tenant) and (B) amounts returned to patrons through winnings at the Facility (the net amount described in this clause (i), "Gaming Revenues"); *plus* (ii) the gross receipts of Tenant (and its Subsidiaries) for all goods and merchandise sold, room revenues derived from hotel operations, food and beverages sold, the charges for all services performed, or any other revenues generated by or otherwise payable to Tenant (and its Subsidiaries) (including, without limitation, use fees, retail and commercial rent, revenue from rooms, accommodations, food and beverage, and the proceeds of business interruption insurance) in, at or from the Facility for cash, credit or otherwise (without reserve or deduction for uncollected amounts), but excluding pass-through revenues collected by Tenant to the extent such amounts are remitted to the applicable third party entitled thereto (the net amounts described in this clause (ii), "Retail Sales"); *less* (iii) to the extent otherwise included in the calculation of Net Revenue, the retail value of accommodations, merchandise, food and beverage and other services furnished to guests of Tenant at the Facility without charge or at a reduced charge (and, with respect to a reduced charge, such reduction in Net Revenue shall be equal to the amount of the reduction of such charge otherwise included in Net Revenue) (the amounts described in this clause (iii), "Promotional Allowances"). Notwithstanding anything herein to the contrary, the following provisions shall apply with respect to the calculation of Net Revenue:

(a) For purposes of calculating adjustments to Variable Rent, the following provisions shall apply:

(1) If Tenant enters into a Sublease with a Subtenant that is not directly or indirectly wholly-owned by (x) Guarantor or (y) CEC (for so long as CEC holds a Controlling direct or indirect interest in Tenant)(such that, after entering into such Sublease rather than the Gaming Revenues, Retail Sales and Promotional Allowances generated by the space covered by such Sublease being included in the calculation of Tenant's Net Revenue, instead the revenue from such Sublease would be governed by clause (b)(1) or (b)(2) below), then, thereafter, any Gaming Revenues, Retail Sales and Promotional Allowances that would otherwise be included in the calculation of Net Revenue for the applicable base year with respect to the applicable subleased (or managed) space shall be excluded from the calculation of Net Revenue for the applicable base year, and the rent and/or fees and other consideration to be received by Tenant pursuant to such Sublease shall be substituted therefor.

(2) If Tenant assumes operation of space that in the applicable base year was operated under a Sublease with a Subtenant that was not directly or indirectly wholly-owned by Guarantor or CEC (for so long as CEC holds a Controlling direct or indirect interest in Tenant), or if all of the direct or indirect ownership interests in a Person that was a Subtenant in the applicable base year are acquired by Guarantor or CEC (for so long as CEC holds a Controlling direct or indirect interest in Tenant) (in either case, such that after entering into such Sublease revenue that would otherwise be included in Net Revenue for the applicable base year pursuant to clause (b)(1) or (b)

(2) below is converted to revenue with respect to which Gaming Revenues, Retail Sales and Promotional Allowances are included in Net Revenue for the applicable base year), then, thereafter, the rent and/or fees and other consideration received by Tenant pursuant to such Sublease that would otherwise be included in the calculation of Net Revenue for the applicable base year shall be excluded from the calculation of Net Revenue for the applicable base year, and the Gaming Revenues, Retail Sales and Promotional Allowances to be received by Tenant pursuant to its operation of such space shall be substituted therefor.

(3) Notwithstanding the foregoing, the adjustments provided for in clauses (a)(1) and (a)(2) above shall not be implemented in the calculation of Net Revenue with respect to any transaction involving any space for which aggregate Gaming Revenues, Retail Sales and Promotional Allowances do not exceed Ten Million and No/100 Dollars ($10,000,000.00) in each transaction and Fifteen Million and No/100 Dollars ($15,000,000.00) in the aggregate per Lease Year.

(b) Amounts received pursuant to Subleases shall be included in Net Revenue as follows:

(1) With respect to any Sublease from Tenant to a Subtenant in which Guarantor or CEC (for so long as CEC holds a Controlling direct or indirect interest in Tenant) directly or indirectly owns less than fifty percent (50%) of the ownership interests, Net Revenue shall not include Gaming Revenues, Retail Sales or Promotional Allowances received by such Subtenant but shall include the rent and/or fees and all other consideration received by Tenant pursuant to such Sublease.

(2) With respect to any Sublease from Tenant to a Subtenant in which Guarantor or CEC (for so long as CEC holds a Controlling direct or indirect interest in Tenant) directly or indirectly owns fifty percent (50%) or more of the ownership interests, but less than all of the ownership interests, Net Revenue shall not include Gaming Revenues, Retail Sales or Promotional Allowances received by such Subtenant but shall include an amount equal to the greater of (x) the rent and/or fees and all other consideration actually received by Tenant for such Sublease from such Affiliate and (y) the rent and/or fees and other consideration that would be payable under such Sublease if at arms-length, market rates.

(3) With respect to any Sublease from Tenant to a Subtenant that is directly or indirectly wholly-owned by Guarantor or CEC (for so long as CEC holds a Controlling direct or indirect interest in Tenant), Net Revenue shall not include the rent and/or fees or any other consideration received by Tenant pursuant to such Sublease but shall include Gaming Revenues, Retail Sales or Promotional Allowances received by such Subtenant.

(c) For the avoidance of doubt, gaming taxes and casino operating expenses (such as salaries, income taxes, employment taxes, supplies, equipment, cost of goods and inventory, rent, office overhead, marketing and advertising and other general administrative costs) will not be deducted in arriving at Net Revenue.

(d) Net Revenue will be calculated on an accrual basis for purposes of this definition, as required under GAAP. For the absence of doubt, if Gaming Revenues, Retail Sales or Promotional Allowances of a Subsidiary or subtenant, as applicable, are taken into account for purposes of calculating Net Revenue, any rent received by Tenant from such Subsidiary or subtenant, as applicable, pursuant to any sublease with such Subsidiary or subtenant, as applicable, shall not also be taken into account for purposes of calculating Net Revenues.

"Net Revenue to Rent Ratio": As at any date of determination, the ratio for any period of Net Revenue to Rent. For purposes of calculating the Net Revenue to Rent Ratio, Net Revenue shall be calculated on a pro forma basis (and shall be calculated to give effect to such other pro forma adjustments consistent with Regulation S-X under the Securities Act) to give effect to any material acquisitions and material asset sales consummated by Tenant during any Test Period of Tenant as if each such material acquisition had been effected on the first (1 st) day of such Test Period and as if each such material asset sale had been consummated on the day prior to the first (1st) day of such Test Period.

"New Lease": As defined in Section 17.1(f).

"Non-Core Tenant Competitor": A Person that is engaged or is an Affiliate of a Person that is engaged in the ownership or operation of a Gaming business so long as (i) such Person's consolidated annual gross gaming revenues do not exceed Five Hundred Million and No/100 Dollars ($500,000,000.00) (which amount shall be increased by the Escalator on the first (1st) day of each Lease Year, commencing with the second (2nd) Lease Year) and (ii) such Person does not, directly or indirectly, own or operate a Gaming Facility within thirty (30) miles of a Gaming Facility directly or indirectly owned or operated by an Affiliate of Tenant. For purposes of the foregoing, ownership of the real estate and improvements where a Gaming business is conducted, without ownership of the Gaming business itself, shall not be deemed to constitute the ownership of a Gaming business. For purposes of this definition only, the term "Escalator" shall mean the sum of (a) one plus (b) the greater of (i) two one-hundredths (0.02) and the CPI Increase.

"Notice": A notice given in accordance with Article XXXV.

"Notice of Termination": As defined in Section 17.1(f).

"NRS": As defined in Section 41.14.

"OFAC": As defined in Article XXXIX.

"Overdue Rate": On any date, a rate equal to five (5) percentage points above the Prime Rate, but in no event greater than the maximum rate then permitted under applicable law.

"Parent Entity": With respect to any Person, any corporation, association, limited partnership, limited liability company or other entity which at the time of determination (a) owns or controls, directly or indirectly, more than fifty percent (50%) of the total voting power of shares of capital stock (without regard to the occurrence of any contingency) entitled to vote in the election of directors, managers or trustees of such Person, (b) owns or controls, directly or indirectly, more than fifty percent (50%) of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, of such Person, whether in the form of membership, general, special or limited partnership interests or otherwise, or (c) is the controlling general partner or managing member of, or otherwise controls, such entity.

"Partial Taking": As defined in Section 15.1(b).

"Party" and "Parties": Landlord and/or Tenant, as the context requires.

"Patriot Act Offense": Any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism, (B) the criminal laws against money laundering, (C) the Bank Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or (E) the USA Patriot Act. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense.

"Payment Date": Any due date for the payment of the installments of Rent or Additional Charges payable under this Lease.

"Permitted Exception Documents": (i) Property Documents (x) that are listed on the title polic(y)(ies) described on Schedule 6 attached hereto, or (y) that (a) Landlord entered into, as a party thereto, after the date hereof and (b) Tenant is required hereunder to comply with, and (ii) Specified Subleases (together with any renewals or modifications thereof made in accordance with the express terms thereof), but excluding Specified Subleases as to which the applicable Subtenant is CEC, CRC, the manager of the Leased Premises or any of their respective Affiliates.

"Permitted Leasehold Mortgage": Any mortgage, pledge agreement, security agreement, assignment of leases and rents, fixture filing or similar document creating or evidencing a lien on Tenant's leasehold interest (or subleasehold interest) in all of the Leased Property subject to exclusions with respect to items that are not capable of

being mortgaged and that, in the aggregate, are de minimis (or all the direct or indirect interest therein at any tier of ownership, including without limitation, a lien on direct or indirect Equity Interests in Tenant), granted to or for the benefit of a Permitted Leasehold Mortgagee as security for the indebtedness of Tenant or its Affiliates.

"Permitted Leasehold Mortgagee": The lender or noteholder or any agent or trustee or similar representative on behalf of one or more lenders or noteholders or other investors in connection with indebtedness secured by a Permitted Leasehold Mortgage, in each case as and to the extent such Person has the power to act (subject to obtaining the requisite instructions) on behalf of all lenders, noteholders or investors with respect to such Permitted Leasehold Mortgage; provided such lender or noteholder or any agent or trustee or similar representative (but not necessarily the lenders, noteholders or other investors which it represents) is a banking or other institution that in the ordinary course acts as a lender, agent or trustee or similar representative (in each case, on behalf of a group of lenders or noteholders) in respect of financings of such type; and provided, further, that, in all events, (i) no agent, trustee or similar representative shall be Tenant, CEC, CRC, or Guarantor or any of their Affiliates, respectively (each, a "Prohibited Leasehold Agent"), and (ii) no (A) Prohibited Leasehold Agent, (excluding any Person that is a Prohibited Leasehold Agent as a result of its ownership of publicly-traded shares in any Person), or (B) entity that owns, directly or indirectly (but excluding any ownership of publicly traded shares in CEC or any of its Affiliates), higher than the lesser of (1) ten percent (10%) of the Equity Interests in Tenant or (2) a Controlling legal or beneficial interest in Tenant, may collectively hold an amount of the indebtedness secured by a Permitted Leasehold Mortgage higher than the lesser of (x) twenty-five percent (25%) thereof and (y) the principal amount thereof required to satisfy the threshold for requisite consenting lenders to amend the terms of such indebtedness that affect all lenders thereunder.

"Permitted Leasehold Mortgagee Designee": An entity (other than a Prohibited Leasehold Agent) designated by a Permitted Leasehold Mortgagee and acting for the benefit of the Permitted Leasehold Mortgagee, or the lenders, noteholders or investors represented by the Permitted Leasehold Mortgagee.

"Permitted Operation Interruption": Any of the following: (i) A material Casualty Event or Condemnation and reasonable periods of restoration of the Leased Property following same, or (ii) periods of an Unavoidable Delay.

"Person" : Any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

"Preceding Lease Year": As defined in clause (c)(i) of the definition of "Rent."

"Preliminary Studies": As defined in Section 10.4(a).

"Primary Intended Use": (i) Hotel and resort and related uses, (ii) gaming and/or pari-mutuel use, including, without limitation, horsetrack, dogtrack and other similarly gaming-related sporting uses, (iii) ancillary retail and/or entertainment use, (iv) such other uses required under any Legal Requirements (including those mandated by any applicable regulators), (v) such other ancillary uses, but in all events consistent with the current use of the Leased Property or any portion thereof as of the Commencement Date or with then-prevailing hotel, resort and gaming industry use, (vi) if and when the Lease is amended to include the Convention Center Property pursuant to the Put Call Agreement, convention center and related uses or such other uses as may be permitted under any Legal Requirements (including, but, not limited to uses related to an amphitheater or offices), and/or (vii) such other use as shall be approved by Landlord from time to time in its reasonable discretion.

"Prime Rate": On any date, a rate equal to the annual rate on such date publicly announced by JPMorgan Chase Bank, N.A. (provided that if JPMorgan Chase Bank, N.A. ceases to publish such rate, the Prime Rate shall be determined according to the comparable prime rate of another comparable nationally known money center bank reasonably selected by Landlord), to be its prime rate for ninety (90)-day unsecured loans to its corporate borrowers of the highest credit standing, but in no event greater than the maximum rate then permitted under applicable law.

"Prior Months": As defined in the definition of CPI Increase.

"Prohibited Leasehold Agent": As defined in the definition of Permitted Leasehold Mortgagee.

"Prohibited Persons": As defined in Article XXXIX.

"Promotional Allowances": As defined in the definition of "Net Revenue."

"Propco TRS": As defined in Section 1.1.

"Property Documents": Reciprocal easement and/or operating agreements, easements, covenants, exceptions, conditions and restrictions in each case affecting the Leased Property or any portion thereof, but excluding, in any event, all Fee Mortgage Documents.

"Property Specific Guest Data": Any and all guest data (including without limitation any and all guest or customer profiles, contact information (e.g., addresses, phone numbers, facsimile numbers and email addresses), histories, preferences, game play and patronage patterns, experiences, results and demographic information, whether or not any of the foregoing constitutes personally identifiable information) to the extent in or under the possession or control of Tenant, an Affiliated manager, or their respective Affiliates, identifying, describing, concerning or generated by prospective, actual or past guests, website visitors and/or customers of the Facility, including retail locations, restaurants, bars, casino and Gaming facilities, spas and entertainment venues therein, but excluding, in all cases, (i) guest data that has been integrated into analytics, reports, or other similar forms in connection with the Total Rewards Program or any other customer loyalty program of Tenant (it being understood that this exception shall not apply to such guest data itself, i.e., in its original form prior to integration into such analytics, reports, or other similar forms in connection with the Total Rewards Program or other customer loyalty program), (ii) guest data that concerns facilities, other than the Facility and that does not concern the Facility, and (iii) guest data that concerns "Service Provider Proprietary Information and Systems" as defined in that certain Second Amended and Restated Omnibus Agreement and Enterprise Services Agreement, dated as of October 6, 2017, by and among Caesars Enterprise Services LLC, CEOC and the other parties thereto (as further amended, restated, supplemented or otherwise modified from time to time), and is not specific to the Facility.

"Property Specific IP": All Intellectual Property (i) shown on Schedule 7, or (ii) consisting of Property Specific Guest Data.

"Purchase Option": As defined in Section 18.2(a).

"Put-Call Agreement": That certain Put-Call Agreement dated as of December 22, 2017, by and among Landlord, Vegas Development Land Owner LLC, a Delaware limited liability company and 3535 LV Newco, LLC, a Delaware limited liability company, as the same may be amended, supplemented or replaced from time to time.

"Purchase Price": As defined in Section 18.2(a).

"Qualified Successor Tenant": As defined in Section 36.3.

"Qualified Transferee": A transferee that meets all of the following requirements: (a) such transferee has (1) at least five (5) years of experience (directly or through one or more of its Subsidiaries) operating or managing casinos with aggregate revenues in the immediately preceding fiscal year of at least Five Hundred Million and No/100 Dollars ($500,000,000.00) (or retains a manager with such qualifications, which manager shall not be replaced unless such transferee is able to satisfy the requirements of this definition without such manager), or (2) agreement(s) in place in a form reasonably satisfactory to Landlord to retain for a period of eighteen (18) months (or more) after the effective time of the transfer at least (I) eighty percent (80%) of Tenant and its Subsidiaries' personnel employed at the Facility, and (II) eighty percent (80%) of the ten most highly compensated employees of Tenant and/or its Affiliates as of the date of the relevant agreement to transfer who are full time dedicated employees at the Leased Property, and are responsible for direct managerial and/or operational aspects of the Facility (including Gaming activities); (b) such transferee is not in the business, and that does not have an Affiliate in the business, of leasing properties to gaming operators; (c) such transferee and all of its applicable officers, directors, Affiliates (including the officers and directors

of its Affiliates), to the extent required under applicable Gaming Regulations or other Legal Requirements, (i) are licensed and certified by applicable Gaming Authorities and hold all required Gaming Licenses to operate the Facility in accordance herewith and (ii) are otherwise found suitable to lease the Leased Property in accordance herewith; (d) such transferee is Solvent (defined herein below), and, other than in the case of a Permitted Leasehold Mortgagee, if such transferee has a Parent Entity, the Parent Entity of such transferee is Solvent; (e)(i) other than in the case of a Permitted Leasehold Mortgagee or Permitted Leasehold Mortgagee Designee, (x) the Parent Entity of such transferee or, if such transferee does not have a Parent Company, such transferee, has sufficient assets so that, after giving effect to its assumption of Tenant's obligations hereunder or the applicable assignment (including pursuant to a Change in Control under Section 22.2(i) or Section 22.2 (viii)), its Total Net Leverage Ratio for the Test Period is less than 6:1 on a pro forma basis based on projected earnings and after giving effect to the proposed transaction or (y) an entity that has an investment grade credit rating from a nationally recognized rating agency with respect to such entity's long term, unsecured debt has provided a Guaranty, or (ii) in the case of a Permitted Leasehold Mortgagee or Permitted Leasehold Mortgagee Designee, (x) Tenant has a Total Net Leverage Ratio for the Test Period of less than 6:1 on a pro forma basis based on projected earnings and after giving effect to the proposed transaction, or (y) an entity that has an investment grade credit rating from a nationally recognized rating agency with respect to such entity's long term, unsecured debt has provided a Guaranty; (f) such transferee has not been the subject of a material governmental or regulatory investigation which resulted in a conviction for criminal activity involving moral turpitude and has not been found liable pursuant to a non-appealable judgment in a civil proceeding for attempting to hinder, delay or defraud creditors; (g) such transferee has never been convicted of, or pled guilty or no contest to, a Patriot Act Offense and is not on any Government List; (h) such transferee has not been the subject of a voluntary or involuntary (to the extent the same has not been discharged) bankruptcy proceeding during the prior five (5) years from the applicable date of determination; (i) such transferee is not, and is not Controlled by an Embargoed Person or a person that has been found "unsuitable" for any reason or has had any application for a Gaming License withdrawn "with prejudice" by any applicable Gaming Authority; (j) such transferee shall not be a Landlord Prohibited Person; and (k) such transferee is not associated with a person who has been found "unsuitable", denied a Gaming License or otherwise precluded from participation in the Gaming Industry by any Gaming Authority where such association would reasonably be expected to adversely affect any of Landlord's or its Affiliates' Gaming Licenses or Landlord's or its Affiliates' then-current standing with any Gaming Authority. For purposes hereof, a Person shall be "Solvent" if such Person shall (I) not be "insolvent" as such term is defined in Section 101 of title 11 of the United States Code, (II) be generally paying its debts (other than those that are in bona fide dispute) when they become due, and (III) be able to pay its debts as they become due.

"Renewal Notice": As defined in Section 1.4(a).

"Renewal Term": As defined in Section 1.4(a).

"Rent": An annual amount payable as provided in Article III, calculated as follows:

(a) For the first seven (7) Lease Years, Rent shall be equal to Eighty Seven Million Four Hundred Thousand and No/100 Dollars ($87,400,000.00) per Lease Year, as adjusted annually as set forth in the following sentence. On each Escalator Adjustment Date during the second (2nd) through and including the seventh (7th) Lease Years, the Rent payable for such Lease Year shall be adjusted to be equal to the Rent payable for the immediately preceding Lease Year, multiplied by the Escalator. For purposes of clarification, there shall be no Variable Rent (defined below) payable during the first seven (7) Lease Years.

(b) From and after the commencement of the eighth (8th) Lease Year, until the Initial Stated Expiration Date, annual Rent shall be comprised of both a base rent component ("Base Rent") and a variable rent component ("Variable Rent"), each such component of Rent calculated as provided below:

(i) Base Rent shall equal (w) for the eighth (8th) Lease Year, the product of eighty percent (80%) of Rent in effect as of the last day of the seventh (7th) Lease Year, multiplied by the Escalator, (x) for the ninth (9th) and tenth (10th) Lease Years, the Base Rent payable for the immediately, preceding Lease Year, as applicable, multiplied by the Escalator in each case, (y) for the eleventh (11th) Lease Year, the product of eighty percent (80%) of Rent in effect as of the last day of the tenth (10th) Lease Year, multiplied by the Escalator, and (z) for each Lease Year from and after the commencement of the twelfth (12th) Lease Year until

the Initial Stated Expiration Date, the Base Rent payable for the immediately preceding Lease Year, as applicable, multiplied by the Escalator in each case.

(ii) Variable Rent shall be calculated as further described in this clause (b)(ii). Throughout the Term, Variable Rent shall not be subject to the Escalator.

(A) For each Lease Year from and after commencement of the eighth (8th) Lease Year through and including the end of the tenth (10th) Lease Year (the "First Variable Rent Period"), Variable Rent shall be a fixed annual amount equal to twenty percent (20%) of the Rent for the seventh (7th) Lease Year (such amount, the "Variable Rent Base Amount"), adjusted as follows (such resulting annual amount being referred to herein as "Year 8-10 Variable Rent"):

(x) in the event that the annual Net Revenue for the Fiscal Period ending immediately prior to the end of the seventh (7th) Lease Year (the "First VRP Net Revenue Amount") exceeds the Base Net Revenue Amount (any such excess, the "Year 8 Increase"), the Year 8-10 Variable Rent shall equal the Variable Rent Base Amount increased by an amount equal to the product of (a) four percent (4%) and (b) the Year 8 Increase; or

(y) in the event that the First VRP Net Revenue Amount is less than the Base Net Revenue Amount (any such difference, the "Year 8 Decrease"), the Year 8-10 Variable Rent shall equal the Variable Rent Base Amount decreased by an amount equal to the product of (a) four percent (4%) and (b) the Year 8 Decrease.

(B) For each Lease Year from and after commencement of the eleventh (11th) Lease Year until the Initial Stated Expiration Date (the "Second Variable Rent Period"), Variable Rent shall be a fixed annual amount equal to twenty percent (20%) of the Rent for the tenth (10th) Lease Year (such amount, the " Second Variable Rent Base Amount"), adjusted as follows (such resulting annual amount being referred to herein as "Year 11-15 Variable Rent"):

(x) in the event that the annual Net Revenue for the Fiscal Period ending immediately prior to the end of the tenth (10th) Lease Year exceeds the First VRP Net Revenue Amount (any such excess, the "Year 11 Increase"), the Year 11-15 Variable Rent shall equal the Year 8-10 Variable Rent increased by an amount equal to the product of (a) four percent (4%) and (b) the Year 11 Increase; or

(y) in the event that the annual Net Revenue for the Fiscal Period ending immediately prior to the end of the tenth (10th) Lease Year is less than the First VRP Net Revenue Amount (any such difference, the "Year 11 Decrease"), the Year 11-15 Variable Rent shall equal the Year 8-10 Variable Rent decreased by an amount equal to the product of (a) four percent (4%) and (b) the Year 11 Decrease.

(c) Rent for each Renewal Term shall be calculated as follows:

(i) Base Rent for the first (1st) Lease Year of such Renewal Term shall be adjusted to be equal to the applicable annual Fair Market Base Rental Value; provided that (A) in no event will the Base Rent be less than the Base Rent in effect as of the last day of the Lease Year immediately preceding the commencement of such Renewal Term (such immediately preceding year, the respective "Preceding Lease Year"), (B) no such adjustment shall cause Base Rent to be increased by more than ten percent (10%) of the Base Rent in effect as of the last day of the Preceding Lease Year and (C) such Fair Market Base Rental Value shall be determined as provided in Section 34.1. On each Escalator Adjustment Date during such Renewal Term, the Base Rent payable for such Lease Year shall be equal to the Base Rent payable for the immediately preceding Lease Year, multiplied by the Escalator.

(ii) Variable Rent for each Lease Year during such Renewal Term (for each Renewal Term, the " Renewal Term Variable Rent Period") shall be equal to the Variable Rent in effect as of the last day of the Preceding Lease Year, adjusted as follows:

(A) in the event that the annual Net Revenue for the Fiscal Period ending immediately prior to the end of the Preceding Lease Year exceeds the annual Net Revenue for the Fiscal Period ending immediately prior to the Lease Year five (5) years prior to the Preceding Lease Year (*i.e.*, (x) in respect of the first (1st) Renewal Term, the tenth (10th) Lease Year, and (y) in respect of each subsequent Renewal Term, the Lease Year immediately preceding the first (1st) Lease Year of the immediately preceding Renewal Term) (any such excess, the respective "Renewal Term Increase"), the Variable Rent for such Renewal Term shall equal the Variable Rent in effect as of the last day of the Preceding Lease Year increased by an amount equal to the product of (a) four percent (4%) and (b) such Renewal Term Increase; or

(B) in the event that the annual Net Revenue for the Fiscal Period ending immediately prior to the end of the Preceding Lease Year is less than the annual Net Revenue for the Fiscal Period ending immediately prior to the Lease Year five (5) years prior to the Preceding Lease Year (*i.e.*, (x) in respect of the first (1st) Renewal Term, the tenth (10th) Lease Year and (y) in respect of each subsequent Renewal Term, the Lease Year immediately preceding the first (1st) Lease Year of the immediately preceding Renewal Term) (any such difference, the respective "Renewal Term Decrease"), the Variable Rent for such Renewal Term shall equal the Variable Rent in effect as of the last day of the Preceding Lease Year decreased by an amount equal to the product of (a) four percent (4%) and (b) such Renewal Term Decrease.

Notwithstanding anything herein to the contrary, (i) but subject to any reduction in Rent by the Rent Reduction Amount pursuant to and in accordance with the terms of this Lease, in no event shall annual Base Rent during any Lease Year after the seventh (7th) Lease Year be less than eighty percent (80%) of the Rent in the seventh (7th) Lease Year, and (ii) in no event shall the Variable Rent be less than Zero Dollars ($0.00).

"Rent Reduction Amount": (i) With respect to the Base Rent, a proportionate reduction of Base Rent, which proportionate amount shall be determined by comparing (1) the EBITDAR of the Leased Property for the Trailing Test Period versus (2) the EBITDAR of the Leased Property for the Trailing Test Period calculated to remove the EBITDAR attributable to the portion of the Leased Property affected by a Partial Taking and (ii) with respect to Variable Rent, a proportionate reduction of Variable Rent calculated in the same manner as set forth with respect to Base Rent above. Following the application of the Rent Reduction Amount to the Rent hereunder, for purposes of calculating any applicable adjustments to Variable Rent based on increases or decreases in Net Revenue, such calculations of Net Revenue shall exclude Net Revenue attributable to the portion of the Leased Property affected by such Partial Taking (even if such portion of the Leased Property had not yet been affected by the Partial Taking as of the applicable Lease Year for which Net Revenue is being measured).

"Reporting Subsidiary": Any entity required by GAAP to be consolidated for financial reporting purposes by a Person, regardless of ownership percentage.

"Representatives": With respect to any Person, such Person's officers, employees, directors, accountants, attorneys and other consultants, experts or agents of such Person, and actual or prospective arrangers, underwriters, investors or lenders with respect to indebtedness or Equity Interests that may be issued by such Person or such Person's affiliates, to the extent that any of the foregoing actually receives non-public information hereunder. In addition, and without limitation of the foregoing, the term "Representatives" shall include, (a) in the case of Landlord, PropCo 1, PropCo, Landlord REIT and any Affiliate thereof, and (b) in the case of Tenant, CEOC, CRC and any Affiliate thereof.

"Required Capital Expenditures": The applicable Capital Expenditures required to satisfy the Minimum Cap Ex Requirements.

"Retail Sales": As defined in the definition of "Net Revenue."

"Right to Terminate Notice": As defined in Section 17.1(d).

"SEC": The United States Securities and Exchange Commission.

"Second Variable Rent Base": As defined in clause (b)(ii)(B) of the definition of "Rent."

"Second Variable Rent Period": As defined in clause (b)(ii)(B) of the definition of "Rent."

"Section 34.2 Dispute": As defined in Section 34.2.

"Securities Act": The Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"Software": As they exist anywhere in the world, any computer software, firmware, microcode, operating system, embedded application, or other program, including all source code, object code, specifications, databases, designs and documentation related to such programs.

"Specified Sublease": Any Sublease (i) affecting any portion of the Leased Property, and (ii) in effect on the Commencement Date. A list of all Specified Subleases is annexed as Schedule 4 hereto.

"Stated Expiration Date": As defined in Section 1.3.

"Subject Facility": As defined in Section 13.10(a).

"Sublease": Any sublease, sub-sublease, license, management agreement to operate (but not occupy as a tenant) a particular space at the Facility, or other similar agreement in respect of use or occupancy of any portion of the Leased Property, but excluding Bookings.

"Subsidiary": As to any Person, (i) any corporation more than fifty percent (50%) of whose stock of any class or classes having by the terms thereof ordinary voting power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time of determination owned by such Person and/or one or more Subsidiaries of such Person, and (ii) any partnership, limited liability company, association, joint venture or other entity in which such Person and/or one or more Subsidiaries of such Person has more than a fifty percent (50%) Equity Interest at the time of determination.

"Subtenant": The tenant under any Sublease.

"Subtenant Subsidiary": Any subsidiary of Tenant that is a Subtenant under a Sublease from Tenant.

"Successor Assets": As defined in Section 36.1.

"Successor Assets FMV": As defined in Section 36.1.

"Successor Tenant Rent": As defined in Section 36.3.

"Taking": Any taking of all or any part of the Leased Property and/or the Leasehold Estate or any part thereof, in or by Condemnation, including by reason of the temporary requisition of the use or occupancy of all or any part of the Leased Property by any governmental authority, civil or military.

"Tenant": As defined in the preamble.

"Tenant Capital Improvement" : A Capital Improvement other than a Material Capital Improvement funded by Landlord pursuant to a Landlord MCI Financing. The term "Tenant Capital Improvement" shall not include Capital Improvements conveyed by Tenant to Landlord.

"Tenant Competitor": As of any date of determination, any Person (other than Tenant and its Affiliates) that is engaged, or is an Affiliate of a Person that is engaged, in the ownership or operation of a Gaming business; provided, that, (i) for purposes of the foregoing, ownership of the real estate and improvements where a Gaming business is conducted, without ownership of the Gaming business itself, shall not be deemed to constitute the ownership of a Gaming business, (ii) any investment fund or other Person with an investment representing an equity ownership of fifteen percent (15%) or less in a Tenant Competitor and no Control over such Tenant Competitor shall not be a Tenant Competitor, (iii) solely for purposes of Section 18.2(d), (x) a Person with an investment representing an equity ownership of twenty-five percent (25%) or less in a Non-Core Tenant Competitor shall be deemed to not have Control over such Non-Core Tenant Competitor, and (y) shall not be a Tenant Competitor, solely by reason of the investment described in this clause (iii), and (iv) solely for purposes of Section 18.2(a) and Section 18.2(b), a Person that is engaged, or is an Affiliate of a Person that is engaged, in the ownership or operation of a Non-Core Tenant Competitor shall not be a Tenant Competitor solely by reason of the same.

"Tenant Event of Default": As defined in Section 16.1.

"Tenant Material Capital Improvement": As defined in Section 10.4(e).

"Tenant Transferee Requirement": As defined in Section 22.2(i).

"Tenant's Initial Financing ": The financing provided under that certain Credit Agreement dated on or about the Commencement Date among CRC, as borrower, Credit Suisse AG, Cayman Islands Brands, as administrative agent, and the other parties named therein from time to time.

"Tenant's MCI Intent Notice": As defined in Section 10.4(a).

"Tenant's Parent": CRC.

"Tenant Prohibited Person": Any Person that, in the capacity it is proposed to be acting (but not in any other capacity), is more likely than not to jeopardize Tenant's or any of its Affiliates' ability to hold a Gaming License or to be associated with a Gaming licensee under any applicable Gaming Regulations (other than any Gaming Authority established by any Native American tribe).

"Tenant's Property": With respect to the Facility, all assets including FF&E, Property Specific IP and other personal property (including all gaming equipment), licenses, permits, subleases, concessions, and contracts (other than the Leased Property and property owned by a third party) located at the Facility or that are primarily related to or used or held in connection with the operation of the business conducted on or about the Facility or any portion thereof, as then being operated, together with all replacements, modifications, additions, alterations and substitutes therefor.

"Term": As defined in Section 1.3.

"Termination Notice": As defined in Section 17.1(d).

"Test Period": With respect to any Person, for any date of determination, the period of the four (4) most recently ended consecutive fiscal quarters of such Person.

"Third-Party MCI Financing": As defined in Section 10.4(c).

"Total Net Leverage Ratio": With respect to any Person and its Subsidiaries on a consolidated basis, on any date, the ratio of (i) (a) the aggregate principal amount of (without duplication) all indebtedness consisting of

Capital Lease Obligations, indebtedness for borrowed money, unreimbursed obligations in respect of drawn letters of credit (but excluding contingent obligations under outstanding letters of credit) and other purchase money indebtedness and guarantees of any of the foregoing obligations, of such Person and its Subsidiaries determined on a consolidated basis on such date in accordance with GAAP (for the avoidance of doubt, with respect to Tenant and Guarantor, excluding any indebtedness consisting of its obligations or liabilities under this Lease) less (b) the aggregate amount of all cash or cash equivalents of such Person and its Subsidiaries that would not appear as "restricted" on a consolidated balance sheet of such Person and its Subsidiaries to (ii) EBITDA.

"Trailing Test Period": For any date of determination, the period of the four (4) most recently ended consecutive calendar quarters prior to such date of determination for which Financial Statements are available.

"Transition Period": As defined in Section 36.1.

"Unavoidable Delay": Delays due to strikes, lockouts, inability to procure materials, power failure, acts of God, governmental restrictions, enemy action, civil commotion, fire, unavoidable casualty or other causes beyond the reasonable control of the Party responsible for performing an obligation hereunder; provided, that lack of funds, in and of itself, shall not be deemed a cause beyond the reasonable control of a Party.

"Unsuitable for Its Primary Intended Use": A state or condition of the Leased Property such that by reason of a Partial Taking, the Leased Property cannot, following restoration thereof (to the extent commercially practical), be operated on a commercially practicable basis for the Primary Intended Use for which it was primarily being used immediately preceding the taking, taking into account, among other relevant economic factors, the amount of square footage and the estimated revenue affected by such Partial Taking.

"Variable Rent": The Variable Rent component of Rent, as defined in more detail in clauses (b) and (c) of the definition of "Rent."

"Variable Rent Base Amount": As defined in clause (b)(ii)(A) of the definition of "Rent."

"Variable Rent Determination Period": Each of (i) the Fiscal Period that ended immediately prior to the Commencement Date, and (ii) the Fiscal Period in each case that ends immediately prior to the commencement of the eighth (8th) Lease Year, the eleventh (11 th) Lease Year, and the first (1 st) Lease Year of each Renewal Term.

"Variable Rent Payment Period": Collectively or individually, each of the First Variable Rent Period, the Second Variable Rent Period and each of the Renewal Term Variable Rent Periods.

"Variable Rent Statement": As defined in Section 3.2(a).

"Work": Any and all work in the nature of construction, restoration, alteration, modification, addition, improvement or demolition in connection with the performance of any Alterations and/or any Capital Improvements.

"Year 8 Decrease": As defined in clause (b)(ii)(A) of the definition of "Rent."

"Year 8 Increase": As defined in clause (b)(ii)(A) of the definition of "Rent."

"Year 8-10 Variable Rent": As defined in clause (b)(ii)(A) of the definition of "Rent."

"Year 11 Decrease": As defined in clause (b)(ii)(B) of the definition of "Rent."

"Year 11 Increase": As defined in clause (b)(ii)(B) of the definition of "Rent."

"Year 11-15 Variable Rent": As defined in clause (b)(ii)(B) of the definition of "Rent."

ARTICLE III
RENT

3.1 Rent.

(a) Generally. During the Term, Tenant will pay to Landlord the Rent and Additional Charges in lawful money of the United States of America and legal tender for the payment of public and private debts, in the manner provided in Section 3.4.

(b) Payment of Rent until Commencement of Variable Rent. On the Commencement Date, Tenant shall pay a prorated portion of the first monthly installment of Rent for the period from the Commencement Date until the last day of the calendar month in which the Commencement Date occurs, based on the number of days during such period. Thereafter, for the first seven (7) Lease Years, Rent shall be payable by Tenant in consecutive monthly installments equal to one-twelfth (1/12th) of the Rent amount for the applicable Lease Year on the first (1st) day of each calendar month (or the immediately succeeding Business Day if the first (1st) day of the month is not a Business Day), in advance for such calendar month, during that Lease Year.

(d) Payment of Rent following Commencement of Variable Rent. From the commencement of the eighth (8th) Lease Year and continuing until the Expiration Date, both Base Rent and Variable Rent during any Lease Year shall be payable in consecutive monthly installments equal to one-twelfth (1/12th) of the Base Rent and Variable Rent amounts for the applicable Lease Year on the first (1st) day of each calendar month (or the immediately succeeding Business Day if the first (1st) day of the month is not a Business Day), in advance for such calendar month, during that Lease Year; provided, however, that for each month where Variable Rent is payable but the amount thereof depends upon calculation of Net Revenue not yet known (*e.g.*, the first few months of the eighth (8th) Lease Year, the eleventh (11th) Lease Year, and (if applicable) the first (1st) Lease Year of each Renewal Term), the amount of the Variable Rent payable monthly in advance shall remain the same as in the immediately preceding month, and provided, further, that Tenant shall make a payment to Landlord (or be entitled to set off against its Rent payment due, as applicable) on the first (1st) day of the calendar month (or the immediately succeeding Business Day if the first (1st) day of the month is not a Business Day) following the completion of such calculation in the amount necessary to "true-up" any underpayments or overpayments of Variable Rent for such interim period. Tenant shall complete such calculation of Net Revenue as provided in Section 3.2 of this Lease.

(e) Proration for Partial Lease Year. Unless otherwise agreed by the Parties in writing, Rent and Additional Charges shall be prorated on a per diem basis as to any Lease Year containing less than twelve (12) calendar months, and with respect to any installment thereof due for any partial months at the beginning and end of the Term.

3.2 Variable Rent Determination.

(a) Variable Rent Statement. Tenant shall, no later than ninety (90) days after the end of each Variable Rent Determination Period during the Term, furnish to Landlord a statement (the "Variable Rent Statement"), which Variable Rent Statement shall (i) set forth the sum of the Net Revenues realized with respect to the Facility during each of (x) such just-ended Variable Rent Determination Period and (y) except with respect to the first (1st) Variable Rent Statement, the Variable Rent Determination Period immediately preceding such just-ended Variable Rent Determination Period, (ii) except with respect to the first (1st) Variable Rent Statement, set forth Tenant's calculation of the per annum Variable Rent payable hereunder during the next Variable Rent Payment Period, (iii) be accompanied by reasonably appropriate supporting data and information, and (iv) be certified by a senior financial officer of Tenant and expressly state that such officer has examined the reports of Net Revenue therein and the supporting data and information accompanying the same, that such examination included such tests of Tenant's books and records as reasonably necessary to make such determination, and that such statement accurately presents in all material respects the Net Revenues for the applicable periods covered thereby, so that Tenant shall commence paying the applicable Variable Rent payable during each Variable Rent Payment Period hereunder (in accordance with the calculation set forth in each such Variable Rent Statement) no later than the first (1st) day of the fourth (4th) calendar month during

such Variable Rent Payment Period (or the immediately preceding Business Day if the first (1st) day of such month is not a Business Day).

(b) Maintenance of Records Relating to Variable Rent Statement. Tenant shall maintain, at its corporate offices, for a period of not less than six (6) years following the end of each Lease Year, adequate records which shall evidence the Net Revenue realized by the Facility during each Lease Year, together with all such records that would normally be examined by an independent auditor pursuant to GAAP in performing an audit of Tenant's Variable Rent Statements. The provisions and covenants of this Section 3.2(b) shall survive the expiration of the Term or sooner termination of this Lease.

(c) Audits. At any time within two (2) years of receipt of any Variable Rent Statement, Landlord shall have the right to cause to be conducted an independent audit of the matters covered thereby, conducted by a nationally-recognized independent public accounting firm mutually reasonably agreed to by the Parties. Such audit shall be limited to items necessary to ascertain an accurate determination of the calculation of the Variable Rent payable hereunder, and shall be conducted during normal business hours at the principal executive office of Tenant. If it shall be determined as a result of such audit (i) that there has been a deficiency in the payment of Variable Rent, such deficiency shall become due and payable by Tenant to Landlord, within thirty (30) days after such determination, or (ii) that there has been an excess payment of Variable Rent, such excess shall become due and payable by Landlord to Tenant, within thirty (30) days after such determination. In addition, if any Variable Rent Statement shall be found to have understated the per annum Variable Rent payable during any Variable Rent Payment Period by more than two and one-half percent (2.5%), and Landlord is entitled to any additional Variable Rent as a result of such understatement, then (x) Tenant shall pay to Landlord all reasonable, out-of-pocket costs and expenses which may be incurred by Landlord in determining and collecting the understatement or underpayment, including the cost of the audit (if applicable) and (y) interest at the Overdue Rate on the amount of the deficiency from the date when said payment should have been made until paid. If it shall be determined as a result of such audit that the applicable Variable Rent Statement did not understate the per annum Variable Rent payable during any Variable Rent Payment Period by more than two and one-half percent (2.5%), then Landlord shall pay to Tenant all reasonable, out-of-pocket costs and expenses incurred by Tenant in making such determination, including the cost of the audit. In addition, if any Variable Rent Statement shall be found to have willfully and intentionally understated the per annum Variable Rent, by more than five percent (5%), such understatement shall, at Landlord's option, constitute a Tenant Event of Default under this Lease. Any audit conducted pursuant to this Section 3.2(c) shall be performed subject to and in accordance with the provisions of Section 23.1(c) hereof. The receipt by Landlord of any Variable Rent Statement or any Variable Rent paid in accordance therewith for any period shall not constitute an admission of the correctness thereof.

3.3 Late Payment of Rent or Additional Charges. Tenant hereby acknowledges that the late payment by Tenant to Landlord of any Rent or Additional Charges will cause Landlord to incur costs not contemplated hereunder, the exact amount of which is presently anticipated to be extremely difficult to ascertain. Accordingly, if any installment of Rent or Additional Charges payable directly to Landlord shall not be paid within four (4) days after its due date, Tenant shall pay to Landlord on demand a late charge equal to the lesser of (a) five percent (5%) of the amount of such installment or Additional Charges and (b) the maximum amount permitted by law. The Parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. The Parties further agree that any such late charge constitutes Rent, and not interest, and such assessment does not constitute a lender or borrower/creditor relationship between Landlord and Tenant. If any installment of Rent (or Additional Charges payable directly to Landlord) shall not be paid within nine (9) days after its due date, the amount unpaid, including any late charges previously accrued and unpaid, shall bear interest at the Overdue Rate (from such ninth (9th) day after the due date of such installment until the date of payment thereof) (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, whether or not a claim for such interest is allowed or allowable in such proceeding), and Tenant shall pay such interest to Landlord on demand. The payment of such late charge or such interest shall not constitute a waiver of, nor excuse or cure, any default under this Lease, nor prevent Landlord from exercising any other rights and remedies available to Landlord. No failure by Landlord to insist upon strict performance by Tenant of Tenant's obligation to pay late charges and interest on sums overdue shall constitute a waiver by Landlord of its right to enforce the provisions, terms and conditions of this Section 3.3. No payment by Tenant nor receipt by Landlord of a lesser amount than may be required to be paid hereunder shall be deemed to be other than on account of any such payment, nor shall any endorsement or statement on any check or

any letter accompanying any check tendered as payment be deemed an accord and satisfaction and Landlord, in its sole discretion, may accept such check or payment without prejudice to Landlord's right to recover the balance of such payment due or pursue any other right or remedy in this Lease provided.

3.4 Method of Payment of Rent. Rent and Additional Charges to be paid to Landlord shall be paid by electronic funds transfer debit transactions through wire transfer, ACH or direct deposit of immediately available federal funds and shall be initiated by Tenant for settlement on or before the applicable Payment Date in each case (or, in respect of Additional Charges, as applicable, such other date as may be applicable hereunder); provided, however, if the Payment Date is not a Business Day, then settlement shall be made next succeeding day which is a Business Day. Landlord shall provide Tenant with appropriate wire transfer, ACH and direct deposit information in a Notice from Landlord to Tenant. If Landlord directs, by written request, Tenant to pay any Rent or any Additional Charges to any party other than Landlord, Tenant shall send to Landlord, simultaneously with such payment, a copy of the transmittal letter or invoice and a check whereby such payment is made or such other evidence of payment as Landlord may reasonably require.

3.5 Net Lease. Landlord and Tenant acknowledge and agree that (i) this Lease is and is intended to be what is commonly referred to as a "net, net, net" or "triple net" lease, and (ii) the Rent (including, for the avoidance of doubt, following commencement of the obligation to pay Variable Rent hereunder, the Base Rent and Variable Rent components of the Rent) and Additional Charges shall be paid absolutely net to Landlord, without abatement, deferment, reduction, defense, counterclaim, claim, demand, notice, deduction or offset of any kind whatsoever, so that this Lease shall yield to Landlord the full amount or benefit of the installments of Rent (including, for the avoidance of doubt, following commencement of the obligation to pay Variable Rent hereunder, the Base Rent and Variable Rent components of the Rent) and Additional Charges throughout the Term, all as more fully set forth in Article V and except and solely to the extent expressly provided in Article XIV (in connection with a Casualty Event), in Article XV (in connection with a Condemnation), and in Section 3.1 (in connection with the "true-up", if any, applicable to the onset of a Variable Rent Payment Period). If Landlord commences any proceedings for non-payment of Rent, Tenant will not interpose any defense, offset, claim, counterclaim or cross complaint or similar pleading of any nature or description in such proceedings unless Tenant would lose or waive such claim by the failure to assert it. This shall not, however, be construed as a waiver of Tenant's right to assert such claims in a separate action brought by Tenant. The covenants to pay Rent and Additional Charges hereunder are independent covenants, and Tenant shall have no right to hold back, deduct, defer, reduce, offset or fail to pay any such amounts for default by Landlord or for any other reason whatsoever, except solely as and to the extent provided in Section 3.1 and this Section 3.5.

ARTICLE IV
ADDITIONAL CHARGES

4.1 Impositions. Subject to Article XII relating to permitted contests, Tenant shall pay, or cause to be paid, all Impositions as and when due and payable during the Term to the applicable taxing authority or other party imposing the same before any fine, penalty, premium or interest may be added for non-payment (provided, (i) such covenant shall not be construed to require early or advance payments that would reduce or discount the amount otherwise owed and (ii) Tenant shall not be required to pay any Impositions that under the terms of any applicable Ground Lease are required to be paid by the ground lessor thereunder). Tenant shall make such payments directly to the taxing authorities where feasible, and on a monthly basis furnish to Landlord a summary of such payments, together, upon the request of Landlord, with copies of official receipts or other reasonably satisfactory proof evidencing such payments. If Tenant is not permitted to, or it is otherwise not feasible for Tenant to, make such payments directly to the taxing authorities or other applicable party, then Tenant shall make such payments to Landlord at least ten (10) Business Days prior to the due date, and Landlord shall make such payments to the taxing authorities or other applicable party prior to the due date. Landlord shall deliver to Tenant any bills received by Landlord for Impositions, promptly following Landlord's receipt thereof. Tenant's obligation to pay Impositions shall be absolutely fixed upon the date such Impositions become a lien upon the Leased Property to the extent payable during the Term or any part thereof, subject to Article XII. Notwithstanding anything in the first sentence of this Section 4.1 to the contrary, if any Imposition may, at the option of the taxpayer, lawfully be paid in installments, whether or not interest shall accrue on the unpaid balance of such Imposition, Tenant may pay the same, and any accrued interest on the unpaid balance of such Imposition, in

installments as the same respectively become due and before any fine, penalty, premium or further interest may be added thereto.

(a) Landlord or Landlord REIT shall prepare and file all tax returns and reports as may be required by Legal Requirements with respect to Landlord's net income, gross receipts, franchise taxes and taxes on its capital stock and any other returns required to be filed by or in the name of Landlord (the "Landlord Tax Returns"), and Tenant or Tenant's applicable direct or indirect parent shall prepare and file all other tax returns and reports as may be required by Legal Requirements with respect to or relating to the Leased Property (including all Capital Improvements) and Tenant's Property. If any property covered by this Lease is classified as personal property for tax purposes, Tenant shall file all required personal property tax returns in such jurisdictions where it is required to file pursuant to applicable Legal Requirements and provide copies to Landlord upon request.

(b) Any refund due from any taxing authority in respect of any Imposition paid by or on behalf of Tenant shall be paid over to or retained by Tenant, and any refund due from any taxing authority in respect of any Imposition paid by or on behalf of Landlord, if any, shall be paid over to or retained by Landlord.

(c) Landlord and Tenant shall, upon request of the other, provide such data as is maintained by the Party to whom the request is made with respect to the Leased Property as may be necessary to prepare any required tax returns and reports. Landlord, to the extent it possesses the same, and Tenant, to the extent it possesses the same, shall provide the other Party, upon request, with cost and depreciation records necessary for filing returns for any property classified as personal property. Where Landlord is legally required to file personal property tax returns, Landlord shall provide Tenant with copies of assessment notices indicating a value in excess of the reported value in sufficient time for Tenant to file a protest.

(d) Billings for reimbursement by Tenant to Landlord of personal property or real property taxes and any taxes due under the Landlord Tax Returns, if and to the extent Tenant is responsible for such taxes under the terms of this Section 4.1 (subject to Article XII), shall be accompanied by copies of a bill therefor and payments thereof which identify in reasonable detail the personal property or real property or other tax obligations of Landlord with respect to which such payments are made.

(e) Impositions imposed or assessed in respect of the tax-fiscal period during which the Commencement Date or the Expiration Date occurs shall be adjusted and prorated between Landlord and Tenant; provided, that Tenant's obligation to pay its prorated share of Impositions imposed or assessed before the Expiration Date in respect of a tax-fiscal period during the Term shall survive the Expiration Date (and its right to contest the same pursuant to Article XII shall survive the Stated Expiration Date). Landlord will not enter into agreements that will result in, or consent to the imposition of, additional Impositions without Tenant's consent, which shall not be unreasonably withheld, conditioned or delayed; provided, in each case, Tenant is given reasonable opportunity to participate in the process leading to such agreement. Impositions imposed or assessed in respect of any tax-fiscal period occurring (in whole or in part) prior to the Commencement Date, if any, shall be Tenant's obligation to pay or cause to be paid.

4.2 Utilities and Other Matters. Tenant shall pay or cause to be paid all charges for electricity, power, gas, oil, water and other utilities used in the Leased Property. Tenant shall also pay or reimburse Landlord for all costs and expenses of any kind whatsoever which at any time with respect to the Term hereof may be imposed against Landlord by reason of any Property Documents, or with respect to easements, licenses or other rights over, across or with respect to any adjacent or other property which benefits the Leased Property or any Capital Improvement, including any and all costs and expenses associated with any utility, drainage and parking easements relating to the Leased Property (but excluding, for the avoidance of doubt, any costs and expenses under any Fee Mortgage Documents).

4.3 Compliance Certificate. Landlord shall deliver to Tenant, promptly following Landlord's receipt thereof, any bills received by Landlord for items required to be paid by Tenant hereunder, including, without limitation, Impositions, utilities and insurance. Promptly upon request of Landlord (but so long as no Event of Default is continuing no more frequently than one time per Fiscal Quarter), Tenant shall furnish to Landlord a certification stating that all or a specified portion of Impositions, utilities, insurance premiums or, to the extent specified by Landlord, any other

amounts payable by Tenant hereunder that have, in each case, come due prior to the date of such certification have been paid (or that such payments are being contested in good faith by Tenant in accordance herewith) and specifying the portion of the Leased Property to which such payments relate.

4.4 Impound Account. At Landlord's option following the occurrence and during the continuation of a monetary Tenant Event of Default (to be exercised by thirty (30) days' written notice to Tenant), and provided Tenant is not already being required to impound such payments in accordance with the requirements of Section 31.3 below, Tenant shall be required to deposit, at the time of any payment of Rent, an amount equal to one-twelfth (1/12 th) of the sum of (i) Tenant's estimated annual real and personal property taxes required pursuant to Section 4.1 hereof (as reasonably determined by Landlord), and (ii) Tenant's estimated annual insurance premium costs pursuant to Article XIII hereof (as reasonably determined by Landlord). Such amounts shall be applied to the payment of the obligations in respect of which said amounts were deposited, on or before the respective dates on which the same or any of them would become due. The reasonable cost of administering such impound account shall be paid by Tenant. Nothing in this Section 4.4 shall be deemed to affect any other right or remedy of Landlord hereunder.

ARTICLE V
NO TERMINATION, ABATEMENT, ETC.

Except as otherwise specifically provided in this Lease, Tenant shall remain bound by this Lease in accordance with its terms. The obligations of Landlord and Tenant hereunder shall be separate and independent covenants and agreements and the Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events unless the obligations to pay the same shall be terminated pursuant to the express provisions of this Lease or by termination of this Lease as to all or any portion of the Leased Property other than by reason of a Tenant Event of Default. Without limitation of the preceding sentence, the respective obligations of Landlord and Tenant shall not be affected by reason of, except as expressly set forth in Articles XIV and XV, (i) any damage to or destruction of the Leased Property, including any Capital Improvement or any portion thereof from whatever cause, or any Condemnation of the Leased Property, including any Capital Improvement or any portion thereof or, discontinuance of any service or utility servicing the same; (ii) the lawful or unlawful prohibition of, or restriction upon, Tenant's use of the Leased Property, including any Capital Improvement or any portion thereof or the interference with such use by any Person or by reason of eviction by paramount title; (iii) any claim that Tenant has or might have against Landlord by reason of any default or breach of any warranty by Landlord hereunder or under any other agreement between Landlord and Tenant or to which Landlord and Tenant are parties; (iv) any bankruptcy, insolvency, reorganization, consolidation, readjustment, liquidation, dissolution, winding up or other proceedings affecting Landlord or any assignee or transferee of Landlord; or (v) for any other cause, whether similar or dissimilar to any of the foregoing. Tenant hereby specifically waives all rights arising from any occurrence whatsoever which may now or hereafter be conferred upon it by law (a) to modify, surrender or terminate this Lease or quit or surrender the Leased Property or any portion thereof, or (b) which may entitle Tenant to any abatement, deduction, reduction, suspension or deferment of or defense, counterclaim, claim or set-off against the Rent or other sums payable by Tenant hereunder, except in each case as may be otherwise specifically provided in this Lease. Notwithstanding the foregoing, nothing in this Article V shall preclude Tenant from bringing a separate action against Landlord for any matter described in the foregoing clauses (ii), (iii) or (v) and Tenant is not waiving other rights and remedies not expressly waived herein. Tenant's agreement that, except as may be otherwise specifically provided in this Lease, any eviction by paramount title as described in item (ii) above shall not affect Tenant's obligations under this Lease, shall not in any way discharge or diminish any obligation of any insurer under any policy of title or other insurance, and, to the extent the recovery thereof is not necessary to compensate Landlord for any damages incurred by any such eviction, Tenant shall be entitled to a credit for any sums recovered by Landlord under any such policy of title or other insurance in respect of any such eviction up to the maximum amount paid by Tenant to Landlord under this Article V and Article XIV hereof in respect of any such eviction or the duration thereof, and Landlord, upon request by Tenant, shall assign Landlord's rights under such policies to Tenant provided such assignment does not adversely affect Landlord's rights under any such policy and provided further, that Tenant shall indemnify, defend, protect and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such assignment except to the extent such liability, cost or expense arises from the gross negligence or willful misconduct of Landlord.

ARTICLE VI
OWNERSHIP OF REAL AND PERSONAL PROPERTY

6.1 Ownership of the Leased Property.

(a) Landlord and Tenant acknowledge and agree that they have executed and delivered this Lease with the understanding that (i) the Leased Property is the property of Landlord, (ii) Tenant has only the right to the possession and use of the Leased Property upon the terms and conditions of this Lease, (iii) this Lease is a "true lease," is not a financing lease, mortgage, equitable mortgage, deed of trust, trust agreement, security agreement or other financing or trust arrangement, and the economic realities of this Lease are those of a true lease, (iv) the business relationship created by this Lease and any related documents is and at all times shall remain that of landlord and tenant, (v) this Lease has been entered into by each Party in reliance upon the mutual covenants, conditions and agreements contained herein, and (vi) none of the agreements contained herein is intended, nor shall the same be deemed or construed, to create a partnership between Landlord and Tenant, to make them joint venturers, to make Tenant an agent, legal representative, partner, subsidiary or employee of Landlord, or to make Landlord in any way responsible for the debts, obligations or losses of Tenant.

(b) Each of the Parties covenants and agrees, subject to Section 6.1(d), not to (i) file any income tax return or other associated documents, (ii) file any other document with or submit any document to any governmental body or authority, or (iii) enter into any written contractual arrangement with any Person, in each case that takes a position other than that this Lease is a "true lease" with Landlord as owner of the Leased Property (except as expressly set forth below) and Tenant as the tenant of the Leased Property. For U.S. federal, state and local income tax purposes, Landlord and Tenant agree that (x) Landlord shall be treated as the owner of the Leased Property eligible to claim depreciation deductions under Sections 167 or 168 of the Code with respect to all Leased Property excluding the Leased Property described in clause (y) below, and (y) Tenant shall be treated as owner of, and eligible to claim depreciation deductions under Sections 167 or 168 of the Code with respect to, all Tenant Capital Improvements (including, for avoidance of doubt and for purposes of this sentence, Tenant Material Capital Improvements) and Material Capital Improvements funded by Landlord pursuant to a Landlord MCI Financing that is treated as a loan for such income tax purposes.

(c) If, notwithstanding (i) the form and substance of this Lease, (ii) the intent of the Parties, and (iii) the language contained herein providing that this Lease shall at all times be construed, interpreted and applied to create an indivisible lease of all of the Leased Property, any court of competent jurisdiction finds that this Lease is a financing arrangement, then this Lease shall be considered a secured financing agreement and Landlord's title to the Leased Property shall constitute a perfected first priority lien in Landlord's favor on the Leased Property to secure the payment and performance of all the obligations of Tenant hereunder (and to that end, Tenant hereby grants, assigns and transfers to Landlord a security interest in all right, title or interest in or to any and all of the Leased Property, as security for the prompt and complete payment and performance when due of Tenant's obligations hereunder). In such event, Tenant (and each Permitted Leasehold Mortgagee) authorizes Landlord, at the expense of Tenant, to make any filings or take other actions as Landlord reasonably determines are necessary or advisable in order to effect fully this Lease or to more fully perfect or renew the rights of Landlord, and to subordinate to Landlord the lien of any Permitted Leasehold Mortgagee, with respect to the Leased Property (it being understood that nothing in this Section 6.1(c) shall affect the rights of a Permitted Leasehold Mortgagee under Article XVII hereof). At any time and from time to time upon the request of Landlord, and at the expense of Tenant, Tenant shall promptly execute, acknowledge and deliver such further documents and do such other acts as Landlord may reasonably request in order to effect fully this Lease or to more fully perfect or renew the rights of Landlord with respect to the Leased Property as described in this Lease. If Tenant should reasonably conclude that, as a result of change in law or GAAP accounting standards, or a change in agency interpretation thereof, GAAP or the SEC require treatment different from that set forth in Section 6.1(b) for applicable non-tax purposes, then (x) Tenant shall promptly give prior Notice to Landlord, accompanied by a written statement that references the applicable pronouncement that controls such treatment and contains a brief description and/or analysis that sets forth in reasonable detail the basis upon which Tenant reached such conclusion, and (y) notwithstanding Section 6.1(b) and this Section 6.1(c), Tenant may comply with such requirements.

(d) Notwithstanding the foregoing, the Parties acknowledge that, as of the Commencement Date, for GAAP purposes this Lease is not expected to be treated as a "true lease" and that the Parties will prepare Financial Statements consistent with GAAP (and for purposes of any SEC or other similar governmental filing purposes), as applicable.

(e) Landlord and Tenant acknowledge and agree that the Rent is the fair market rent for the use of the Leased Property and was agreed to by Landlord and Tenant on that basis, and the execution and delivery of, and the performance by Tenant of its obligations under, this Lease does not constitute a transfer of all or any part of the Leased Property, but rather the creation of the Leasehold Estate subject to the terms and conditions of this Lease.

(f) Tenant waives any claim or defense based upon the characterization of this Lease as anything other than a true lease of the Leased Property. Tenant stipulates and agrees (1) not to challenge the validity, enforceability or characterization of this Lease of the Leased Property as a true lease, and (2) not to assert or take or omit to take any action inconsistent with the agreements and understandings set forth in Section 1.2, Section 3.5 or this Section 6.1. The expressions of intent, the waivers, the representations and warranties, the covenants, the agreements and the stipulations set forth in this Section 6.1 are a material inducement to Landlord entering into this Lease.

6.2 Ownership of Tenant's Property. Tenant shall, during the entire Term, (a) own (or lease) and maintain on the Leased Property adequate and sufficient Tenant's Property, and (b) maintain all of such Tenant's Property in good order, condition and repair, in all cases as shall be necessary and appropriate in order to operate the Leased Property for the Primary Intended Use in material compliance with all applicable licensure and certification requirements and in material compliance with all applicable Legal Requirements, Insurance Requirements and Gaming Regulations. If any of Tenant's Property requires replacement in order to comply with the foregoing, Tenant shall replace it with similar property of the same or better quality at Tenant's sole cost and expense. Subject to the foregoing and the other express terms and conditions of this Lease, Tenant may sell, transfer, convey or otherwise dispose of Tenant's Property in its discretion in the ordinary course of its business and Landlord shall have no rights to such sold, transferred, conveyed or otherwise disposed of Tenant's Property. In the case of any such Tenant's Property that is leased (rather than owned) by Tenant, Tenant shall use commercially reasonable efforts to ensure that any agreements entered into after the Commencement Date pursuant to which Tenant leases such Tenant's Property are assignable to third parties in connection with any transfer by Tenant to a replacement lessee or operator at the end of the Term. To the extent not transferred to a Successor Tenant pursuant to Article XXXVI hereof, Tenant shall remove all of Tenant's Property from the Leased Property at the end of the Term. Any tangible Tenant's Property left on the Leased Property at the end of the Term whose ownership was not transferred to a Permitted Leasehold Mortgagee or its designee or assignee that entered into or succeeded to a New Lease pursuant to the terms hereof or to a Successor Tenant pursuant to Article XXXVI hereof shall be deemed abandoned by Tenant and shall become the property of Landlord.

ARTICLE VII
PRESENT CONDITION & PERMITTED USE

7.1 Condition of the Leased Property. Tenant acknowledges receipt and delivery of possession of the Leased Property and confirms that Tenant has examined and otherwise has knowledge of the condition of the Leased Property prior to and as of the execution and delivery of this Lease and has found the same to be satisfactory for its purposes hereunder, it being understood and acknowledged by Tenant that, immediately prior to entering into this Lease, Tenant (or its Affiliate) was the owner of the Leased Property and, accordingly, Tenant is charged with, and deemed to have, full and complete knowledge of all aspects of the condition and state of the Leased Property as of the Commencement Date. Without limitation of the foregoing and regardless of any examination or inspection made by Tenant, and whether or not any patent or latent defect or condition was revealed or discovered thereby, Tenant is leasing the Leased Property "as is" in its present condition. Without limitation of the foregoing, Tenant waives any claim or action against Landlord in respect of the condition of the Leased Property including any defects or adverse conditions not discovered or otherwise known by Tenant as of the Commencement Date. LANDLORD MAKES NO WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESS OR IMPLIED, IN RESPECT OF THE LEASED PROPERTY OR ANY PART THEREOF, INCLUDING AS TO ITS FITNESS FOR USE, DESIGN OR CONDITION FOR ANY PARTICULAR USE OR PURPOSE OR OTHERWISE, OR AS TO THE NATURE OR QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR THE STATUS OF TITLE TO THE LEASED PROPERTY OR

THE PHYSICAL CONDITION OR STATE OF REPAIR THEREOF, OR THE ZONING OR OTHER LAWS, ORDINANCES, BUILDING CODES, REGULATIONS, RULES AND ORDERS APPLICABLE THERETO OR TO ANY CAPITAL IMPROVEMENTS WHICH MAY BE NOW OR HEREAFTER CONTEMPLATED, THE IMPOSITIONS LEVIED IN RESPECT OF THE LEASED PROPERTY OR ANY PART THEREOF, OR THE USE THAT MAY BE MADE OF THE LEASED PROPERTY OR ANY PART THEREOF, THE INCOME TO BE DERIVED FROM THE FACILITY OR THE EXPENSE OF OPERATING THE SAME, OR THE EXISTENCE OF ANY HAZARDOUS SUBSTANCE, IT BEING AGREED THAT ALL SUCH RISKS, LATENT OR PATENT, ARE TO BE BORNE SOLELY BY TENANT INCLUDING ALL RESPONSIBILITY AND LIABILITY FOR ANY ENVIRONMENTAL REMEDIATION AND COMPLIANCE WITH ALL ENVIRONMENTAL LAWS. This Section 7.1 shall not be construed to limit Landlord's express indemnities made hereunder.

7.2 Use of the Leased Property.

(a) Tenant shall not use (or cause or permit to be used) the Facility, including the Leased Property, or any portion thereof, including any Capital Improvement, for any use other than the Primary Intended Use without the prior written consent of Landlord, which consent Landlord may withhold in its sole discretion. Landlord acknowledges that operation of the Leased Property for its Primary Intended Use generally may require a Gaming License under applicable Gaming Regulations and that without such a license, if applicable, neither Landlord nor Landlord REIT may operate, control or participate in the conduct of the gaming operations at the Facility. Tenant acknowledges that operation of the Facility for its Primary Intended Use generally may require a Gaming License under applicable Gaming Regulations and that without such a license, if applicable, Tenant may not operate, control or participate in the conduct of the gaming operations at the Facility.

(b) Tenant shall not commit or suffer to be committed any waste with respect to the Facility, including on or to the Leased Property (and, without limitation, to the Capital Improvements) or cause or permit any nuisance thereon or, except as required by law, knowingly take or suffer any action or condition that will diminish in any material respect, the ability of the Leased Property to be used as a Gaming Facility (or otherwise for the Primary Intended Use) after the Expiration Date.

(c) Tenant shall not, without the prior written consent of Landlord, which shall not be unreasonably withheld, conditioned or delayed, (i) initiate or support any limiting change in the permitted uses of the Leased Property (or to the extent applicable, limiting zoning reclassification of the Leased Property); (ii) seek any variance under existing land use restrictions, laws, rules or regulations (or, to the extent applicable, zoning ordinances) applicable to the Leased Property or the use of the Leased Property in any manner that adversely affects (other than to a de minimis extent) the value or utility of the Leased Property for the Primary Intended Use; (iii) execute or file any subdivision plat or condominium declaration affecting the Leased Property or any portion thereof, or institute, or permit the institution of, proceedings to alter any tax lot comprising the Leased Property or any portion thereof; or (iv) knowingly permit or suffer the Leased Property or any portion thereof to be used by the public or any Person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement (provided that the proscription in this clause (iv) is not intended to and shall not restrict Tenant in any way from complying with any obligation it may have under applicable Legal Requirements, including, without limitation, Gaming Regulations, to afford to the public access to the Leased Property or any portion thereof). Without limiting the foregoing, (1) Tenant will not impose or permit the imposition of any restrictive covenants, easements or other encumbrances upon the Leased Property (including, subject to the last paragraph of Section 16.1, any restriction, covenant, easement or other encumbrance which Tenant may otherwise impose or permit to be imposed pursuant to the provisions of any Permitted Exception Document) without Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed, provided, that, Landlord is given reasonable opportunity to participate in the process leading to such agreement, and (2) other than any liens or other encumbrances granted to a Fee Mortgagee, Landlord will not enter into agreements that will encumber the Leased Property without Tenant's consent, which shall not be unreasonably withheld, conditioned or delayed, provided, that, Tenant is given reasonable opportunity to participate in the process leading to such agreement. Landlord agrees it will not withhold consent to utility easements and other similar encumbrances made in the ordinary course of Tenant's business conducted on the Leased Property in accordance with the Primary Intended Use, provided the same does not adversely affect in any material respect the use or utility of the Leased Property for the Primary

Intended Use. Nothing in the foregoing is intended to vitiate or supersede Tenant's right to enter into Permitted Leasehold Mortgages or Landlord's right to enter into Fee Mortgages in each case as and to the extent provided herein.

Except to the extent resulting from a Permitted Operation Interruption, Tenant shall cause the Facility to be Continuously Operated during the Term. During any time period that the Facility ceases to be Continuously Operated, solely for purposes of calculating Variable Rent in accordance herewith, the Net Revenue shall be subject to a floor equal to the Net Revenue for the Facility for the calendar year immediately preceding such period that the Facility is not Continuously Operated, prorated for the applicable time period that the Facility is not Continuously Operated. Further, if the Facility ceases to be Continuously Operated for a period of one (1) year, then Landlord shall have the right, in its sole discretion, to terminate this Lease.

(d) Subject to Article XII regarding permitted contests, Tenant, at its sole cost and expense, shall promptly (i) comply in all material respects with all Legal Requirements and Insurance Requirements affecting the Facility and the business conducted thereat, including those regarding the use, operation, maintenance, repair and restoration of the Leased Property or any portion thereof (including all Capital Improvements) and Tenant's Property whether or not compliance therewith may require structural changes in any of the Leased Improvements or interfere with the use and enjoyment of the Leased Property or any portion thereof, and (ii) procure, maintain and comply in all material respects with all Gaming Regulations and Gaming Licenses, and other authorizations required for the use of the Leased Property (including all Capital Improvements) and Tenant's Property for the applicable Primary Intended Use and any other use of the Leased Property (including Capital Improvements then being made) and Tenant's Property, and for the proper erection, installation, operation and maintenance of the Leased Property and Tenant's Property. In an emergency involving an imminent threat to human health and safety or damage to property, or in the event of a breach by Tenant of its obligations under this Section 7.2 which is not cured within any applicable cure period set forth herein, Landlord or its representatives (and any Fee Mortgagee) may, but shall not be obligated to, enter upon the Leased Property (and, without limitation, all Capital Improvements) (upon reasonable prior written notice to Tenant, except in the case of emergency, and Tenant shall be permitted to have Landlord or its representatives accompanied by a representative of Tenant) and take such reasonable actions and incur such reasonable costs and expenses to effect such compliance as it deems advisable to protect its interest in the Leased Property, and Tenant shall reimburse Landlord for all such reasonable out-of-pocket costs and expenses actually incurred by Landlord in connection with such actions.

(e) Without limitation of any of the other provisions of this Lease, Tenant shall comply with all Property Documents (i) that are listed on the title polic(y)(ies) described on Schedule 6 attached hereto, or (ii) made after the date hereof in accordance with the terms of this Lease or as may otherwise be agreed to in writing by Tenant.

(f) Tenant shall, throughout the Term, cause the Facility to be operated, managed, used, maintained and repaired in all material respects, in accordance with the Applicable Standards.

7.3 Ground Leases. Landlord may enter into new ground leases with respect to the Leased Property or any portion thereof (including pursuant to a sale-leaseback transaction) or amend or modify any such ground leases, provided that, notwithstanding anything herein to the contrary, Tenant shall not be obligated to comply with any additional or more onerous obligations under such new ground lease or amendment or modification thereof with which Tenant is not otherwise obligated to comply under this Lease (and, without limiting the generality of the foregoing, Tenant shall not be required to incur any additional monetary obligations (whether for payment of rents under such new ground lease or otherwise) in connection with such new ground lease or amendment or modification thereof) (except to a de minimis extent), unless Tenant approves such additional obligations in its sole and absolute discretion.

7.4 Third-Party Reports. Upon Landlord's reasonable request from time to time, Tenant shall provide Landlord with copies of any third-party reports obtained by Tenant with respect to the Leased Property, including, without limitation, copies of surveys, environmental reports and property condition reports.

ARTICLE VIII
REPRESENTATIONS AND WARRANTIES

Each Party represents and warrants to the other that as of the Commencement Date: (i) this Lease and all other documents executed, or to be executed, by it in connection herewith have been duly authorized and shall be binding upon it; (ii) it is duly organized, validly existing and in good standing under the laws of the state of its formation and, as applicable, is duly authorized and qualified to perform this Lease within each State in which any Leased Property is located; and (iii) neither this Lease nor any other document executed or to be executed in connection herewith violates the terms of any other agreement of such Party.

ARTICLE IX
MAINTENANCE AND REPAIR

9.1 Tenant Obligations. Subject to the provisions of Sections 10.1, 10.2 and 10.3 relating to Landlord's approval of certain Alterations, Capital Improvements and Material Capital Improvements, Tenant, at its expense and without the prior consent of Landlord, shall maintain the Leased Property, and every portion thereof, including all of the Leased Improvements and the structural elements and the plumbing, heating, ventilating, air conditioning, electrical, lighting, sprinkler and other utility systems thereof, all fixtures and all appurtenances to the Leased Property including any and all private roadways, sidewalks and curbs appurtenant to the Leased Property, and Tenant's Property, in each case in good order and repair whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements or the age of the Leased Property, and, with reasonable promptness, make all reasonably necessary and appropriate repairs thereto of every kind and nature, including those necessary to ensure continuing compliance with all Legal Requirements (including, without limitation, all Gaming Regulations and Environmental Laws) (to the extent required hereunder), Insurance Requirements, the Ground Leases and Property Documents whether now or hereafter in effect (other than any Ground Leases or Property Documents (or modifications to Ground Leases or Property Documents) entered into after the Commencement Date that impose obligations on Tenant (other than de minimis obligations) to the extent (x) entered into by Landlord without Tenant's consent pursuant to Section 7.2(c) or (y) Tenant is not required to comply therewith pursuant to Section 7.3), and, with respect to any Fee Mortgages, the applicable provisions of such Fee Mortgage Documents as and only to the extent Tenant is required to comply therewith pursuant to Article XXXI hereof, in each case except to the extent otherwise provided in Article XIV or Article XV of this Lease, whether interior or exterior, structural or non-structural, ordinary or extraordinary, foreseen or unforeseen or arising by reason of a condition existing prior to or first arising after the Commencement Date.

9.2 No Landlord Obligations. Landlord shall not under any circumstances be required to (i) build or rebuild any improvements on the Leased Property; (ii) make any repairs, replacements, alterations, restorations or renewals of any nature to the Leased Property, whether ordinary or extraordinary, structural or non-structural, foreseen or unforeseen, or to make any expenditure whatsoever with respect thereto; or (iii) maintain the Leased Property in any way. Tenant hereby waives, to the extent permitted by law, the right to make repairs at the expense of Landlord pursuant to any law in effect at the time of the execution of this Lease or hereafter enacted. This Section 9.2 shall not be construed to limit Landlord's express indemnities, if any, made hereunder.

9.3 Landlord's Estate. Nothing contained in this Lease and no action or inaction by Landlord shall be construed as (i) constituting the consent or request of Landlord, expressed or implied, to any contractor, subcontractor, laborer, materialman or vendor to or for the performance of any labor or services or the furnishing of any materials or other property for the construction, alteration, addition, repair or demolition of or to the Leased Property, or any part thereof, or any Capital Improvement; or (ii) giving Tenant any right, power or permission to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against Landlord in respect thereof or to make any agreement that may create, or in any way be the basis for, any right, title, interest, lien, claim or other encumbrance upon the estate of Landlord in the Leased Property, or any portion thereof or upon the estate of Landlord in any Capital Improvement.

9.4 End of Term. Subject to Sections 17.1(f) and 36.1, Tenant shall, upon the expiration or earlier termination of the Term, vacate and surrender and relinquish in favor of Landlord all rights to the Leased Property (together with all Capital Improvements, including all Tenant Capital Improvements, except to the extent provided in Section 10.4 in respect of Tenant Material Capital Improvements), in each case, in the condition in which such Leased Property was originally received from Landlord and, in the case of Capital Improvements (other than Tenant Material

Capital Improvements to the extent provided in Section 10.4), when such Capital Improvements were originally introduced to the Facility, except as repaired, rebuilt, restored, altered or added to as permitted or required by the provisions of this Lease and except for ordinary wear and tear and subject to any Casualty Event or Condemnation as provided in Articles XIV and XV.

ARTICLE X
ALTERATIONS

10.1 Alterations, Capital Improvements and Material Capital Improvements.

(a) Tenant shall not be required to obtain Landlord's consent or approval to make any Alterations or Capital Improvements (including any Material Capital Improvement) to the Leased Property; provided, however, that all such Alterations and Capital Improvements (i) shall be of equal quality to or better quality than the applicable portions of the existing Facility, as applicable, except to the extent Alterations or Capital Improvements of lesser quality would not, in the reasonable opinion of Tenant, result in any diminution of value of the Leased Property (or applicable portion thereof), (ii) shall not have an adverse effect on the structural integrity of any portion of the Leased Property, and (iii) shall not otherwise result in a diminution of value to the Leased Property (except to a de minimis extent). If any Alteration or Capital Improvement would not or does not meet the standards of the preceding sentence, then such Alteration or Capital Improvement shall be subject to Landlord's written approval, which written approval shall not be unreasonably withheld, conditioned or delayed. Further, if any Alteration or Capital Improvement (or the aggregate amount of all related Alterations or Capital Improvements) has a total budgeted cost (as reasonably evidenced to Landlord) in excess of Seventy-Five Million and No/100 Dollars ($75,000,000.00) (the "Alteration Threshold"), then such Alteration or Capital Improvement (or series of related Alterations or Capital Improvements) shall be subject to the approval of Landlord and, if applicable, subject to Section 31.3, any Fee Mortgagee, in each case which written approval shall not be unreasonably withheld, conditioned or delayed. Landlord shall have the right to select and engage, at Landlord's cost and expense, construction consultants to conduct inspections of the Leased Property during the construction of any Material Capital Improvements, provided that (x) such inspections shall be conducted in a manner that does not interfere with such construction or the operation of the Facility (except to a de minimis extent), (y) prior to entering the Leased Property, such consultants shall deliver to Tenant evidence of insurance reasonably satisfactory to Tenant and (z) (irrespective of whether the consultant was engaged by Landlord, Tenant or otherwise) Landlord and Tenant shall be entitled to receive copies of such consultants' work product and shall have direct access to and communication with such consultants.

(b) [Intentionally Omitted]

10.2 Landlord Approval of Certain Alterations and Capital Improvements. If Tenant desires to make any Alteration or Capital Improvement for which Landlord's approval is required pursuant to Section 10.1 above, Tenant shall submit to Landlord in reasonable detail a general description of the proposal, the projected cost of the applicable Work and such plans and specifications, permits, licenses, contracts and other information concerning the proposal as Landlord may reasonably request. Such description shall indicate the use or uses to which such Alteration or Capital Improvement will be put and the impact, if any, on current and forecasted gross revenues and operating income attributable thereto. Landlord may condition any approval of any Alteration or Capital Improvement (including any Material Capital Improvement), to the extent required pursuant to Section 10.1 above, upon any or all of the following terms and conditions, to the extent reasonable under the circumstances:

(a) the Work shall be effected pursuant to detailed plans and specifications approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed;

(b) the Work shall be conducted under the supervision of a licensed architect or engineer selected by Tenant (the "Architect") and, for purposes of this Section 10.2 only, approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed;

(c) Landlord's receipt from the general contractor and, if reasonably requested by Landlord, any major subcontractor(s) of a performance and payment bond for the full value of such Work, which such bond shall

name Landlord as an additional obligee and otherwise be in form and substance and issued by a Person reasonably satisfactory to Landlord;

(d) Landlord's receipt of reasonable evidence of Tenant's financial ability to complete the Work without materially and adversely affecting its cash flow position or financial viability; and

(e) such Alteration or Capital Improvement will not result in the Leased Property becoming a "limited use" within the meaning of Revenue Procedure 2001-28 property for purposes of United States federal income taxes.

10.3 Construction Requirements for Alterations and Capital Improvements. For any Alteration or Capital Improvement (excluding room renovations) having a budgeted cost in excess of Fifteen Million and No/100 Dollars ($15,000,000) (and as otherwise expressly required under subsection (g) below), Tenant shall satisfy the following:

(a) If and to the extent plans and specifications typically would be (or, in accordance with applicable Legal Requirements, are required to be) obtained in connection with a project of similar scope and nature to such Alteration or Capital Improvement, Tenant shall, prior to commencing any Work in respect of the same, provide Landlord copies of such plans and specifications. Tenant shall also supply Landlord with related documentation, information and materials relating to the Property or such Work in Tenant's possession or control, including, without limitation, surveys, property condition reports and environmental reports, as Landlord may reasonably request from time to time;

(b) No Work shall be commenced until Tenant shall have procured and paid for all municipal and other governmental permits and authorizations required to be obtained prior to such commencement (if any), including those permits and authorizations required pursuant to any Gaming Regulations (if any), and, upon Tenant's request, Landlord shall join in the application for such permits or authorizations whenever such action is necessary; provided, however, that (i) any such joinder shall be at no cost or expense to Landlord; and (ii) any plans required to be filed in connection with any such application which require the approval of Landlord as hereinabove provided shall have been so approved by Landlord;

(c) Such Work shall not, and, if an Architect has been engaged for such Work, the Architect shall certify to Landlord that such Architect is of the opinion that construction will not, impair the structural strength of any component of the Facility or overburden the electrical, water, plumbing, HVAC or other building systems of any such component or otherwise violate applicable building codes or prudent industry practices.

(d) If an Architect has been engaged for such Work and if plans and specifications have been obtained in connection with such Work, the Architect shall certify to Landlord that such Architect is of the opinion that the plans and specifications conform to, and comply with, in all material respects all applicable building, subdivision and zoning codes, laws, ordinances and regulations imposed by all governmental authorities having jurisdiction over the Leased Property.

(e) During and following completion of such Work, the parking and other amenities which are located on or at the Leased Property shall remain adequate for the operation of the Facility for its Primary Intended Use and not be less than that which is required by law (including any variances with respect thereto) and any applicable Property Documents; provided, however, with Landlord's prior consent, which approval shall not be unreasonably withheld, conditioned or delayed, and at no additional expense to Landlord, (i) to the extent sufficient additional parking is not already a part of an Alteration or Capital Improvement, Tenant may construct additional parking on or at the Leased Property; or (ii) Tenant may acquire off-site parking to serve the Leased Property as long as such parking shall be reasonably proximate to, and dedicated to, or otherwise made available to serve, the Leased Property;

(f) All Work done in connection with such construction shall be done promptly and using materials and resulting in work that is at least as good product and condition as the remaining areas of the Leased

Property and in conformity with all Legal Requirements, including, without limitation, any applicable minority or women owned business requirement; and

(g) If applicable in accordance with customary and prudent industry standards, promptly following the completion of such Work, Tenant shall deliver to Landlord "as built" plans and specifications with respect thereto, certified as accurate by the licensed architect or engineer selected by Tenant to supervise such work, and copies of any new or revised certificates of occupancy or other licenses, permits and authorizations required in connection therewith. In addition, with respect to any Alteration or Capital Improvement having a budgeted cost equal to or less than Fifteen Million and No/100 Dollars ($15,000,000.00), Tenant shall endeavor in good faith to (and upon Landlord's request will) deliver to Landlord any "as-built" plans and specifications actually obtained by Tenant in connection with such Alteration or Capital Improvement

Notwithstanding anything to the contrary contained herein, at any time during the Term that Tenant is not a Controlled Subsidiary of CEC, this Section 10.3 shall be deemed modified by replacing all references therein to "Fifteen Million and No/100 Dollars ($15,000,000.00)" to "Five Million and No/100 Dollars ($5,000,000.00)".

10.4 Landlord's Right of First Offer to Fund Material Capital Improvements.

(a) *Landlord's Right to Submit Landlord's MCI Financing Proposal* . In advance of commencing any Work in connection with any Material Capital Improvement (provided, for purposes of clarification, that preliminary planning, designing, budgeting, evaluating (including environmental and integrity testing and the like) (collectively, "Preliminary Studies"), permitting and demolishing in preparation for such Material Capital Improvement shall not be considered "commencing" for purposes hereof), Tenant shall provide written notice ("Tenant's MCI Intent Notice ") of Tenant's intent to do so, which notice shall be accompanied by (i) a reasonably detailed description of the proposed Material Capital Improvement, (ii) the then-projected cost of construction of the proposed Material Capital Improvement, (iii) copies of the plans and specifications, permits, licenses, contracts and Preliminary Studies concerning the proposed Material Capital Improvement, to the extent then-available, (iv) reasonable evidence that such proposed Material Capital Improvement will, upon completion, comply with all applicable Legal Requirements, and (v) reasonably detailed information regarding the terms upon which Tenant is considering seeking financing therefor, if any. To the extent in Tenant's possession or control, Tenant shall provide to Landlord any additional information about such proposed Material Capital Improvements which Landlord may reasonably request. Landlord (or, with respect to financing structured as a loan rather than as ownership of the real property by Landlord with a lease back to Tenant, Landlord's Affiliate) may, but shall be under no obligation to, provide all (but not less than all) of the financing necessary to fund the applicable Material Capital Improvement (along with related fees and expenses, such as title fees, costs of permits, legal fees and other similar transaction costs) by complying with the option exercise requirements set forth below. Within thirty (30) days of receipt of Tenant's MCI Intent Notice, Landlord shall notify Tenant in writing as to whether Landlord (or, if applicable, its Affiliate) is willing to provide financing for such proposed Material Capital Improvement and, if so, the terms and conditions upon which Landlord (or, if applicable, its Affiliate) is willing to do so in reasonable detail, in the form of a proposed term sheet (such terms and conditions, "Landlord's MCI Financing Proposal"). Upon receipt, Tenant shall have ten (10) days to accept, reject or commence negotiating Landlord's MCI Financing Proposal.

(b) *If Tenant Accepts Landlord's MCI Financing Proposal* . If Tenant accepts Landlord's MCI Financing Proposal (either initially or, after negotiation, a modified version thereof) (an "Accepted MCI Financing Proposal") and such financing is actually consummated between Tenant and Landlord (or, if applicable, its Affiliate) as more particularly provided in Section 10.4(f) below (a "Landlord MCI Financing"), then, as and when constructed, such Material Capital Improvement shall be deemed part of the Leased Property for all purposes except as specifically provided in Section 6.1(b) hereof (and, without limitation, such Material Capital Improvements shall be surrendered to (and all rights therein shall be relinquished in favor of) Landlord upon the Expiration Date).

(c) *If Landlord Declines to Make Landlord's MCI Financing Proposal* . If Landlord declines or fails to timely submit Landlord's MCI Financing Proposal, Tenant shall be permitted to either (1) use then-existing available financing or, subject to Article XVII, enter into financing arrangements with any lender, preferred equity holder and/or other third-party financing source (a "Third-Party MCI Financing") for such Material Capital

Improvement or (2) use Cash to pay for such Material Capital Improvement, *provided*, that if Tenant has not used then-existing, or entered into a new, Third-Party MCI Financing (or commenced such Material Capital Improvement utilizing Cash) by the date that is twelve (12) months following delivery of Tenant's MCI Intent Notice, then, prior to entering into any such Third-Party MCI Financing and/or commencing such Material Capital Improvement, Tenant shall again be required to send Tenant's MCI Intent Notice seeking financing from Landlord (on the terms contemplated by this Section 10.4).

(d) *If Tenant Declines Landlord's MCI Financing Proposal*. If Landlord timely submits Landlord's MCI Financing Proposal and Tenant rejects or fails to accept or commence negotiating Landlord's MCI Financing Proposal within the applicable 10-day period (or, following commencing negotiating said proposal, Tenant notifies Landlord of Tenant's decision to cease such discussions), then, subject to the remaining terms of this paragraph, Tenant shall be permitted to either (1) use then-existing, or, subject to Article XVII, enter into a new, Third-Party MCI Financing for such Material Capital Improvement (subject to the following proviso) or (2) use Cash to pay for such Material Capital Improvement, provided, that Tenant may not use then-existing, or enter into a new, Third-Party MCI Financing, except in each case on terms that are, taken as a whole, economically more advantageous to Tenant than those offered under Landlord's MCI Financing Proposal, provided, further, that in no event shall Tenant be obligated to obtain financing from Landlord to the extent such financing from Landlord would violate or cause a default or breach under any Material Indebtedness of Tenant's Parent Entity or Tenant, provided, however, that Tenant shall use good faith efforts to avoid, and cause Tenant's Parent to avoid, agreeing to any contractual obligations that would vitiate Landlord's right to provide financing for Tenant's proposed Material Capital Improvement as provided in this Section 10.4. In determining if financing is economically more advantageous, consideration may be given to, among other items, (x) pricing, amortization, length of term and duration of commitment period of such financing; (y) the cost, availability and terms of any financing sufficient to fund such Material Capital Improvement and other expenditures which are material in relation to the cost of such Material Capital Improvement (if any) which are intended to be funded in connection with the construction of such Material Capital Improvement and which are related to the use and operation of such Material Capital Improvement and (z) other customary considerations. Tenant shall provide Landlord with reasonable evidence of the terms of any such financing. If Tenant has not used then-existing, or entered into a new, Third-Party MCI Financing (or commenced such Material Capital Improvement utilizing Cash) by the date that is twelve (12) months following receipt of Landlord's MCI Financing Proposal, then, prior to entering into any such Third-Party MCI Financing and/or commencing such Material Capital Improvement after such twelve (12) month period, Tenant shall again be required to send Tenant's MCI Intent Notice seeking financing from Landlord (on the terms contemplated by this Section 10.4). For purposes of clarification, Tenant may use Cash to finance any applicable Material Capital Improvement (subject to the express terms and conditions hereof, including, without limitation, Tenant's obligation to provide Tenant's MCI Intent Notice).

(e) *Ownership of Material Capital Improvements Not Financed by Landlord*. If Tenant constructs a Material Capital Improvement utilizing Third-Party MCI Financing or Cash in accordance with Sections 10.4(c) or (d) (such Material Capital Improvement being sometimes referred to in this Lease as a "Tenant Material Capital Improvement"), then, (A) as and when constructed, such Material Capital Improvement shall be deemed part of the Leased Property for all purposes except as specifically provided in Section 6.1(b) hereof, (B) upon any termination of this Lease prior to the Stated Expiration Date as a result of a Tenant Event of Default (except in the event a Permitted Leasehold Mortgagee has exercised its right to obtain a New Lease and complies in all respects with Section 17.1(f) and any other applicable provisions of this Lease), such Material Capital Improvements shall be owned by Landlord without any reimbursement by Landlord to Tenant, and, (C) upon the Stated Expiration Date, such Material Capital Improvements shall be transferred to Tenant; provided, however, upon written notice to Tenant at least one hundred eighty (180) days prior to the Stated Expiration Date, Landlord shall have the option to reimburse Tenant for such Tenant Material Capital Improvements in an amount equal to the Fair Market Ownership Value thereof, and, if Landlord elects to reimburse Tenant for such Tenant Material Capital Improvements, any amount due to Tenant for such reimbursement shall be credited against any amounts owed by Tenant to Landlord under this Lease as of the Stated Expiration Date and any remaining portion of such amount shall be paid by Landlord to Tenant on the Stated Expiration Date. If Landlord fails to deliver such written notice electing to reimburse Tenant for such Tenant Material Capital Improvements at least one hundred eighty (180) days prior to the Stated Expiration Date, or otherwise does not consummate such reimbursement at least sixty (60) days prior to the Stated Expiration Date (other than as a result of Tenant's acts or omissions in violation of this Lease), then Landlord shall be deemed to have elected not to reimburse

Tenant for such Tenant Material Capital Improvements. If Landlord elects or is deemed to have elected not to reimburse Tenant for such Tenant Material Capital Improvements in accordance with the foregoing sentence, Tenant shall have the option to either (1) prior to the Stated Expiration Date, remove such Tenant Material Capital Improvements and restore the affected Leased Property to the same or better condition existing prior to such Tenant Material Capital Improvement being constructed, at Tenant's sole cost and expense, in which event such Tenant Material Capital Improvements shall be owned by Tenant or (2) leave the applicable Tenant Material Capital Improvements at the Leased Property at the Stated Expiration Date, at no cost to Landlord, in which event such Tenant Material Capital Improvements shall be owned by Landlord.

(f) *Landlord MCI Financing*. In the event of an Accepted MCI Financing Proposal, Tenant shall provide Landlord with the following prior to any advance of funds under such Landlord MCI Financing:

(i) any information, certificates, licenses, permits or documents reasonably requested by Landlord which are necessary and obtainable to confirm that Tenant will be able to use the Material Capital Improvements upon completion thereof in accordance with the Primary Intended Use, including all required federal, state or local government licenses and approvals;

(ii) an officer's certificate and, if requested, a certificate from Tenant's Architect providing appropriate backup information, setting forth in reasonable detail the projected or actual costs related to such Material Capital Improvements;

(iii) except to the extent covered by the amendment referenced in clause (iv) below, a construction loan and/or funding agreement (and such other related instruments and agreements), in a form reasonably agreed to by Landlord and Tenant, reflecting the terms of the Landlord MCI Financing, setting forth the terms of the Accepted MCI Financing Proposal, and without additional requirements on Tenant (including, without limitation, additional bonding or guaranty requirements) except those which are reasonable and customary and consistent in all respects with this Section 10.4 and the terms of the Accepted MCI Financing Proposal;

(iv) except to the extent covered by the construction loan and/or funding agreement referenced in clause (iii) above, an amendment to this Lease, in a form reasonably agreed to by Landlord and Tenant, which may include, among other things, an increase in the Rent (in amounts as agreed upon by the Parties pursuant to the Accepted MCI Financing Proposal), and other provisions as may be necessary or appropriate;

(v) a deed conveying title to Landlord to any additional Land acquired for the purpose of constructing the Material Capital Improvement, free and clear of any liens or encumbrances except those approved by Landlord, and accompanied by (x) an owner's policy of title insurance insuring the Fair Market Ownership Value of fee simple or leasehold (as applicable) title to such Land and any improvements thereon, free of any exceptions other than liens and encumbrances that do not materially interfere with the intended use of the Leased Property or are otherwise approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and (y) an ALTA survey thereof;

(vi) if Landlord obtains a lender's policy of title insurance in connection with such Landlord MCI Financing, for each advance, endorsements to any such policy of title insurance reasonably satisfactory in form and substance to Landlord (i) updating the same without any additional exception except those that do not materially affect the value of such land and do not interfere with the intended use of the Leased Property, or as may otherwise be permitted under this Lease, or as may be approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed, and (ii) increasing the coverage thereof by an amount equal to the then-advanced cost of the Material Capital Improvement; and

(vii) such other billing statements, invoices, certificates, endorsements, opinions, site assessments, surveys, resolutions, ratifications, lien releases and waivers and other instruments and information

which are reasonable and customary and consistent in all respects with this Section 10.4 and the terms of the Accepted MCI Financing Proposal.

In the event that (1) Tenant is unable, for reasons beyond Tenant's reasonable control, to satisfy any of the requirements set forth in this Section 10.4(f) (and Landlord is unable or unwilling to waive the same), (2) Landlord and Tenant are unable (despite good faith efforts continuing for at least sixty (60) days after agreement on the Accepted MCI Financing Proposal) to agree on any of the requirements of, or the form of any document required under, this Section 10.4(f), or (3) Landlord fails or refuses to consummate the Landlord MCI Financing and/or advance funds thereunder, then, notwithstanding anything to the contrary in this Section 10.4, Tenant shall be entitled to use then-existing, or, subject to Article XVII, enter into a new, Third-Party MCI Financing for such Material Capital Improvement or use Cash to pay for such Material Capital Improvement, without any requirement to send a further Tenant's MCI Intent Notice to Landlord, provided, that such Material Capital Improvement shall be treated hereunder as a Tenant Material Capital Improvement, unless the circumstances described in clause (1) shall have occurred.

10.5 Minimum Capital Expenditures.

(a) *Minimum Capital Expenditures*.

(i) Initial Minimum Cap Ex Requirement. During the Initial Minimum Cap Ex Period, Tenant shall expend Capital Expenditures in an aggregate amount equal to no less than the Initial Minimum Cap Ex Amount (the "Initial Minimum Cap Ex Requirement"), which Capital Expenditures shall include, without limitation, such expenditures necessary to complete the renovation and refurbishment of at least four hundred twenty-nine (429) hotel rooms and four hundred eighty-nine (489) hotel rooms at the Mardi Gras North and Mardi Gras South towers located at the Leased Property, respectively, at a standard of quality similar to the renovation and refurbishment performed by Tenant with respect to the rooms located at the Carnaval Tower.

(ii) Annual Minimum Building and Improvement Cap Ex Requirement. During each full Lease Year during the Term, commencing with the Lease Year that commences on January 1, 2022, measured as of the last day of each such Lease Year, Tenant shall expend Capital Expenditures with respect to the Leased Property (the "Annual Minimum Building and Improvement Cap Ex Amount") in an aggregate that is equal to at least one percent (1%) of the sum of the Net Revenue from the Facility for the prior Lease Year on Capital Expenditures that constitute installation, restoration, repair, maintenance or replacement of any physical improvements or other physical items with respect to, or for, the Leased Property under this Lease (the "Annual Minimum Building and Improvement Cap Ex Requirement").

(iii) Acquisitions of Material Property. If any real property having a value greater than Fifty Million and No/100 Dollars ($50,000,000.00) is acquired by Landlord and included in this Lease as part of the Leased Property, then the Minimum Cap Ex Requirement shall be adjusted as may be agreed upon by Landlord and Tenant in connection with such acquisition and the inclusion of such property as Leased Property hereunder.

(iv) Application of Capital Expenditures. For the avoidance of doubt: (i) expenditures with respect to any property that is not included as Leased Property under this Lease shall not constitute "Capital Expenditures" nor count toward the Minimum Cap Ex Requirements and (ii) expenditures in respect of furniture, fixtures and equipment (including gaming equipment) to be installed or located at the Leased Property shall count towards the Initial Minimum Cap Ex Requirement but shall not count towards Annual Minimum Building and Improvement Cap Ex Requirement.

(v) Unavoidable Delays. In the event an Unavoidable Delay occurs during the Term that delays Tenant's ability to perform Capital Expenditures prior to the expiration of the applicable period for satisfying the applicable Minimum Cap Ex Requirements, such period during which such Unavoidable Delay occurred shall be extended, on a day-for-day basis, for the same amount of time that such Unavoidable Delay affects Tenant's ability to perform the Capital Expenditures up to a maximum extension in each instance

of up to eighteen (18) months. For the avoidance of doubt, Tenant's obligation to satisfy the Minimum Cap Ex Requirements during any period during which an Unavoidable Delay did not occur shall not be extended as a result of the occurrence of an Unavoidable Delay during a prior period.

(vi) Certain Remedies. The Parties acknowledge that Tenant's agreement to satisfy the Minimum Cap Ex Requirements as required in this Lease is a material inducement to Landlord's agreement to enter into this Lease and, accordingly, if Tenant fails to expend Capital Expenditures (or deposit funds into the Cap Ex Reserve) as and when required by this Lease and then, further, fails to cure such failure within sixty (60) days of receipt of written notice of such failure from Landlord, then the same shall be a Tenant Event of Default hereunder, and without limitation of any of Landlord's other rights and remedies, Landlord shall have the right to seek the remedy of specific performance to require Tenant to expend the Required Capital Expenditures (or deposit funds into the Cap Ex Reserve). Furthermore, for the avoidance of doubt, Tenant acknowledges and agrees that the obligation of Tenant to expend the Required Capital Expenditures (or deposit funds into the Cap Ex Reserve) as provided in this Lease in each case constitutes a part of the obligations of Tenant that are guaranteed by the Guarantor and, with respect to Required Capital Expenditures required to be spent during the Term, shall survive termination of this Lease.

(b) *Cap Ex Reserve*.

(i) Deposits in Lieu of Expenditures. Notwithstanding anything to the contrary set forth in this Lease, if Tenant does not expend Capital Expenditures sufficient to satisfy the Minimum Cap Ex Requirements, then, so long as, as of the last date when such Minimum Cap Ex Requirements may be satisfied hereunder, there are Cap Ex Reserve Funds (as defined below) on deposit in the Cap Ex Reserve (as defined below) in an aggregate amount at least equal to such deficiency, then Tenant shall not be deemed to be in breach or default of its obligations hereunder to satisfy the Minimum Cap Ex Requirements, provided that Tenant shall spend such amounts so deposited in the Cap Ex Reserve within six (6) months after the last date when the Minimum Cap Ex Requirements to which such amounts relate may be satisfied hereunder (subject to extension in the event of an Unavoidable Delay during such six (6) month period, on a day-for-day basis, for the same amount of time that such Unavoidable Delay delays Tenant's ability to perform the Capital Expenditures). For the avoidance of doubt, any funds disbursed from the Cap Ex Reserve and spent on Capital Expenditures as described in this Section shall be applied to the Minimum Cap Ex Requirements for the period for which such funds were deposited (and shall be deemed to be the funds that have been in the Cap Ex Reserve for the longest period of time) and shall not be applied to the Minimum Cap Ex Requirements for the subsequent period in which they are actually spent.

(ii) Deposits into Cap Ex Reserve. Tenant may, at its election, at any time, deposit funds (the "Cap Ex Reserve Funds") into an Eligible Account held by Tenant (the "Cap Ex Reserve"). If required by Fee Mortgagee, Landlord and Tenant shall enter into a customary and reasonable control agreement for the benefit of Fee Mortgagee and Landlord with respect to the Cap Ex Reserve. Tenant shall not commingle Cap Ex Reserve Funds with other monies held by Tenant or any other party. All interest on Cap Ex Reserve Funds shall be for the benefit of Tenant and added to and become a part of the Cap Ex Reserve and shall be disbursed in the same manner as other monies deposited in the Cap Ex Reserve. Tenant shall be responsible for payment of any federal, state or local income or other tax applicable to the interest earned on the Cap Ex Reserve Funds credited or paid to Tenant.

(iii) Disbursements from Cap Ex Reserve. Tenant shall be entitled to use Cap Ex Reserve Funds solely for the purpose of paying for (or reimbursing Tenant for) the cost of Capital Expenditures. Landlord shall permit disbursements to Tenant of Cap Ex Reserve Funds from the Cap Ex Reserve to pay for Capital Expenditures or to reimburse Tenant for Capital Expenditures, within ten (10) days following written request from Tenant, which request shall specify the amount of the requested disbursement and a general description of the type of Capital Expenditures to be paid or reimbursed using such Cap Ex Reserve Funds. Tenant shall not make a request for disbursement from the Cap Ex Reserve (x) more frequently than once in any calendar month nor (y) in amounts less than Fifty Thousand and No/100 Dollars ($50,000.00). Any Cap Ex Reserve Funds remaining in the Cap Ex Reserve on satisfaction of the Minimum Cap Ex Requirements

for which such Cap Ex Reserve Funds were deposited or on the Expiration Date shall be returned by Landlord to Tenant, provided that Landlord shall have the right to apply Cap Ex Reserve Funds remaining on the Expiration Date against any amounts owed by Tenant to Landlord as of the Expiration Date and/or the sum of any remaining Required Capital Expenditures required to have been incurred prior to the Expiration Date.

(iv) Security Interest in Cap Ex Reserve Funds. Tenant grants to Landlord a first-priority security interest in the Cap Ex Reserve and all Cap Ex Reserve Funds, as additional security for performance of Tenant's obligations under this Lease. Landlord shall have the right to collaterally assign the security interest granted to Landlord in the Cap Ex Reserve and Cap Ex Reserve Funds to any Fee Mortgagee. Notwithstanding the foregoing or anything herein to the contrary, (i) Landlord may not foreclose upon the lien on the Cap Ex Reserve and Cap Ex Reserve Funds, and Fee Mortgagee may not apply the Cap Ex Reserve Funds against the Fee Mortgage, in each case prior to the occurrence of the termination of this Lease by Landlord pursuant to Section 16.2(x) hereof, and (ii) any time during which a Tenant Event of Default is continuing, Fee Mortgagee or Landlord may apply Cap Ex Reserve Funds toward the payment of Capital Expenditures incurred by Tenant. Landlord acknowledges that a Permitted Leasehold Mortgagee may have a Lien on the Cap Ex Reserve, which Lien in favor of a Permitted Leasehold Mortgagee is senior in priority to the lien thereon in favor of Landlord.

(c) *Capital Expenditures Report*. Within thirty (30) days after the end of each calendar month during the Term, Tenant shall submit to Landlord a report, substantially in the form attached hereto as Exhibit C setting forth, with respect to such month, on an unaudited, basis, (A) revenues for the Leased Property, and (B) Capital Expenditures with respect to the Leased Property. Landlord shall keep each such report confidential in accordance with Section 41.15 of this Lease.

(d) *Annual Capital Budget*. Tenant shall furnish to Landlord, for informational purposes only, a copy of the annual capital budget for the Facility for each Fiscal Year, in each case not later than fifty-five (55) days following the commencement of the Fiscal Year to which such annual capital budget relates. For the avoidance of doubt, without limitation of Tenant's Capital Expenditure requirements pursuant to Section 10.5(a), Tenant shall not be required to comply with such annual capital budget and it shall not be a breach or default by Tenant hereunder in the event Tenant deviates from such annual capital budget.

ARTICLE XI
LIENS

Subject to the provisions of Article XII relating to permitted contests and without limitation of the provisions of Section 7.1 relating to among other things Tenant's acceptance of the Leased Property in its "as is" condition, Tenant will not directly or indirectly create or allow to remain and will promptly discharge at its expense any lien, encumbrance, attachment, title retention agreement or claim upon the Leased Property or any portion thereof or any attachment, levy, claim or encumbrance in respect of the Rent, excluding, however, (i) this Lease; (ii) any matters that existed as of the Commencement Date with respect to the Leased Property or any portion thereof (other than any mechanics', materialmans' and other liens that attach to the Leased Property in connection with any work conducted prior to the Commencement Date); (iii) restrictions, liens and other encumbrances which are consented to in writing by Landlord (such consent not to be unreasonably withheld, conditioned or delayed); (iv) liens for Impositions which Tenant is not required to pay hereunder (if any); (v) Subleases permitted by Article XXII and any other lien or encumbrance expressly permitted under the provisions of this Lease; (vi) liens for Impositions not yet delinquent or being contested in accordance with Article XII, provided that Tenant has provided appropriate reserves to the extent required under GAAP and any foreclosure or similar remedies with respect to such Impositions have not been instituted and no notice as to the institution or commencement thereof has been issued except to the extent such institution or commencement is stayed no later than twenty (20) days after such notice is issued; (vii) liens of mechanics, laborers, materialmen, suppliers or vendors for sums either disputed or not yet due, provided that (1) the payment of such sums shall not be postponed under any related contract for more than sixty (60) days after the completion of the action giving rise to such lien unless being contested in accordance with Article XII and such reserve or other appropriate provisions as shall be required by law or GAAP shall have been made therefor and no foreclosure or similar remedies with respect to such liens has been instituted and no notice as to the institution or commencement thereof have been issued except to the extent such

institution or commencement is stayed no later than twenty (20) days after such notice is issued; (2) any such liens are in the process of being contested as permitted by Article XII; and (3) in the event any foreclosure action is commenced under any such lien, Tenant shall immediately remove, discharge or bond over such lien; (viii) any liens created by Landlord; (ix) liens related to equipment leases or equipment financing for Tenant's Property which are used or useful in Tenant's business on the Leased Property or any portion thereof, provided that the payment of any sums due under such equipment leases or equipment financing shall either (1) be paid as and when due in accordance with the terms thereof, or (2) be in the process of being contested as permitted by Article XII (and provided that a lienholder's removal of any such Tenant's Property from the Leased Property shall be subject to all applicable provisions of this Lease, and, without limitation, Tenant or such lienholder shall restore the Leased Property from any damage effected by such removal); (x) liens granted as security for the obligations of Tenant and its Affiliates under a Permitted Leasehold Mortgage (and the documents relating thereto); provided, however, in no event shall the foregoing be deemed or construed to permit Tenant to encumber the Leasehold Estate (or a Subtenant to encumber its subleasehold interest) in the Leased Property or any portion thereof (other than, in each case, to a Permitted Leasehold Mortgagee or otherwise to the extent expressly permitted hereunder), without the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole discretion; and provided further that upon request Tenant shall be required to provide Landlord with fully executed copies of any and all Permitted Leasehold Mortgages; and (xi) except as otherwise expressly provided in this Lease, easements, rights-of-way, restrictions (including zoning restrictions), covenants, encroachments, protrusions and other similar charges or encumbrances, and minor title deficiencies on or with respect to the Leased Property or any portion thereof, in each case whether now or hereafter in existence, not individually or in the aggregate materially interfering with the conduct of the business on the Leased Property for the Primary Intended Use, taken as a whole. For the avoidance of doubt, the parties acknowledge and agree that Tenant has not granted any liens in favor of Landlord as security for its obligations hereunder except as otherwise expressly provided under this Lease, and nothing contained herein shall be deemed or construed to prohibit the issuance of a lien on the Equity Interests in Tenant (it being agreed that any foreclosure by a lien holder on such interests in Tenant shall be subject to the restrictions on transfers of interests in Tenant and Change of Control set forth in Article XXII) or to prohibit Tenant from pledging (A) its Accounts and other Tenant's Property as collateral (1) in connection with financings of equipment and other purchase money indebtedness or (2) to secure Permitted Leasehold Mortgages, or (B) its Accounts and other property of Tenant (other than Tenant's Property); provided that Tenant shall in no event pledge to any Person that is not granted a Permitted Leasehold Mortgage hereunder any of Tenant's Property to the extent that such Tenant's Property cannot be removed from the Leased Property without damaging or impairing the Leased Property (other than in a de minimis manner).

ARTICLE XII
PERMITTED CONTESTS

Tenant, upon prior written notice to Landlord (except that no such notice shall be required to be given by Tenant to Landlord with respect to matters not exceeding Five Million and No/100 Dollars ($5,000,000.00)), on its own or in Landlord's name, at Tenant's expense, may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any licensure or certification decision (including pursuant to any Gaming Regulation), imposition of any disciplinary action, including both monetary and nonmonetary, pursuant to any Gaming Regulation, Imposition, Legal Requirement, Insurance Requirement, lien, attachment, levy, encumbrance, charge or claim; provided, that (i) in the case of an unpaid Imposition, lien, attachment, levy, encumbrance, charge or claim, the commencement and continuation of such proceedings shall suspend the collection thereof from Landlord and from the Leased Property; (ii) neither the Leased Property or any portion thereof, the Rent therefrom nor any part or interest in either thereof would be in any danger of being sold, forfeited, attached or lost pending the outcome of such proceedings; (iii) in the case of a Legal Requirement, neither Landlord nor Tenant would be in any imminent danger of criminal or material civil liability for failure to comply therewith pending the outcome of such proceedings; (iv) in the case of a Legal Requirement, Imposition, lien, encumbrance or charge, Tenant shall deliver to Landlord security in the form of cash, cash equivalents or a Letter of Credit, if and as may be reasonably required by Landlord to insure ultimate payment of the same and to prevent any sale or forfeiture of the Leased Property or any portion thereof or the Rent by reason of such non-payment or noncompliance; (v) in the case of an Insurance Requirement, the coverage required by Article XIII shall be maintained; (vi) upon Landlord's request, Tenant shall keep Landlord reasonably informed as to the status of the proceedings; and (vii) if such contest be finally resolved against Landlord or Tenant, Tenant shall promptly pay the amount required to be paid, together with all interest and

penalties accrued thereon, or comply with the applicable Legal Requirement or Insurance Requirement. Landlord, at Tenant's expense, shall execute and deliver to Tenant such authorizations and other documents as may reasonably be required in any such contest, and, if reasonably requested by Tenant or if Landlord so desires, Landlord shall join as a party therein. The provisions of this Article XII shall not be construed to permit Tenant to contest the payment of Rent or any other amount (other than Impositions or Additional Charges contested in accordance herewith) payable by Tenant to Landlord hereunder. Tenant shall indemnify, defend, protect and save Landlord harmless from and against any liability, cost or expense of any kind that may be imposed upon Landlord in connection with any such contest and any loss resulting therefrom, except to the extent resulting from actions independently taken by Landlord (other than actions taken by Landlord at Tenant's direction or with Tenant's consent).

ARTICLE XIII
INSURANCE

13.1 General Insurance Requirements. During the Term, Tenant shall, at its own cost and expense, maintain the minimum kinds and amounts of insurance described below. Such insurance shall apply to the ownership, maintenance, use and operations related to the Leased Property and all property located in or on the Leased Property (including Capital Improvements and Tenant's Property). Except for policies insured by Tenant's captive insurers, all policies shall be written with insurers authorized to do business in all states where Tenant operates and shall maintain A.M Best ratings of not less than "A-" "X" or better in the most recent version of Best's Key Rating Guide. In the event that any of the insurance companies' ratings fall below the requirements set forth above, Tenant shall have one hundred eighty (180) days within which to replace such insurance company with an insurance company that qualifies under the requirements set forth above. It is understood that Tenant may utilize so called Surplus lines companies and will adhere to the standard above.

(a) Property Insurance.

(i) Property insurance shall be maintained on the Leased Property, Capital Improvements and Tenant's Property against loss or damage under a policy with coverage not less than that found on Insurance Services Office (ISO) "Causes of Loss – Special Form" and ISO "Building and Personal Property Form" or their equivalent forms (e.g., an "all risk" policy), in a manner consistent with the commercially reasonable practices of similarly situated companies engaged in the same or similar businesses operating in the same or similar locations. Such property insurance policy shall be in an amount not less than the greater of (a) Two Billion and No/100 Dollars ($2,000,000,000.00) and (b) the full replacement cost of the Facility; provided, that Tenant shall have the right (i) to limit maximum insurance coverage for loss or damage by earthquake (including earth movement) to a minimum amount of the projected ground up loss with a 500-year return period (as determined annually by an independent firm using RMS catastrophe modeling software or equivalent, and taking into account all locations insured under this property insurance, including other locations owned, leased or managed by Tenant), and (ii) to limit maximum insurance coverage for loss or damage by named windstorms per occurrence to a minimum amount of the projected ground up loss (including storm surge) with a 500-year return period (as determined annually by an independent firm using RMS catastrophe software or equivalent, and taking into account all locations insured under this property insurance, including other locations owned, leased or managed by Tenant); (iii) to limit maximum insurance coverage for loss or damage by flood to a minimum amount of Two Hundred Fifty Million and No/100 Dollars ($250,000,000.00), to the extent commercially available; provided, further, that in the event the premium cost of any earthquake, flood, named windstorm or terrorism peril (as required by Section 13.1(b)) coverages are available only for a premium that is more than two and one-half (2.5) times the premium paid by Tenant for the third (3rd) year preceding the date of determination for the insurance policy contemplated by this Section 13.1(a), then Tenant shall be entitled and required to purchase the maximum amount of insurance coverage it reasonably deems most efficient and prudent to purchase for such peril and Tenant shall not be required to spend additional funds to purchase additional coverages insuring against such risks; and provided, further, that certain property coverages other than earthquake, flood and named windstorm may be sub-limited as long as each sub-limit is commercially reasonable and prudent as determined by Tenant and to the extent that the amount of such sub-limit is less than the amount of such sub-limit in effect as of the Commencement Date, such sub-limit is approved by Landlord, such approval not to be unreasonably withheld.

(ii) Such property insurance policy shall include, subject to Section 13.1(a)(i) above: (i) agreed amount coverage and/or a waiver of any co-insurance; (ii) building ordinance coverage (ordinance or law) including loss of the undamaged portions, the cost of demolishing undamaged portions, and the increased cost of rebuilding; and also including, but not limited to, any non-conforming structures or uses; (iii) equipment breakdown coverage (boiler and machinery coverage); (iv) debris removal; and (v) business interruption coverage in an amount not less than two (2) years of Rent and containing an Extended Period of Indemnity endorsement for an additional minimum six months period. Subject to Section 13.1(a)(i), the property policy shall cover: wind/windstorm, earthquake/earth movement and flood and any sub-limits applicable to wind (e.g. named storms), earthquake and flood are subject to the approval of Landlord and Fee Mortgagee. Such policy shall (i) name Landlord as an additional insured and "loss payee" for its interests in the Leased Property and Rent; (ii) name each Fee Mortgagee and Permitted Leasehold Mortgagee as an additional insured, and (iii) include a New York standard mortgagee clause in favor of each Fee Mortgagee and Permitted Leasehold Mortgagee. Except as otherwise set forth herein, any property insurance loss adjustment settlement associated with the Leased Property shall require the written consent of Landlord, Tenant, and each Fee Mortgagee (to the extent required under the applicable Fee Mortgage Documents) unless the amount of the loss net of the applicable deductible is less than One Hundred Million and No/100 Dollars ($100,000,000.00) in which event no consent shall be required.

(b) Property Terrorism Insurance. Property Insurance shall be maintained for acts of terrorism covered by the Terrorism Risk Insurance Program Authorization Act of 2015 (TRIPRA) and acts of terrorism and sabotage not certified by TRIPRA, with limits no less than One Billion Five Hundred Million and No/100 Dollars ($1,500,000,000.00) per occurrence for acts of terrorism covered by the Terrorism Risk Insurance Program Authorization Act of 2015 (TRIPRA) and Two Hundred Twenty-Five Million and No/100 Dollars ($225,000,000.00) for acts of terrorism and sabotage not certified by TRIPRA. Both coverages shall apply to property damage and business interruption. The provisions relating to loss payees, additional insureds and mortgagee clauses set forth in Section 13.1(a) above shall also apply to the coverages required by this Section 13.1(b). If Tenant uses one or more of its captive insurers to provide this insurance coverage, the captive(s) must secure and maintain reinsurance from one or more reinsurers for those amounts which are not insured by the Federal Government, and which are in excess of a commercially reasonable policy deductible. Such reinsurers are subject to the same minimum financial ratings set forth in Section 13.1. In the event TRIPRA is not extended or renewed, Landlord and Tenant shall mutually agree (in accordance with the procedures set forth in Section 13.6) upon replacement insurance requirements applicable to terrorism related risks.

(c) Flood Insurance. With respect to any portion of the Leased Property that is security under a Fee Mortgage, if at any time the area in which such Leased Property is located is designated a "Special Flood Hazard Area" as designated by the Federal Emergency Management Agency (or any successor agency), Tenant shall obtain separate flood insurance through the National Flood Insurance Program. Such flood insurance may be provided as part of Section 13.1(a) Property Insurance above.

(d) Workers Compensation and Employers Liability Insurance. Workers compensation insurance as required by applicable state statutes and Employers Liability.

(e) Commercial General Liability Insurance. For bodily injury, personal injury, advertising injury and property damage on an occurrence form with coverage no less than ISO Form CG 0001 or equivalent. This policy shall include the following coverages: (i) Liquor Liability; (ii) Named Peril/Time Element Pollution, to the extent commercially available to operators of properties similar to the subject Leased Property; (iii) Terrorism Liability; and (iv) a Separation of Insureds Clause.

(f) Business Auto Liability Insurance. For bodily injury and property damage arising from the ownership, maintenance or use of owned, hired and non-owned vehicles (ISO Form CA 00 01 or equivalent).

(g) Excess Liability Insurance. Excess Liability coverage shall be maintained over the required Employers Liability, Commercial General Liability and Business Auto Liability policies in an amount not less than Three Hundred Fifty Million and No/100 Dollars ($350,000,000.00) per occurrence and in the aggregate annually

(where applicable). The annual aggregate limit applicable to Commercial General Liability shall apply per location. Tenant will use commercially reasonable efforts to obtain coverage as broad as the underlying insurance, including Terrorism Liability coverage, so long as such coverage is available at a commercially reasonable price.

(h) Pollution Liability Insurance. For claims arising from the discharge, dispersal release or escape or any irritant or contaminant into or upon land, any structure, the atmosphere, watercourse or body of water, including groundwater. This shall include on and off-site clean up and emergency response costs and claims arising from above ground and below ground storage tanks. If this policy is provided on a "claims made" basis (i) the retroactive date shall remain as June 26, 1998 for legal liability; and (ii) coverage shall be maintained for two (2) years after the Term.

13.2 Name of Insureds. Except for the insurance required pursuant to Section 13.1(d) with respect to Workers Compensation and Employers Liability, all insurance provided by Tenant as required by this Article XIII shall include Landlord (including specified Landlord related entities as directed by Landlord) as a named insured or additional insured without restrictions beyond the restrictions that apply to Tenant and may include any Permitted Leasehold Mortgagee as an additional insured. The coverage provided to the additional insureds by Tenant's insurance policies must be at least as broad as that provided to the first named insured on each respective policy. For avoidance of doubt, Landlord looks exclusively to Tenant's insurance policies to protect itself from claims arising from the Leased Property and Capital Improvements. The required insurance policies shall protect Landlord against Landlord's acts with respect to the Leased Property in the same manner that they protect Tenant against its acts with respect to the Leased Property. Except for the insurance required pursuant to Section 13.1(d) with respect to Workers Compensation and Employers Liability, the required insurance policies shall be endorsed to include others as additional insureds as required by Landlord and/or the Fee Mortgage Documents and/or Permitted Leasehold Mortgagee. The insurance protection afforded to all insureds (whether named insureds or additional insureds) shall be primary and shall not contribute with any insurance or self-insurance programs maintained by such insureds (including deductibles and self-insured retentions).

13.3 Deductibles or Self-Insured Retentions. Tenant may self-insure such risks that are customarily self-insured by companies of established reputation engaged in the same general line of business in the same general area. All increases in deductibles and self-insured retentions (collectively referred to as "Deductibles" in this Article XIII) that apply to the insurance policies required by this Article XIII are subject to approval by Landlord, with such approval not to be unreasonable withheld, conditioned or delayed. Tenant is solely responsible for all Deductibles related to its insurance policies. The Deductibles Tenant has in effect as of the Commencement Date satisfy the requirements of this Section as of the Commencement Date.

13.4 Waivers of Subrogation. Landlord shall not be liable for any loss or damage insured by the insurance policies required to be maintained under this Article XIII and policies issued by Tenant's captive insurers (including related Deductibles), it being understood that (i) Tenant shall look solely to its insurance for the recovery of such loss or damage; and (ii) such insurers shall have no rights of subrogation against Landlord. Each insurance policy shall contain a clause or endorsement which waives all rights of subrogation against Landlord, Fee Mortgagees and other entities or individuals as reasonably requested by Landlord.

13.5 Limits of Liability and Blanket Policies. The insured limits of liability maintained by Tenant shall be selected by Tenant in a manner consistent with the commercially reasonable practices of similarly situated tenants engaged in the same or similar businesses operating in the same or similar locations as the applicable Leased Property. The limits of liability Tenant has in effect as of the Commencement Date satisfy the requirements of this Section as of the Commencement Date. The insurance required by this Article XIII may be effected by a policy or policies of blanket insurance and/or by a combination of primary and excess insurance policies (all of which may insure additional properties owned, operated or managed by Tenant or its Affiliates), provided each policy shall be satisfactory to Landlord, acting reasonably, including, the form of the policy, provided such policies comply with the provisions of this Article XIII.

13.6 Future Changes in Insurance Requirements.

(a) In the event one or more additional locations become Leased Property or Capital Improvements during the Term, whether through acquisition, lease, new construction or other means, Landlord may reasonably amend the insurance requirements set forth in this Article XIII to properly address new risks or exposures to loss, in accordance with the procedures set forth in this Section 13.6(a). For example, for construction projects, different forms of insurance may be required, such as builders risk, and Landlord and Tenant shall mutually agree upon insurance requirements applicable to the construction contractors. Tenant and Landlord shall work together in good faith to exchange information (including proposed construction agreements) and ascertain appropriate insurance requirements prior to Tenant being required to amend its insurance under this Section 13.6(a); provided, however, that any revision to insurance shall only be required if the revised insurance would be customarily maintained by similarly situated tenants engaged in the same or similar businesses operating in the same or similar locations as the applicable Leased Property. If Tenant and Landlord are unable to reach a resolution within thirty (30) days of the original notice of requested revision, the arbitration provisions set forth in Section 34.2 shall control.

(b) In the event that (1) the operations of Tenant change in the future, and Tenant believes adjustments in Deductibles, insured limits or coverages are warranted, (2) Tenant desires to increase one or more Deductibles, reduce limits of liability below those in place as of the Commencement Date or materially reduce coverage, or (3) not more than once during any twelve (12) month period (or more frequently in connection with a financing or refinancing of a Fee Mortgage), Landlord reasonably determines that the insurance carried by Tenant is not, for any reason (whether by reason of the type, coverage, deductibles, insured limits, the reasonable requirements of Fee Mortgagees, or otherwise) commensurate with insurance customarily maintained by similarly situated tenants engaged in the same or similar businesses operating in the same or similar locations, the party seeking the change will advise the other party in writing of the requested insurance revision. Tenant and Landlord shall work together in good faith to determine whether the requested insurance revision shall be made; provided, however, that any revision to insurance shall only be made if the revised insurance would be customarily maintained by similarly situated tenants engaged in the same or similar businesses operating in the same or similar locations as the applicable Leased Property. If Tenant and Landlord are unable to reach a resolution within thirty (30) days of the original notice of requested revision, the arbitration provisions set forth in Section 34.2 shall control. Solely with respect to the insurance required by Section 13.1(g) above, in no event shall the outcome of an insurance revision pursuant to this Section 13.6 require Tenant to carry insurance in an amount which exceeds the product of (i) the amounts set forth in Section 13.1(g) hereof and (ii) the CPI Increase.

13.7 Notice of Cancellation or Non-Renewal. Each required insurance policy shall contain an endorsement requiring thirty (30) days prior written notice to Landlord, Fee Mortgagees and Leasehold Mortgagees of any cancellation or non-renewal. Ten (10) days' prior written notice shall be required for cancellation for non-payment of premium. Tenant shall secure replacement coverage to comply with the stated insurance requirements and provide new certificates of insurance to Landlord and others as directed by Landlord.

13.8 Copies of Documents. Tenant shall provide (i) binders evidencing renewal coverages no later than the applicable renewal date of each insurance policy required by this Article XIII; and (ii) copies of all insurance policies required by this Article XIII (including policies issued by Tenant's captive insurers which are in any way related to the required policies, including policies insuring Deductibles), within one hundred and twenty days (120) after inception date of each, and if additionally required, within ten (10) days of written request by Landlord. In addition, Tenant will supply documents that are related to the required insurance policies on January 1 of each calendar year during the Term and three (3) years afterwards, and as otherwise requested in writing by Landlord. Such documents shall be in formats reasonably acceptable to Landlord and include, but are not limited to, (i) statements of property value by location, (ii) risk modeling reports (e.g., named storms and earthquake), (iii) actuarial reports, (iv) loss/claims reports, (v) detailed summaries of Tenant's insurance policies and, as respects Tenant's captive insurers the most recent audited financial statements (including notes therein) and reinsurance agreements. Landlord shall hold the contents of the documents provided by Tenant as confidential; provided that Landlord shall be entitled to disclose the contents of such documents to its insurance consultants, attorneys, accountants and other agents in connection with the administration and/or enforcement of this Lease, and (ii) to any Fee Mortgagees, Permitted Leasehold Mortgagees and potential lenders and their respective representatives, and (iii) as may be required by applicable laws. Landlord shall utilize commercially reasonable efforts to cause each such person or entity to enter into a written agreement to maintain the confidentiality thereof for the benefit of Landlord and Tenant.

13.9 Certificates of Insurance. Certificates of insurance, evidencing the required insurance, shall be delivered to Landlord on the Commencement Date, annually thereafter, and upon written request by Landlord. If required by any Fee Mortgagee, Tenant shall provide endorsements and written confirmations that all premiums have been paid in full.

13.10 Other Requirements. Tenant shall comply with the following additional provisions:

(a) Except as provided in Section 13.10(b), in the event of a catastrophic loss or multiple losses at multiple properties owned or leased directly or indirectly by CEC and that are insured by CEC, then in the case that (i) such catastrophic loss or multiple losses exhaust any per occurrence or aggregate insurance limits under the property or terrorism insurance policies required by this Article XIII, (ii) at least one (1) such property affected by the catastrophic loss(es) is the Facility hereunder, and (iii) none of the other such properties affected by the catastrophic loss(es) is a Subject Facility (as defined below), then the property and terrorism insurance proceeds received in connection with such catastrophic loss(es) shall be allocated amongst the affected properties pro-rata based on the insured values of the impacted properties, with no property receiving an allocation exceeding the loss suffered by such property.

(b) In the event of a catastrophic loss or multiple losses at multiple properties owned or leased directly or indirectly by CEC and that are insured by CEC, then in the case that at least one (1) such property is the Facility and at least one (1) other such property is a Facility under and as defined in any of the Existing Leases (each, a "Subject Facility"), and such catastrophic loss or multiple losses exhaust any per occurrence or aggregate insurance limits under the property or terrorism insurance policies required by this Article XIII, then each Subject Facility shall have first priority to insurance proceeds from the property policy or terrorism policy in connection with such catastrophic loss or multiple losses up to the reasonably anticipated amount of loss with respect to such Subject Facility. Any remaining proceeds shall be allocated among the Facility and any other affected properties covered by such policy of insurance or as provided in Section 13.10(a) above.

(c) In the event Tenant shall at any time fail, neglect or refuse to insure the Leased Property and Capital Improvements, or is not in full compliance with its obligations under this Article XIII, Landlord may, at its election, procure replacement insurance. In such event, Landlord shall disclose to Tenant the terms of the replacement insurance. Tenant shall reimburse Landlord for the cost of such replacement insurance within thirty (30) days after Landlord pays for the replacement insurance. The cost of such replacement insurance shall be reasonable considering the then-current market.

ARTICLE XIV
CASUALTY

14.1 Property Insurance Proceeds. All proceeds (except business interruption not allocated to rent expenses, if any) payable by reason of any property loss or damage to the Leased Property, or any portion thereof, under any property policy of insurance required to be carried hereunder shall be paid to Fee Mortgagee or to an escrow account held by a third party depositary reasonably acceptable to Landlord, Tenant and, if applicable, the Fee Mortgagee (in each case pursuant to an escrow agreement reasonably acceptable to the Parties and the Fee Mortgagee and intended to implement the terms hereof, and made available to Tenant upon request for the reasonable costs of preservation, stabilization, restoration, reconstruction and repair, as the case may be, of any damage to or destruction of the Leased Property, or any portion thereof; provided, however, that the portion of any such proceeds that are attributable to Tenant's obligation to pay Rent shall be applied against Rent due by Tenant hereunder; and provided, further, that if the total amount of proceeds payable net of the applicable deductibles is Twenty Million and No/100 Dollars ($20,000,000.00) or less, and, if no Tenant Event of Default has occurred and is continuing, the proceeds shall be paid to Tenant and, subject to the limitations set forth in this Article XIV used for the repair of any damage to or restoration or reconstruction of the Leased Property in accordance with Section 14.2. For the avoidance of doubt, any insurance proceeds payable by reason of (i) loss or damage to Tenant's Property and/or Tenant Material Capital Improvements, or (ii) business interruption shall be paid directly to and belong to Tenant. Any excess proceeds of insurance remaining after the completion of the restoration or reconstruction of the Leased Property in accordance herewith shall be provided to Tenant. So long as no Tenant Event of Default is continuing, Tenant shall have the right to prosecute and settle insurance claims, provided that, in connection with insurance claims exceeding Twenty Million and No/100 Dollars

($20,000,000.00), Tenant shall consult with and involve Landlord in the process of adjusting any insurance claims under this Article XIV and any final settlement with the insurance company for claims exceeding Twenty Million and No/100 Dollars ($20,000,000.00) shall be subject to Landlord's consent, such consent not to be unreasonably withheld, conditioned or delayed.

14.2 Tenant's Obligations Following Casualty.

(a) In the event of a Casualty Event with respect to the Leased Property or any portion thereof (to the extent the proceeds of insurance in respect thereof are made available to Tenant as and to the extent required under the applicable escrow agreement), (i) Tenant shall restore such Leased Property (or any applicable portion thereof, excluding, at Tenant's election, any Tenant Material Capital Improvement, unless such Tenant Material Capital Improvement is integrated into the Facility such that the Facility could not practically or safely be operated without restoring such Tenant Material Capital Improvement, provided that with respect to such Tenant Material Capital Improvement that Tenant is not required to rebuild or restore, Tenant shall repair and thereafter maintain the portions of the Leased Property affected by the loss or damage of such Tenant Capital Improvement or Tenant Material Capital Improvement in a condition commensurate with the quality, appearance and use of the balance of the Facility and satisfying the Facility's parking requirements) to substantially the same condition as existed immediately before such damage or otherwise in a manner reasonably satisfactory to Landlord, and (ii) the damage caused by the applicable Casualty Event shall not terminate this Lease; provided, however, that if the applicable Casualty Event shall occur not more than two (2) years prior to the then-Stated Expiration Date and the cost to restore the Leased Property (excluding for avoidance of doubt any affected Tenant Material Capital Improvements that Tenant is not required to restore) to the condition immediately preceding the Casualty Event, as determined by a mutually approved contractor or architect, would equal or exceed twenty-five percent (25%) of the Fair Market Ownership Value of the Facility immediately prior to the time of such damage or destruction, then each of Landlord and Tenant shall have the option, exercisable at such Party's sole and absolute discretion, to terminate this Lease, upon written notice to the other Party hereto delivered to such other Party within thirty (30) days of the determination of the amount of damage and the Fair Market Ownership Value of the Facility and, if such option is exercised by either Landlord or Tenant, this Lease shall terminate and Tenant shall not be required to restore the Facility and any insurance proceeds payable as a result of the damage or destruction shall be payable in accordance with Section 14.2(c). Notwithstanding anything to the contrary contained herein, if a Casualty Event occurs (and/or if the determination of the amount of damage and/or the thirty (30) day period referred to in the preceding sentence is continuing) at a time when Tenant could send a Renewal Notice (provided, for this purpose, Tenant shall be permitted to send a Renewal Notice under Section 1.4 not more than twenty-four (24) months (rather than not more than eighteen (18) months) prior to the then current Stated Expiration Date), if Tenant has elected or elects to exercise the same at any time following Tenant's receipt of such notice of termination from Landlord, neither Landlord nor Tenant may terminate this Lease under this Section 14.2(a).

(b) If Tenant is required to restore the affected Leased Property and the cost to restore the affected Leased Property exceeds the amount of proceeds received from the insurance required to be carried hereunder (subject to Section 14.2(e)), then Tenant's restoration obligations hereunder shall continue unimpaired, and Tenant shall provide Landlord with evidence reasonably acceptable to Landlord that Tenant has (or is reasonably expected to have) available to it any excess amounts needed to restore the Leased Property to the condition required hereunder. Such excess amounts shall be paid by Tenant.

(c) In the event neither Landlord nor Tenant is required or elects to repair and restore the Leased Property, all insurance proceeds (except business interruption), other than proceeds reasonably attributed to any Tenant Material Capital Improvements (or other property owned by Tenant), which proceeds shall be and remain the property of Tenant, shall be paid to and retained by Landlord (after reimbursement to Tenant for any reasonably-incurred expenses in connection with the subject Casualty Event) free and clear of any claim by or through Tenant except as otherwise specifically provided below in this Article XIV.

(d) If Tenant fails to complete the restoration of the Facility and gaming operations do not recommence substantially in the same manner as prior to the applicable Casualty Event by the date that is the fourth (4th) anniversary of the date of any Casualty Event (subject to extension in the event of an Unavoidable Delay during such four (4) year period, on a day-for-day basis, for the same amount of time that such Unavoidable Delay delays

Tenant's ability to perform such restoration in accordance with this Section 14.2), then, without limiting any of Landlord's rights and remedies otherwise, all remaining insurance proceeds shall be paid to and retained by Landlord free and clear of any claim by or through Tenant, provided, that, so long as no Tenant Event of Default has occurred and is continuing, Landlord agrees to use such remaining proceeds for repair and restoration with respect to such Casualty Event.

(e) If, and solely to the extent that, the damage resulting from any applicable Casualty Event is not an insured event under the insurance policies required to be maintained by Tenant under this Lease, then Tenant shall not be obligated to restore the Leased Property in respect of the damage from such Casualty Event.

14.3 No Abatement of Rent. Except as expressly provided in this Article XIV, this Lease shall remain in full force and effect and Tenant's obligation to pay Rent and all Additional Charges required by this Lease shall remain unabated during any period following a Casualty Event.

14.4 Waiver. Tenant waives any statutory rights of termination which may arise by reason of any damage or destruction of the Leased Property but such waiver shall not affect any contractual rights granted to Tenant under this Lease.

14.5 Insurance Proceeds and Fee Mortgagee. Notwithstanding anything herein (including, without limitation, Article XXXI hereof) or in any Fee Mortgage Documents to the contrary, Landlord shall require that any Fee Mortgage Documents (including, without limitation, with respect to the Existing Fee Mortgage) shall permit Tenant to rebuild in accordance with the terms and provisions of this Lease (and any such Fee Mortgage Documents shall expressly provide that Tenant or Landlord, as applicable, is entitled to the applicable insurance proceeds in accordance with the terms and provisions of this Lease).

ARTICLE XV
EMINENT DOMAIN

15.1 Condemnation. Tenant shall promptly give Landlord written notice of the actual or threatened Condemnation or any Condemnation proceeding affecting the Leased Property of which Tenant has knowledge and shall deliver to Landlord copies of any and all papers served in connection with the same.

(a) Total Taking. If the Facility is subject to a total and permanent Taking, this Lease shall automatically terminate as of the day before the date of such Taking or Condemnation.

(b) Partial Taking. If a portion (but not all) of the Facility (and, without limitation, any Capital Improvements with respect thereto) is subject to a permanent Taking ("Partial Taking"), this Lease shall remain in effect so long as the Facility is not thereby rendered Unsuitable for its Primary Intended Use, and Rent shall be adjusted in accordance with the Rent Reduction Amount with respect to the subject portion of the Facility; provided, however, that if the remaining portion of the Facility is rendered Unsuitable for Its Primary Intended Use, this Lease shall terminate as of the day before the date of such Taking or Condemnation.

(c) Restoration. If there is a Partial Taking and this Lease remains in full force and effect, Landlord shall make available to Tenant the Award to be applied first to the restoration of the Facility in accordance with this Lease and, to the extent required hereby, any affected Tenant Material Capital Improvements, and thereafter as provided in Section 15.2. In such event, subject to receiving such Award, Tenant shall accomplish all necessary restoration in accordance with the following sentence (whether or not the amount of the Award received by Tenant is sufficient) and the Rent shall be adjusted in accordance with the Rent Reduction Amount. Tenant shall restore the Leased Property (excluding any Tenant Material Capital Improvement, unless such Tenant Material Capital Improvement is integrated into the Facility such that the Facility could not practically or safely be operated without restoring such Tenant Material Capital Improvement) as nearly as reasonably possible under the circumstances to a complete architectural unit of the same general character and condition as the Leased Property existing immediately prior to such Taking;

15.2 **Award Distribution**. Except as set forth below and in Section 15.1(c) hereof, the Award resulting from the Taking shall be paid as follows: (i) first, to Landlord to the extent of the Fair Market Ownership Value of Landlord's interest in the Leased Property subject to the Taking (excluding any Tenant Material Capital Improvements), (ii) second, to Tenant to the extent of the Fair Market Property Value of Tenant's Property and Tenant Material Capital Improvements subject to the Taking (but for avoidance of doubt, not including any amount for any unexpired portion of the Term), and (iii) third, any remaining balance shall be paid to Landlord. Notwithstanding the foregoing, Tenant shall be entitled to pursue its own claim with respect to the Taking for Tenant's lost profits value and moving expenses and, the portion of the Award, if any, allocated to any Tenant Material Capital Improvements and Tenant's Property, shall be and remain the property of Tenant free of any claim thereto by Landlord.

15.3 **Temporary Taking**. The taking of the Leased Property, or any part thereof, shall constitute a Taking by Condemnation only when the use and occupancy by the taking authority has continued for longer than one hundred eighty (180) consecutive days. During any shorter period, which shall be a temporary taking, all the provisions of this Lease shall remain in full force and effect and the Award allocable to the Term shall be paid to Tenant.

15.4 **Condemnation Awards and Fee Mortgagee** . Notwithstanding anything herein (including, without limitation, Article XXXI hereof) or in any Fee Mortgage Documents to the contrary, Landlord shall require that any Fee Mortgage Documents (including, without limitation, with respect to the Existing Fee Mortgage) shall permit Tenant to rebuild in accordance with the terms and provisions of this Lease (and any such Fee Mortgage Documents shall expressly provide that each of Tenant and Landlord, as applicable, is entitled to the applicable portion of the Award in accordance with the terms and provisions of this Lease).

ARTICLE XVI
DEFAULTS & REMEDIES

16.1 **Tenant Events of Default**. Any one or more of the following shall constitute a "Tenant Event of Default":

(a) Tenant shall fail to pay any installment of Rent when due and such failure is not cured within ten (10) days after written notice from Landlord of Tenant's failure to pay such installment of Rent when due (and such notice of failure from Landlord may be given any time after such installment of Rent is one (1) day late);

(b) Tenant shall fail to pay any Additional Charge (excluding, for the avoidance of doubt the Minimum Cap Ex Amount) within ten (10) days after written notice from Landlord of Tenant's failure to pay such Additional Charge when due (and such notice of failure from Landlord may be given any time after such payment of any Additional Charge is one (1) day late);

(c) Tenant or Guarantor shall:

(i) file a petition in bankruptcy or a petition to take advantage of any insolvency law or statute under Federal law, specifically including Title 11, United States Code, §§ 101-1532, or analogous state law;

(ii) make an assignment for the benefit of its creditors; or

(iii) consent to the appointment of a receiver of itself or of the whole or substantially all of its property;

(iv) (i) Tenant shall be adjudicated as bankrupt or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of Tenant, a receiver of Tenant or of all or substantially all of Tenant's property, or approving a petition filed against Tenant seeking reorganization or arrangement of Tenant under Federal law, specifically including Title 11, United States Code, §§ 101-1532, or analogous state law, and such judgment, order or decree shall not be vacated or set aside or stayed within sixty (60) days from the date of the entry thereof;

(v) Guarantor shall be adjudicated as bankrupt or a court of competent jurisdiction shall enter an order or decree appointing, without the consent of Guarantor, a receiver of Guarantor or of all or substantially all of Guarantor's property, or approving a petition filed against Guarantor seeking reorganization or arrangement of Guarantor under Federal law, specifically including Title 11, United States Code, §§ 101-1532, or analogous state law, and such judgment, order or decree shall not be vacated or set aside or stayed within ninety (90) days from the date of the entry thereof; or

(d) entry of an order or decree liquidating or dissolving Tenant or Guarantor, provided that the same shall not constitute a Tenant Event of Default if such order or decree shall be vacated, set aside or stayed within ninety (90) days from the date of the entry thereof,;

(e) the estate or interest of Tenant in the Leased Property or any part thereof shall be levied upon or attached in any proceeding relating to more than Twenty-Five Million and No/100 Dollars ($25,000,000.00), and the same shall not be vacated, discharged or stayed pending appeal (or paid or bonded or otherwise similarly secured payment) within the later of ninety (90) days after commencement thereof or thirty (30) days after receipt by Tenant of notice thereof from Landlord; provided, however, that such notice shall be in lieu of and not in addition to any notice required under applicable law;

(f) if Tenant or Guarantor shall fail to pay, bond, escrow or otherwise similarly secure payment of one or more final judgments aggregating in excess of the amount of Seventy-Five Million and No/100 Dollars ($75,000,000.00), which judgments are not discharged or effectively waived or stayed for a period of forty-five (45) consecutive days;

(g) if Guarantor shall fail to pay any of the Obligations (as defined in the Guaranty) as and when provided in the Guaranty after giving effect to grace or cure periods therein if any;

(h) any applicable Gaming License or other license material to the Facility's operation for its Primary Intended Use is at any time terminated or revoked or suspended or placed under a trusteeship (and in each case such termination, revocation, suspension or trusteeship causes cessation of Gaming activity at the Facility) for more than thirty (30) days and such termination, revocation, suspension or trusteeship is not stayed pending appeal and would reasonably be expected to have a material adverse effect on Tenant taken as a whole or on the Facility taken as a whole;

(i) if a Licensing Event with respect to Tenant under clause (a) of the definition of Licensing Event shall occur and is not resolved in accordance with Section 41.13 within the later of (i) thirty (30) days or (ii) such additional time period as may be permitted by the applicable Gaming Authorities;

(j) Tenant fails to comply with any Additional Fee Mortgagee Requirements, which default is not cured within the applicable cure period set forth in the Fee Mortgage Documents, if the effect of such default is to cause, or to permit the holder or holders of the applicable Fee Mortgage (or a trustee or agent on behalf of such holder or holders) to cause such Fee Mortgage to become or be declared due and payable (or redeemable) prior to its stated maturity;

(k) a transfer of Tenant's interest in this Lease (including pursuant to a Change in Control) shall have occurred without the consent of Landlord to the extent such consent is required under Article XXII;

(l) if Tenant shall fail to observe or perform any other term, covenant or condition of this Lease or Guarantor shall fail to observe or perform any term, covenant or condition under the Guaranty (other than a failure of Guarantor as provided in Section 16.1(g) above) and, in each case, such failure is not cured within thirty (30) days after written notice thereof from Landlord, provided, however, if such failure cannot reasonably be cured within such thirty (30) day period and Tenant (or Guarantor, as applicable) shall have commenced to cure such failure within such thirty (30) day period and thereafter diligently proceeds to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for Tenant (or Guarantor, as applicable) in the exercise of due diligence to cure such failure, provided that, with respect to any failure to perform, such cure period shall not exceed one-hundred and

eighty (180) days in the aggregate. No Tenant Event of Default (other than a failure to make payment of money) shall be deemed to exist under this Lease during any time the curing thereof is prevented by an Unavoidable Delay, provided that upon the cessation of the Unavoidable Delay, Tenant (or Guarantor, as applicable) remedies the default within the time periods otherwise required hereunder; and

(m) the occurrence of a Tenant Event of Default pursuant to Section 10.5(a)(vi).

Notwithstanding anything contained herein to the contrary, (i) Landlord shall deliver all notices required pursuant to Section 16.1 concurrently to Tenant and Guarantor and (ii) a default by Tenant under any Permitted Leasehold Mortgage shall not in and of itself be a Tenant Event of Default hereunder (it being understood that if the circumstances that cause such default independently comprise a default hereunder that continues beyond all applicable notice and cure periods hereunder then such circumstances would cause a Tenant Event of Default hereunder).

Notwithstanding the foregoing, (i) Tenant shall not be in breach of this Lease solely as a result of the exercise by the party (other than Tenant, CRC, CEC or any of their respective Affiliates) to any of the Permitted Exception Documents of such party's rights thereunder so long as Tenant undertakes commercially reasonable efforts to cause such party to comply or otherwise minimize such breach, and (ii) in the event that Tenant is required, under the express terms of any Permitted Exception Document(s), to take or refrain from taking any action, and taking or refraining from taking such action would result in a default under this Lease, then Tenant shall advise Landlord of the same, and Tenant and Landlord shall reasonably cooperate in order to address the same in a mutually acceptable manner, and so as to minimize any harm or liability to Landlord and to Tenant. For the avoidance of doubt, in no event shall a Permitted Exception Document excuse Tenant from its obligation to pay Rent or Additional Charges.

16.2 Landlord Remedies. Upon the occurrence and during the continuance of a Tenant Event of Default but subject to the provisions of Article XVII, Landlord may, subject to the terms of Section 16.3 below, do any one or more of the following: (x) terminate this Lease by giving Tenant no less than ten (10) days' notice of such termination and the Term shall terminate and all rights and obligations of Tenant under this Lease shall cease, subject to any provisions that expressly survive the Expiration Date, (y) seek damages as provided in Section 16.3 hereof or (z) except to the extent expressly otherwise provided under this Lease, exercise any other right or remedy hereunder, at law or in equity available to Landlord as a result of any Tenant Event of Default. Tenant shall pay as Additional Charges all costs and expenses incurred by or on behalf of Landlord, including reasonable and documented attorneys' fees and expenses, as a result of any Tenant Event of Default hereunder. Subject to Article XIX and Section 17.1(f) hereof, at any time upon or following the Expiration Date, Tenant shall, if required by Landlord to do so, immediately surrender to Landlord possession of the Leased Property and quit the same and Landlord may enter upon and repossess such Leased Property by reasonable force, summary proceedings, ejectment or otherwise, and may remove Tenant and all other Persons and any of Tenant's Property therefrom.

(a) None of (i) the termination of this Lease, (ii) the repossession of the Leased Property, (iii) the failure of Landlord to relet the Leased Property or any portions thereof, (iv) the reletting of all or any portion of the Leased Property, or (v) the inability of Landlord to collect or receive any rentals due upon any such reletting, shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive any such termination, repossession or reletting. Landlord and Tenant agree that Landlord shall have no obligation to mitigate Landlord's damages under this Lease.

(b) If this Lease shall terminate pursuant to Section 16.2(x) or if Landlord shall obtain a court order permitting reentry following the occurrence of a Tenant Event of Default that is continuing, then, in any such event, Landlord or Landlord's agents and employees may immediately or at any time thereafter reenter the Leased Property to the extent permitted by law (including applicable Gaming Regulations), either by summary dispossess proceedings or by any suitable action or proceeding at law, without being liable to indictment, prosecution or damages therefor, and may repossess the same, and may remove any Person therefrom, to the end that Landlord may have, hold and enjoy the Leased Property. The words "enter," "reenter," "entry" and "reentry," as used herein, are not restricted to their technical legal meanings.

16.3 Damages.

(a) If Landlord elects to terminate this Lease in writing upon a Tenant Event of Default during the Term, Tenant shall forthwith (x) pay to Landlord all Rent due and payable under this Lease to and including the date of such termination (together with interest thereon at the Overdue Rate from the date the applicable amount was due), and (y) pay on demand all damages to which Landlord shall be entitled at law or in equity, provided, however, Landlord's damages with regard to unpaid Rent from and after the date of termination shall equal, as liquidated and agreed current damages in respect thereof, the sum of: (A) the worth at the time of award of the amount by which the unpaid Rent that (if the Lease had not been terminated) would have been payable hereunder after termination until the time of award exceeds the amount of such Rent loss that Tenant proves could have been reasonably avoided; plus (B) (x) the Rent which (if the Lease had not been terminated) would have been payable hereunder from the time of award until the then Stated Expiration Date, discounted to present value by applying a discount rate equal to the discount rate of the Federal Reserve Bank of New York at the time of award, plus one percent (1%), less (y) the Rent loss from the time of the award until the then Stated Expiration Date that Tenant proves could be reasonably avoided, discounted to present value by applying a discount rate equal to the discount rate of the Federal Reserve Bank of New York at the time of award, plus one percent (1%). As used in clause (A), the "worth at the time of award" shall be computed by allowing interest at the Overdue Rate from the date the applicable amount was due. As used in clauses (A) and (B), Variable Rent that would have been payable after termination for the remainder of the Term shall be determined based on: (1) if the date of termination occurs during a Variable Rent Payment Period, the Variable Rent amount payable during such Variable Rent Payment Period (if the Lease had not been terminated), and (2) if the date of termination occurs prior to the commencement of any Variable Rent Payment Period, the Variable Rent that (if the Lease had not been terminated) would be payable after termination for the remainder of the Term, assuming Net Revenue for the balance of the Term equals Net Revenue for the Fiscal Period ending immediately prior to the date of termination (it being understood the foregoing calculation of damages for unpaid Rent applies only to the amount of unpaid Rent damages owed to Landlord pursuant to Tenant's obligation to pay Rent hereunder and does not prohibit or otherwise shall not limit Landlord from seeking damages for any indemnification or any other obligations of Tenant hereunder, with all such rights of Landlord reserved).

(b) Notwithstanding anything otherwise set forth herein, if Landlord chooses not to terminate Tenant's right to possession of the Leased Property (whether or not Landlord terminates this Lease) and has not been paid damages in accordance with Section 16.3(a), then each installment of Rent and all other sums payable by Tenant to or for the benefit of Landlord under this Lease shall be payable as the same otherwise becomes due and payable, together with, if any such amount is not paid when due, interest at the Overdue Rate from the date when due until paid, and Landlord may enforce, by action or otherwise, any other term or covenant of this Lease (and Landlord may at any time thereafter terminate Tenant's right to possession of the Leased Property and seek damages under Section 16.3(a), to the extent not already paid for by Tenant under Section 16.3(a) or this Section 16.3(b)).

(c) If, as of the date of any termination of this Lease pursuant to Section 16.2(x), the Leased Property shall not be in the condition in which Tenant has agreed to surrender the same to Landlord at the expiration or earlier termination of this Lease, then Tenant, shall pay, as damages therefor, the cost (as estimated by an independent contractor reasonably selected by Landlord) of placing the Leased Property in the condition in which Tenant is required to surrender the same hereunder.

16.4 Receiver. Subject to the rights of Permitted Leasehold Mortgagees hereunder, upon the occurrence and continuance of a Tenant Event of Default, and upon commencement of proceedings to enforce the rights of Landlord hereunder, but subject to any limitations of applicable law (including Gaming Regulations), Landlord shall be entitled, as a matter of right, to the appointment of a receiver or receivers acceptable to Landlord of the Leased Property and of the revenues, earnings, income, products and profits thereof, pending the outcome of such proceedings, with such powers as the court making such appointment shall confer.

16.5 Waiver. If Landlord initiates judicial proceedings or if this Lease is terminated by Landlord pursuant to this Article XVI, Tenant waives, to the extent permitted by applicable law, (i) any right of redemption, re-entry or repossession or similar laws for the benefit of Tenant; and (ii) the benefit of any laws now or hereafter in force exempting property from liability for rent or for debt.

16.6 Application of Funds. Any payments received by Landlord under any of the provisions of this Lease during the existence or continuance of any Tenant Event of Default which are made to Landlord rather than Tenant due to the existence of a Tenant Event of Default shall be applied to Tenant's obligations in the order which Landlord may reasonably determine or as may be prescribed by applicable Legal Requirements.

16.7 Landlord's Right to Cure Tenant's Default. If Tenant shall fail to make any payment or to perform any act required to be made or performed hereunder when due including, without limitation, if Tenant fails to expend any Required Capital Expenditures as required hereunder or fails to complete any work or restoration or replacement of any nature as required hereunder, or if Tenant shall take any action prohibited hereunder, or if Tenant shall breach any representation or warranty comprising Additional Fee Mortgagee Requirements (and Landlord reasonably determines that such breach could be expected to give rise to an event of default or an indemnification obligation of Landlord under the applicable Fee Mortgage), or Tenant fails to comply with any Additional Fee Mortgagee Requirements (other than representations and warranties), in all cases, after the expiration of any cure period provided for herein, Landlord, without waiving or releasing any obligation or default, may, but shall be under no obligation to, (i) make such payment or perform such act for the account and at the expense of Tenant (including, in the event of a breach of any such representation or warranty, taking actions to cause such representation or warranty to be true), and may, to the extent permitted by law, enter upon the Leased Property for such purpose and take all such action thereon as, in Landlord's reasonable opinion, may be necessary or appropriate therefor, and (ii) subject to the terms of the applicable Fee Mortgage Documents, use funds in any Fee Mortgage Reserve Account for the purposes for which they were deposited in making any such payment or performing such act. All sums so paid by Landlord and all costs and expenses, including reasonable attorneys' fees and expenses, so incurred, together with interest thereon at the Overdue Rate from the date on which such sums or expenses are paid or incurred by Landlord, shall be paid by Tenant to Landlord on demand as an Additional Charge.

16.8 Miscellaneous.

(a) Suit or suits for the recovery of damages, or for any other sums payable by Tenant to Landlord pursuant to this Lease, may be brought by Landlord from time to time at Landlord's election, and nothing herein contained shall be deemed to require Landlord to await the date whereon this Lease and the Term would have expired by limitation had there been no Tenant Event of Default, reentry or termination.

(b) No failure by either Party to insist upon the strict performance of any agreement, term, covenant or condition of this Lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance by Landlord of full or partial Rent during the continuance of any such breach, shall constitute a waiver of any such breach or of such agreement, term, covenant or condition. No agreement, term, covenant or condition of this Lease to be performed or complied with by either Party, and no breach thereof, shall be or be deemed to be waived, altered or modified except by a written instrument executed by the Parties. No waiver of any breach shall affect or alter this Lease, but each and every agreement, term, covenant and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. In the event Landlord claims in good faith that Tenant has breached any of the agreements, terms, covenants or conditions contained in this Lease, Landlord shall be entitled to seek to enjoin such breach or threatened breach and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though reentry, summary proceedings or other remedies were not provided for in this Lease.

(c) Except to the extent otherwise expressly provided in this Lease, each right and remedy of a Party provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease.

(d) Nothing contained in this Article XVI or otherwise shall vitiate or limit Tenant's obligation to pay Landlord's attorneys' fees as and to the extent provided in Article XXXVII hereof, or any indemnification obligations under any express indemnity made by Tenant of Landlord or of any Landlord Indemnified Parties as contained in this Lease.

ARTICLE XVII
TENANT FINANCING

17.1 Permitted Leasehold Mortgagees.

(a) *Tenant May Mortgage the Leasehold Estate*. On one or more occasions, without Landlord's consent, Tenant may mortgage or otherwise encumber Tenant's estate in and to the Leased Property (the "Leasehold Estate") (or encumber the direct or indirect Equity Interests in Tenant) to one or more Permitted Leasehold Mortgagees under one or more Permitted Leasehold Mortgages and pledge its right, title and interest under this Lease as security for such Permitted Leasehold Mortgages or any related agreement secured thereby, provided, however, (i) in order for a Permitted Leasehold Mortgagee to be entitled to the rights and benefits pertaining to Permitted Leasehold Mortgagees pursuant to this Article XVII, such Permitted Leasehold Mortgagee must hold or benefit from a Permitted Leasehold Mortgage encumbering all of Tenant's Leasehold Estate granted to Tenant under this Lease (subject to exclusions with respect to items that are not capable of being mortgaged and that, in the aggregate, are de minimis) or one hundred percent (100%) of the direct or indirect Equity Interests in Tenant at any tier of ownership, and (ii) that no Person shall be deemed to be a Permitted Leasehold Mortgagee hereunder unless and until (a) such Person delivers a written agreement to Landlord providing that in the event of a termination of this Lease by Landlord pursuant to Section 16.2(x) hereof, such Permitted Leasehold Mortgagee and any Persons for whom it acts as representative, agent or trustee, will not use or dispose of any Gaming License for use at a location other than at the Facility to which such Gaming License relates as of the date of the closing of a Lease Foreclosure Transaction (or, in the case of any additional facility added to this Lease after such date, as of the date that such additional facility is added to the Lease), (b) the applicable Permitted Leasehold Mortgage shall include an express acknowledgement that any exercise of remedies thereunder that would affect the Leasehold Estate shall be subject and subordinate to the terms of this Lease and (c) that any foreclosure or realization by any Permitted Leasehold Mortgagee pursuant to a Permitted Leasehold Mortgage or upon Tenant's interest under this Lease or that would result in a transfer of all or any portion of Tenant's interest in the Leased Property or this Lease shall in any case be subject to the applicable provisions, terms and conditions of Article XXII hereof.

(b) *Notice to Landlord*.

(i) If Tenant shall, on one or more occasions, mortgage Tenant's Leasehold Estate pursuant to a Permitted Leasehold Mortgage and if the holder of such Permitted Leasehold Mortgage shall provide Landlord with written notice of such Permitted Leasehold Mortgage (which notice with respect to any Permitted Leasehold Mortgage not evidenced by a recorded security instrument, in order to be effective, shall also state (or be accompanied by a notice of Tenant stating) the relative priority of all then-effective Permitted Leasehold Mortgages noticed to Landlord under this Section and shall be consented to in writing by all then-existing Permitted Leasehold Mortgagees) together with a true copy of such Permitted Leasehold Mortgage and the name and address of the Permitted Leasehold Mortgagee, Landlord and Tenant agree that, following receipt of such written notice by Landlord (which notice shall be accompanied by any items required pursuant to Section 17.1(a) above), the provisions of this Section 17.1 shall apply to each such Permitted Leasehold Mortgage. In the event of any assignment of a Permitted Leasehold Mortgage or in the event of a change of address of a Permitted Leasehold Mortgagee or of an assignee of such Permitted Leasehold Mortgage, written notice of such assignment or change of address and of the new name and address shall be provided to Landlord, and the provisions of this Section 17.1 shall continue to apply, provided such assignee is a Permitted Leasehold Mortgagee.

(i) Landlord shall reasonably promptly following receipt of a communication purporting to constitute the notice provided for by subsection (b)(i) above (and such additional items requested by Landlord pursuant to the first sentence of Section 17.1(b)(iii)) acknowledge by an executed and notarized instrument receipt of such communication as constituting the notice provided for by subsection (b)(i) above and confirming the status of the Permitted Leasehold Mortgagee as such or, in the alternative, notify Tenant and the Permitted Leasehold Mortgagee of the rejection of such communication and any such items as not conforming with the provisions of this Section 17.1 and specify the specific basis of such rejection.

(ii) After Landlord has received the notice provided for by subsection (b)(i) above, Tenant upon being requested to do so by Landlord, shall with reasonable promptness provide Landlord with copies of the Permitted Leasehold Mortgage, note or other obligations secured by such Permitted Leasehold Mortgage and any other documents pertinent to the Permitted Leasehold Mortgage reasonably requested by Landlord. If requested to do so by Landlord, Tenant shall thereafter also provide Landlord from time to time with a copy of each material amendment or other modification or supplement to such instruments. All recorded documents shall be accompanied by the appropriate recording stamp or other certification of the custodian of the relevant recording office as to their authenticity as true and correct copies of official records and all nonrecorded documents shall be accompanied by a certification by Tenant that such documents are true and correct copies of the originals. From time to time upon being requested to do so by Landlord, Tenant shall also notify Landlord of the date and place of recording and other pertinent recording data with respect to such instruments as have been recorded.

(iii) Notwithstanding the requirements of this Section 17.1(b), it is agreed and acknowledged that Tenant's Initial Financing (and the mortgages, security agreements and/or other loan documents in connection therewith) as of the date of this Lease shall be deemed a Permitted Leasehold Mortgage (with respect to which notice has been properly provided to Landlord pursuant to Section 17.1(b)(i)) without the requirement that Tenant or Landlord comply with the initial requirements set forth in clauses (i) through (iii) above, (but, for the avoidance of doubt, Tenant's Initial Financing is not relieved of the requirement that it satisfy the requirements of Section 17.1(a) or the last sentence of Section 17.1(b)(i)). In addition, for the avoidance of doubt, the Parties confirm that Tenant shall not be relieved of the requirement to comply with the final three (3) sentences of Section 17.1(b)(iii) with respect to Tenant's Initial Financing or any other financing with a Permitted Leasehold Mortgagee.

(c) *Default Notice to Permitted Leasehold Mortgagee*. Landlord, upon providing Tenant any notice of default under this Lease, shall at the same time provide a copy of such notice to every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b)(i) hereof. No such notice by Landlord to Tenant shall be deemed to have been duly given unless and until a copy thereof has been sent, in the manner prescribed in Article XXXV of this Lease, to every such Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b)(i) hereof. From and after the date such notice has been sent to a Permitted Leasehold Mortgagee, such Permitted Leasehold Mortgagee shall have the same period, with respect to its remedying any default or acts or omissions which are the subject matter of such notice or causing the same to be remedied, as is given Tenant after the giving of such notice to Tenant, plus in each instance, the additional periods of time specified in subsections (d) and (e) of this Section 17.1 to remedy or cause to be remedied the defaults or acts or omissions which are the subject matter of such notice specified in any such notice. Landlord shall accept such performance by or at the instigation of such Permitted Leasehold Mortgagee as if the same had been done by Tenant. Tenant authorizes each such Permitted Leasehold Mortgagee (to the extent such action is authorized under the applicable loan documents to which it acts as a lender, noteholder, investor, agent, trustee or representative) to take any such action at such Permitted Leasehold Mortgagee's option and does hereby authorize entry upon the Leased Property by the Permitted Leasehold Mortgagee for such purpose.

(d) *Right to Terminate Notice to Permitted Leasehold Mortgagee*. Anything contained in this Lease to the contrary notwithstanding, if any Tenant Event of Default shall occur which entitles Landlord to terminate this Lease, Landlord shall have no right to terminate this Lease on account of such Tenant Event of Default unless Landlord shall notify every Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof that the period of time given Tenant to cure such default or act or omission has lapsed and, accordingly, Landlord has the right to terminate this Lease ("Right to Terminate Notice"). The provisions of subsection (e) below of this Section 17.1 shall apply if, during (x) the thirty (30) day period following Landlord's delivery of the Right to Terminate Notice if such Tenant Event of Default is capable of being cured by the payment of money, or (y) the ninety (90) day period following Landlord's delivery of the Right to Terminate Notice, if such Tenant Event of Default is not capable of being cured by the payment of money, any Permitted Leasehold Mortgagee shall:

(i) notify Landlord of such Permitted Leasehold Mortgagee's desire to nullify such Right to Terminate Notice;

(ii) pay or cause to be paid all Rent, Additional Charges, and other payments (A) then due and in arrears as specified in the Right to Terminate Notice to such Permitted Leasehold Mortgagee, and (B) which may become due during such thirty (30) or ninety (90) day (as the case may be) period (as and when the same may become due); and

(iii) comply with or in good faith, with reasonable diligence and continuity, commence to comply with all nonmonetary requirements of this Lease then in default and reasonably susceptible of being complied with by such Permitted Leasehold Mortgagee (e.g., defaults that are not personal to Tenant hereunder); provided, however, that such Permitted Leasehold Mortgagee shall not be required during such ninety (90) day period to cure or commence to cure any default consisting of Tenant's failure to satisfy and discharge any lien, charge or encumbrance against Tenant's interest in this Lease or the Leased Property or any of Tenant's other assets that is/are (x) junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee and (y) would be extinguished by the foreclosure of the Permitted Leasehold Mortgage that is held by such Permitted Leasehold Mortgagee; and

(iv) during such thirty (30) or ninety (90) day period, the Permitted Leasehold Mortgagee shall respond, with reasonable diligence, to requests for information from Landlord as to the Permitted Leasehold Mortgagee's (and related lender's) intent to pay such Rent and other charges and comply with this Lease.

If the applicable default shall be cured pursuant to the terms and within the time periods allowed in this Section 17.1(d), this Lease shall continue in full force and effect as if Tenant had not defaulted under the Lease. If a Permitted Leasehold Mortgagee shall fail to take all of the actions described in this Section 17.1(d) with respect to a specific Tenant Event of Default for which the Permitted Leasehold Mortgagee was provided notice prior to the deadlines set forth herein, such Permitted Leasehold Mortgagee shall have no further rights under this Section 17.1(d) or Section 17.1(e) with respect to such Event of Default.

(e) *Procedure on Default*.

(i) If Landlord shall elect to terminate this Lease by reason of any Tenant Event of Default that has occurred and is continuing and a Permitted Leasehold Mortgagee shall have proceeded in the manner provided for by subsection (d) of this Section 17.1, the applicable cure periods available pursuant to Section 17.1(d) above shall continue to be extended so long as during such continuance:

(1) such Permitted Leasehold Mortgagee shall pay or cause to be paid the Rent, Additional Charges and other monetary obligations of Tenant under this Lease as the same become due, and continue its good faith efforts to perform or cause to be performed all of Tenant's other obligations under this Lease, excepting (A) obligations of Tenant to satisfy or otherwise discharge any lien, charge or encumbrance against Tenant's interest in this Lease or the Leased Property or any of Tenant's other assets that is/are (x) junior in priority to the lien of the mortgage or other security documents held by such Permitted Leasehold Mortgagee and (y) would be extinguished by the foreclosure of the Permitted Leasehold Mortgage that is held by such Permitted Leasehold Mortgagee and (B) past non-monetary obligations then in default and not reasonably susceptible of being cured by such Permitted Leasehold Mortgagee; and

(2) subject to and in accordance with Section 22.2(ii), if not enjoined or stayed pursuant to a bankruptcy or insolvency proceeding or other judicial order, such Permitted Leasehold Mortgagee shall diligently continue to pursue acquiring or selling Tenant's interest in this Lease and the Leased Property (or, to the extent applicable, the direct or indirect interests in Tenant) by foreclosure of the Permitted Leasehold Mortgage or other appropriate means and diligently prosecute the same to completion.

(ii) Without limitation of Tenant's right to deliver a Renewal Notice, it is agreed that a Permitted Leasehold Mortgagee also shall have the right to deliver a Renewal Notice on behalf of Tenant during any period in which such Permitted Leasehold Mortgagee is complying with Section 17.1(d) or 17.1(e).

(iii) If a Permitted Leasehold Mortgagee is complying with subsection (e)(i) of this Section 17.1, upon the acquisition of Tenant's Leasehold Estate (or, to the extent applicable, the direct or indirect interests in Tenant) herein by such Permitted Leasehold Mortgagee, a Permitted Leasehold Mortgagee Designee or an assignee thereof in accordance with Section 22.2(ii) hereof, this Lease shall continue in full force and effect as if Tenant had not defaulted under this Lease provided that such successor cures all outstanding defaults that can be cured through the payment of money and all other defaults that are reasonably susceptible of being cured as provided in said subsection (e)(i).

(iv) No Permitted Leasehold Mortgagee shall be deemed to be an assignee or transferee of this Lease or of the Leasehold Estate hereby created by virtue of the Permitted Leasehold Mortgage so as to require such Permitted Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants or conditions on the part of Tenant to be performed hereunder; but the purchaser at any sale of this Lease (or, to the extent applicable, the purchaser of the direct or indirect interests in Tenant including a Permitted Leasehold Mortgagee if it is the purchaser at foreclosure) and of the Leasehold Estate hereby created in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignee or transferee of this Lease and of the Leasehold Estate hereby created (or, to the extent applicable, the direct or indirect interests in Tenant) under any instrument of assignment or transfer in lieu of the foreclosure of any Permitted Leasehold Mortgage, shall be subject to all of the provisions, terms and conditions of this Lease including, without limitation Section 22.2(ii) hereof (including, without limitation, the Tenant Transferee Requirement).

(v) Notwithstanding any other provisions of this Lease, any Permitted Leasehold Mortgagee, Permitted Leasehold Mortgagee Designee or other acquirer of the Leasehold Estate of Tenant (or, to the extent applicable, the direct or indirect interests in Tenant) in accordance with the requirements of Section 22.2(ii) of this Lease pursuant to foreclosure, assignment in lieu of foreclosure or other similar proceedings of this Lease may, upon acquiring Tenant's Leasehold Estate (or, to the extent applicable, the direct or indirect interests in Tenant), (x) sell and assign interests in the Leasehold Estate (or, to the extent applicable, the direct or indirect interests in Tenant) as and to the extent provided in this Lease, and (y) enter into Permitted Leasehold Mortgages in the same manner as the original Tenant, as and to the extent provided in this Lease, in each case under clause (x) or (y), subject to the terms of this Lease, including Article XVII and Section 22.2 hereof.

(vi) Notwithstanding any other provisions of this Lease, any sale of this Lease and of the Leasehold Estate hereby created (or, to the extent applicable, the direct or indirect interests in Tenant) in any proceedings for the foreclosure of any Permitted Leasehold Mortgage, or the assignment or transfer of this Lease and of the Leasehold Estate hereby created (or, to the extent applicable, the direct or indirect interests in Tenant) in lieu of the foreclosure of any Permitted Leasehold Mortgage, shall, solely if and to the extent such sale, assignment or transfer complies with the requirements of Section 22.2 hereof, be deemed to be a permitted sale, transfer or assignment of this Lease.

(f) *New Lease*. In the event that this Lease is rejected in any bankruptcy, insolvency or dissolution proceeding or is terminated by Landlord following a Tenant Event of Default other than due to a default that is subject to cure by a Permitted Leasehold Mortgagee under Section 17.1(d) and Section 17.1(e) above, Landlord shall provide each Permitted Leasehold Mortgagee with written notice that this Lease has been rejected or terminated ("Notice of Termination"), and, for the avoidance of doubt, upon delivery of such Notice of Termination, no Permitted Leasehold Mortgagee shall have the rights as described in Section 17.1(d) and Section 17.1(e) above, but rather such Permitted Leasehold Mortgagee instead shall have the rights described in this Section 17.1(f)). Following any such rejection or termination, Landlord agrees to enter into a new lease ("New Lease") of the Leased Property with such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee for the remainder of the term of this Lease, effective as of the date of termination, at the rent and additional rent, and upon the terms, covenants and conditions

(including all then-remaining options to renew but excluding requirements which have already been fulfilled) of this Lease, provided:

(i) such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall comply with the terms of Section 22.2(ii) (including clauses (1) through (4) thereof);

(ii) such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall make a binding, written, irrevocable commitment to Landlord for such New Lease within thirty (30) days after the date such Permitted Leasehold Mortgagee receives Landlord's Notice of Termination of this Lease given pursuant to this Section 17.1(f);

(iii) such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall pay or cause to be paid to Landlord at the time of the execution and delivery of such New Lease, any and all sums which would at the time of execution and delivery thereof be due pursuant to this Lease but for such rejection or termination (including, for avoidance of doubt, any amounts that become due prior to and remain unpaid as of the date of the Notice of Termination) and, in addition thereto, all reasonable expenses, including reasonable documented attorney's fees, which Landlord shall have incurred by reason of such rejection or such termination and the execution and delivery of the New Lease and which have not otherwise been received by Landlord from Tenant or other party in interest under Tenant; and

(iv) such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee shall agree to remedy any of Tenant's defaults of which said Permitted Leasehold Mortgagee was notified by Landlord's Notice of Termination (or in any other written notice of Landlord) and which can be cured through the payment of money or, if such defaults cannot be cured through the payment of money, are reasonably susceptible of being cured by Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee.

(g) *New Lease Priorities*. If more than one Permitted Leasehold Mortgagee shall request a New Lease pursuant to subsection (f)(i) of this Section 17.1, Landlord shall enter into such New Lease with the Permitted Leasehold Mortgagee whose mortgage is senior in lien, or with its Permitted Leasehold Mortgagee Designee acting for the benefit of such Permitted Leasehold Mortgagee prior in lien foreclosing on Tenant's interest in this Lease. Landlord, without liability to Tenant or any Permitted Leasehold Mortgagee with an adverse claim, may rely upon (i) with respect to any Permitted Leasehold Mortgage evidenced by a recorded security instrument, a title insurance policy (or, if elected by Landlord in its sole discretion, a title insurance commitment, certificate of title or other similar instrument) issued by a reputable title insurance company as the basis for determining the appropriate Permitted Leasehold Mortgagee who is entitled to such New Lease or (ii) with respect to any Permitted Leasehold Mortgage not evidenced by a recorded security instrument, the statement with respect to relative priority of Permitted Leasehold Mortgages contained in the applicable notice delivered pursuant to Section 17.1(b)(i), provided that any such statement that provides that any such Permitted Leasehold Mortgage described in this clause (ii) is senior or prior to any Permitted Leasehold Mortgage evidenced by a recorded security instrument shall only be effective to the extent it is consented to in writing by the Permitted Leasehold Mortgagee in respect of such Permitted Leasehold Mortgage evidenced by a recorded security instrument.

(h) *Permitted Leasehold Mortgagee Need Not Cure Specified Defaults*. Nothing herein contained shall require any Permitted Leasehold Mortgagee to cure any Incurable Default in order to comply with the provisions of Sections 17.1(d) and 17.1(e), or as a condition of entering into the New Lease provided for by Section 17.1(f). For the avoidance of doubt, upon such foreclosure and/or the effectuation of such a New Lease in accordance with the provisions, terms and conditions hereof, any such defaults are automatically deemed waived through and until the effective date of such foreclosure or New Lease as to any such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee, as the new tenant hereunder or under the New Lease, as applicable (it being understood that the provisions of this sentence shall not be deemed to relieve such new tenant of its obligations to comply with this Lease or such New Lease (to the extent relating to any Incurable Default or otherwise) from and after the effective date of such foreclosure or New Lease but not retroactively).

(i) *Casualty Loss*. A standard mortgagee clause naming each Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof may be added to any and all insurance policies required to be carried by Tenant hereunder on condition that (and, in all events, Tenant agrees that) the insurance proceeds are to be applied in the manner specified in this Lease and the Permitted Leasehold Mortgage shall so provide; except that the Permitted Leasehold Mortgage may provide a manner for the disposition of such proceeds, if any, otherwise payable directly to Tenant (but not such proceeds, if any, payable jointly to Landlord and Tenant or to Landlord, to the Fee Mortgagee or to a third-party escrowee) pursuant to the provisions of this Lease.

(j) *Arbitration; Legal Proceedings*. Landlord shall give prompt notice to each Permitted Leasehold Mortgagee (for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof) of any arbitration (including a determination of Fair Market Ownership Value or Fair Market Rental Value) or legal proceedings between Landlord and Tenant involving obligations under this Lease.

(k) *Notices*. Notices from Landlord to the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof shall be provided in the method provided in Article XXXV hereof to the address furnished Landlord pursuant to subsection (b) of this Section 17.1, and those from the Permitted Leasehold Mortgagee to Landlord shall be mailed to the address designated pursuant to the provisions of Article XXXV hereof. Such notices, demands and requests shall be given in the manner described in this Section 17.1 and in Article XXXV and shall in all respects be governed by the provisions of those sections.

(l) *Limitation of Liability*. Notwithstanding any other provision hereof to the contrary, (i) Landlord agrees that any Permitted Leasehold Mortgagee's liability to Landlord in its capacity as Permitted Leasehold Mortgagee hereunder howsoever arising shall be limited to and enforceable only against such Permitted Leasehold Mortgagee's interest in the Leasehold Estate and the other collateral granted to such Permitted Leasehold Mortgagee to secure the obligations under the loan secured by the applicable Permitted Leasehold Mortgage, and (ii) each Permitted Leasehold Mortgagee agrees that Landlord's liability to such Permitted Leasehold Mortgagee hereunder howsoever arising shall be limited to and enforceable only against Landlord's interest in the Leased Property, and no recourse against Landlord shall be had against any other assets of Landlord whatsoever.

(m) *Sale Procedure*. If this Lease has been terminated, the Permitted Leasehold Mortgagee for which notice has been properly provided to Landlord pursuant to Section 17.1(b) hereof with the most senior lien on the Leasehold Estate shall have the right to make the determinations and agreements on behalf of Tenant under Article XXXVI, in each case, in accordance with and subject to the terms and provisions of Article XXXVI.

(n) *Third Party Beneficiary*. Each Permitted Leasehold Mortgagee (for so long as such Permitted Leasehold Mortgagee holds a Permitted Leasehold Mortgage) is an intended third-party beneficiary of this Article XVII entitled to enforce the same as if a party to this Lease.

(o) The fee title to the Leased Property and the Leasehold Estate of Tenant therein created by this Lease shall not merge but shall remain separate and distinct, notwithstanding the acquisition of said fee title and said Leasehold Estate by Landlord or by Tenant or by a third party, by purchase or otherwise.

17.2 Landlord Cooperation with Permitted Leasehold Mortgage. If, in connection with granting any Permitted Leasehold Mortgage or entering into an agreement relating thereto, Tenant shall request in writing (i) reasonable cooperation from Landlord or (ii) reasonable amendments or modifications to this Lease, in each case required to comply with any reasonable request made by Permitted Leasehold Mortgagee, Landlord shall reasonably cooperate with such request, so long as (a) no Tenant Event of Default is continuing, (b) all reasonable documented out-of-pocket costs and expenses incurred by Landlord, including, but not limited to, its reasonable documented attorneys' fees, shall be paid by Tenant, and (c) any requested action, including any amendments or modification of this Lease, shall not (i) increase Landlord's monetary obligations under this Lease by more than a de minimis extent, or increase Landlord's non-monetary obligations under this Lease in any material respect or decrease Tenant's obligations in any material respect, (ii) diminish Landlord's rights under this Lease in any material respect, (iii) adversely impact the value of the Leased Property by more than a de minimis extent or otherwise have a more than de minimis adverse effect on the Leased Property, Tenant or Landlord, (iv) adversely impact Landlord's (or any Affiliate of

Landlord's) tax treatment or position or (v) result in this Lease not constituting a "true lease", or (vi) result in a default under the Fee Mortgage Documents.

ARTICLE XVIII
TRANSFERS BY LANDLORD

18.1 **Sale of the Leased Property**. Subject to the balance of this Section 18.1, Landlord shall not voluntarily sell all or portions of the Leased Property during the Term without the prior written consent of Tenant, which consent may not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Tenant's consent shall not be required for (A) any transfer (including any pledge, mortgage, deed of trust, or other grant of lien over the Leased Property) to a Fee Mortgagee contemplated under and in accordance with Article XXXI hereof which may include, without limitation, a transfer by foreclosure brought by the Fee Mortgagee or a transfer by deed in lieu of foreclosure or assignment in lieu of foreclosure or other transaction in lieu of foreclosure (and the first subsequent sale by such Fee Mortgagee), in each case, other than to a Tenant Competitor (provided, that, (x) at such time that Landlord enters into a Fee Mortgage comprised of an Applicable Landlord Financing, the Fee Mortgagee shall not be a Tenant Competitor and (y) the Fee Mortgage Documents in respect thereof (excluding any financing involving debt securities issued under an indenture pursuant to a registered offering or an offering under Rule 144A of the Securities and Exchange Act, in each case, with indenture trustees) shall provide that (I) no lender, holder or other secured party under such Applicable Landlord Financing may assign its interest under the Applicable Landlord Financing to a Tenant Competitor, (II) (i) the borrower thereunder may authorize the posting to the lenders, holders or other secured parties under the Applicable Landlord Financing, of a list of "disqualified lenders" and any updates thereto from time to time, and (ii) that no lender, holder or other secured party under such Applicable Landlord Financing may participate its interest under the Applicable Landlord Financing to a Tenant Competitor that is set forth on such list (and Landlord hereby agrees to (and to cause its Affiliates to) reasonably promptly submit to the applicable Fee Mortgagee for posting such list (or updates thereto, if applicable) of Tenant Competitors provided to it by Tenant) (and if any such participation to a Tenant Competitor shall be made, Landlord hereby agrees to (and cause its Affiliates to) endeavor to take such actions that it determines in good faith to be reasonably necessary to enforce its (or their) rights under the Fee Mortgage Documents in respect of such participation to a Tenant Competitor), and (III) if any such assignment or participation to a Tenant Competitor shall be made, the Fee Mortgage Documents shall permit Landlord or its Affiliates to (i) in the case of an assignment, repay or otherwise replace such Tenant Competitor such that such Tenant Competitor is no longer a lender, holder, or other secured party under such Applicable Landlord Financing and (ii) prevent such Tenant Competitor from receiving or having access to any information, reports or other materials provided to lenders, holders or other secured parties under such Applicable Landlord Financing or participating in any meetings of lenders, holders or other secured parties under such Applicable Landlord Financing (and the Landlord hereby agrees to (and to cause its Affiliates as may be applicable to) take all actions that are reasonably necessary to enforce its (or their) rights under the foregoing clauses (III)(i) and (ii)), (B) a sale by Landlord of all of the Leased Property (subject to exclusions for assets that may not be transferred and that, in the aggregate, are de minimis) to a single buyer or group of buyers, other than to a Tenant Competitor, (C) a sale/leaseback transaction by Landlord with respect to all or any portion of the Leased Property other than to a Tenant Competitor (provided (x) the overlandlord under the resulting overlease agrees that, in the event of a termination of such overlease, this Lease shall continue in effect as a direct lease between such overlandlord and Tenant and (y) the overlease shall not impose, to more than a de minimis extent, any new, additional or more onerous obligations on Tenant without Tenant's prior written consent in Tenant's sole discretion (and without limiting the generality of the foregoing, the overlease shall not impose any additional monetary obligations (whether for payment of rents under such overlease or otherwise) on Tenant), subject to and in accordance with all of the provisions, terms and conditions of this Lease, (D) any sale of a portion of the Leased Property that does not change the identity of the Landlord hereunder, including without limitation a participating interest in Landlord's interest under this Lease or a sale of Landlord's reversionary interest in the Leased Property so long as Landlord does not become a Tenant Competitor thereby and remains the only party with authority to bind the landlord under this Lease, or (E) a sale or transfer of the Leased Property or any portion thereof to an Affiliate of Landlord or a joint venture entity in which Landlord or its Affiliate is the managing member or partner (provided such joint venture entity shall not be a Tenant Competitor). Any sale by Landlord of all or any portion of the Leased Property pursuant to this Section 18.1 shall be subject in each instance to all of the rights of Tenant under this Lease and, to the extent necessary, any purchaser or successor Landlord and/or other controlling persons must be approved by all applicable gaming regulatory agencies to ensure that there is no material impact on the validity of any of the Gaming Licenses or the ability of Tenant to

continue to use the Facility for Gaming in substantially the same manner as immediately prior to Landlord's sale. Without limiting the generality of the foregoing, Landlord shall not sell or transfer any Leased Property, or assign this Lease to, (I) a Tenant Competitor, or (II) any Person that is associated with a Person who has been found "unsuitable", denied a Gaming License or otherwise precluded from participation in the Gaming Industry by any Gaming Authority where such association would reasonably be expected to adversely affect, any of the Tenant's or its Affiliates' Gaming Licenses or Tenant's or its Affiliates' then current standing with any Gaming Authority, or (III) any Person that (a) has been the subject of a material governmental or regulatory investigation which resulted in a conviction for criminal activity involving moral turpitude or has been found liable pursuant to a non-appealable judgment in a civil proceeding for attempting to hinder, delay or defraud creditors; (b) has been convicted of, or pled guilty or no contest to, a Patriot Act Offense or is on any Government List; (c) has been the subject of a voluntary or involuntary (to the extent the same has not been discharged) bankruptcy proceeding during the prior five (5) years from the applicable date of determination; or (d) is, or is Controlled by, an Embargoed Person or a person that has been found "unsuitable" for any reason or has had any application for a Gaming License withdrawn "with prejudice" by any applicable Gaming Authority; or (e) is a Tenant Prohibited Person. Any transfer by Landlord under this Article VXIII shall be subject to all applicable Legal Requirements, including any Gaming Regulations, and no such transfer shall be effective until any applicable approvals with respect to Gaming Regulations, if applicable, are obtained. Tenant shall attorn to and recognize any successor Landlord in connection with any transfer(s) permitted under this Article XVIII as Tenant's "landlord." For avoidance of doubt, nothing contained in this Section 18.1 shall be construed to prohibit or limit Landlord REIT or any of Landlord REIT's direct or indirect subsidiaries from effectuating any merger, amalgamation, sale of assets or other disposition or similar transaction which, in any case, involves the disposition or transfer of all or substantially all of the assets of Landlord REIT, subject however, to Section 18.2.

18.2 Transfers to Tenant Competitors. Without limiting the provisions of Section 18.1, in the event that, and so long as, Landlord with respect to the Leased Property becomes or acquires a Tenant Competitor (the transaction by which Landlord becomes or acquires a Tenant Competitor, a "Tenant Competitor Event"), then, Landlord shall notify Tenant in writing reasonably promptly following becoming aware that a Tenant Competitor Event has occurred (and Tenant, if it otherwise becomes aware that a Tenant Competitor Event has occurred shall endeavor to provide Landlord with written notice thereof) (any such notice, a "Tenant Competitor Notice"), and, notwithstanding anything herein to the contrary, the following shall apply:

(a) Landlord hereby grants to Tenant an option to purchase ("Purchase Option") the Leased Property at a price equal to the then Fair Market Ownership Value of the Leased Property (valued assuming that the Lease continues for the remainder of the Term and the Lease is extended for each of the remaining extension periods) (such price, the "Purchase Price") and Tenant may, in Tenant's sole and absolute discretion, exercise such Purchase Option solely upon the following terms and conditions:

(i) such Purchase Option must be exercised at any time from the date Landlord delivers to Tenant a Tenant Competitor Notice or Tenant otherwise becomes aware that a Tenant Competitor Event has occurred through and until the date that is sixty (60) days after the date Landlord delivers to Tenant such Tenant Competitor Notice, by Tenant delivering to Landlord written notice of such exercise (the "Exercise Notice"); provided, that if Tenant does not timely deliver the Exercise Notice, the option herein granted shall terminate; time being of the essence with respect to the delivering thereof;

(ii) promptly after delivery of such Exercise Notice, Landlord and Tenant shall determine the Purchase Price in accordance with Section 34.1;

(iii) within ten (10) Business Days after the Purchase Price has been determined pursuant to clause (ii) above, Tenant may elect not to proceed with the purchase of the Leased Property if the Purchase Price as so determined is greater than one hundred five percent (105%) of Tenant's written appraisal pursuant to Section 34.1(a) (and if Tenant so elects, Tenant shall no longer be entitled to elect the Purchase Option in connection with the applicable Tenant Competitor Event based on which Tenant delivered such Exercise Notice);

(iv) if the Purchase Option is not revoked by Tenant pursuant to clause (iii) above, then Landlord shall sell the Leased Property to Tenant, and Tenant shall purchase from Landlord, the Leased Property for the Purchase Price; otherwise, if Tenant revokes Tenant's offer to purchase the Leased Property pursuant to clause (iii) above, the Lease shall continue in full force and effect and subject to clauses (b), (c) and (d) below;

(v) without limitation of any of the provisions hereof concerning the determination of Fair Market Ownership Value, the Leased Property shall be sold in its then-current, as-is, with all faults conditions and without any representation and warranty, expressed or implied, whatsoever, except the conveyance shall be by a grant, bargain and sale deed (subject to Section 18.2(b) below);

(vi) as provided in clause (B) of the Fair Market Rental Value definition, the Fair Market Ownership Value of the Leased Property shall be determined with respect to any damaged or destroyed Leased Property as if such Leased Property had not been so damaged or destroyed, and, accordingly, to the extent that a Casualty Event has occurred but the Leased Property is valued as if such Casualty Event did not occur, Tenant shall be entitled to all property insurance proceeds and business interruption insurance with respect to the Leased Property arising from such Casualty Event;

(vii) the condition of title shall be the same as that shown on the owner's policy of title insurance as of the date of this Lease, with such additional covenants, conditions, restrictions, easements and other matters that have been approved, or have been created by or through, Tenant or that otherwise arise in accordance with the terms of this Lease or as may otherwise be agreed to in writing by Landlord and Tenant; and

(viii) the closing of the sale transaction shall occur upon or prior to the date that is twelve (12) months after the date Tenant delivers such Exercise Notice.

(b) If Tenant exercises such Purchase Option pursuant to clause (a) above, Seller shall be required to remove all Required Removal Exceptions at or prior to closing of the purchase of the Leased Property. As used herein, "Required Removal Exceptions" means collectively, (i) all Fee Mortgage Documents that encumber the Leased Property, including mortgages, deeds of trust, deeds to secure debt or other security documents recorded against or otherwise that encumber the Leased Property or any portion thereof and related UCC filings and assignment of leases and rents and other evidence of indebtedness that encumber the Leased Property; and (ii) the following so long as they are (A) not caused by the acts or omissions of Tenant or anyone holding through or under Tenant (or anyone acting for or on behalf of Tenant or anyone holding through or under Tenant) or consented to by Tenant, or (B) permitted under this Lease or (C) not required to be removed, cured or discharged by Tenant under this Lease: liens encumbering the Leased Property that result from the acts or omissions of Landlord.

Notwithstanding anything to the contrary contained in this Lease, Tenant's Purchase Option pursuant to this Section 18.2 shall be a lien prior in right and senior in priority to Fee Mortgagee's lien on the Leased Property).

Notwithstanding anything to the contrary contained in this Lease, if Tenant delivers to Landlord an Exercise Notice under Section 18.2(a)(i), Landlord may (but shall not be obligated to), for a period of ninety (90) days following Landlord's receipt of such Exercise Notice, unwind, reverse or otherwise nullify the effect of the applicable Tenant Competitor Event based on which Tenant delivered such Exercise Notice, or otherwise take such steps as Landlord may deem appropriate, such that Landlord shall no longer be (or, if applicable, own) a Tenant Competitor. If, following the expiration of such ninety (90) day period, Landlord is not a Tenant Competitor and does not own a Tenant Competitor, then Tenant's Exercise Notice shall be of no further effect in respect of such Tenant Competitor Event and Tenant shall no longer be entitled to elect the Purchase Option in connection with such Tenant Competitor Event.

(c) Notwithstanding the Purchase Option provided for in clause (a) above, and without limitation of Section 23.1(c) of this Lease, so long as Landlord becomes or acquires a Tenant Competitor, Tenant shall not be required to deliver the information required to be delivered to such Landlord pursuant to Section 23.1(b) hereof to the extent the same would give such Landlord a "competitive" advantage with respect to markets in which such Landlord

and Tenant or CRC or any of their respective Affiliates might be competing at any time (it being understood that such Landlord shall retain audit rights with respect to such information to the extent required to confirm Tenant's compliance with the terms of this Lease) (and such Landlord shall be permitted to comply with Securities Exchange Commission, Internal Revenue Service and other legal and regulatory requirements with regard to such information) and provided that appropriate measures are in place to ensure that only such Landlord's auditors (which for this purpose shall be a "big four" firm designated by such Landlord) and attorneys (as reasonably approved by Tenant) (and not Landlord or any Affiliates of such Landlord or any direct or indirect parent company of such Landlord or any Affiliate of such Landlord) are provided access to such information or (2) to provide information that is subject to the quality assurance immunity or is subject to attorney-client privilege or the attorney work product doctrine.

(d) Certain of Landlord's consent or approval rights set forth in this Lease shall be eliminated or modified, as follows:

(i) Clause (viii) of the definition of Primary Intended Use shall be deleted, and clause (v) of the definition of Primary Intended Use shall be modified to read as follows: "(v) such other ancillary uses, but in all events consistent with the current use of the Leased Property or any portion thereof as of the Commencement Date or with then-prevailing or innovative or state-of-the-art hotel, resort and gaming industry use, and/or".

(ii) Without limitation of the other provisions of Section 10.1(a), the approval of Landlord shall not be required under (1) Section 10.1(a) for Alterations and Capital Improvements in excess of Seventy-Five Million Dollars ($75,000,000), and (2) Section 10.2(b) for approval of the Architect thereunder.

(e) With respect to all consent, approval and decision-making rights granted to such Landlord under the Lease relating to competitively sensitive matters pertaining to the use and operation of the Leased Property and Tenant's business conducted thereat (other than any right of Landlord to grant waivers and amend or modify any of the terms of this Lease), such Landlord shall establish an independent committee to evaluate, negotiate and approve such matters, independent from and without interference from such Landlord's management or Board of Directors. Any dispute over whether a particular decision should be determined by such independent committee shall be submitted for resolution by an Expert pursuant to Section 34.2 hereof.

18.3 Specific Performance. Notwithstanding anything to the contrary contained herein, and without limitation of any of Tenant's other rights and remedies under this Lease, the Parties recognize that if Landlord shall breach its obligations under Section 18.1, Section 18.2(a) or Section 18.2(b) hereof, damages shall not provide an adequate remedy to Tenant and accordingly, Tenant shall have the right to obtain the remedy of specific performance, including injunctive relief to prevent Landlord from selling the Leased Property or any portion thereof to a Tenant Competitor in violation of the applicable provisions Section 18.1 hereof.

ARTICLE XIX
HOLDING OVER

If Tenant shall for any reason remain in possession of all or any portion of the Leased Property or the Facility after the Expiration Date without the consent, or other than at the request, of Landlord, such possession shall be as a month-to-month tenant during which time Tenant shall pay as Rent each month an amount equal to (a) two hundred percent (200%) of the monthly installment of Rent applicable as of the Expiration Date, and (b) all Additional Charges and all other sums payable by Tenant pursuant to this Lease. During such period of month-to-month tenancy, Tenant shall be obligated to perform and observe all of the terms, covenants and conditions of this Lease, but shall have no rights hereunder other than the right, to the extent given by law to month-to-month tenancies, to continue its occupancy and use of such portion of the Leased Property associated therewith. Nothing contained herein shall constitute the consent, express or implied, of Landlord to the holding over of Tenant after the Expiration Date. This Article XIX is subject to Tenant's rights and obligations under Article XXXVI below, and it is understood and agreed that any possession of the Leased Property after the Expiration Date pursuant to such Article XXXVI shall not constitute a hold over subject to this Article XIX.

ARTICLE XX
RISK OF LOSS

The risk of loss or of decrease in the enjoyment and beneficial use of the Leased Property or any part thereof as a consequence of the damage or destruction thereof by fire, the elements, casualties, thefts, riots, wars or otherwise, or in consequence of foreclosures, attachments, levies or executions (other than by Landlord and Persons claiming from, through or under Landlord) during the Term is assumed by Tenant, and except as otherwise expressly provided herein no such event shall entitle Tenant to any abatement of Rent.

ARTICLE XXI
INDEMNIFICATION

21.1 General Indemnification.

(i) In addition to the other indemnities contained herein, and notwithstanding the existence of any insurance carried by or for the benefit of Landlord or Tenant, and without regard to the policy limits of any such insurance, Tenant shall protect, indemnify, save harmless and defend Landlord and its principals, partners, officers, members, directors, shareholders, employees, managers, agents and servants (collectively, the "Landlord Indemnified Parties"; each individually, a "Landlord Indemnified Party"), from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses, including reasonable documented attorneys', consultants' and experts' fees and expenses, imposed upon or incurred by or asserted against the Landlord Indemnified Parties (excluding any indirect, special, punitive or consequential damages as provided in Section 41.3) by reason of any of the following (in each case, other than to the extent resulting from Landlord's gross negligence or willful misconduct or default hereunder or the violation by Landlord of any Legal Requirement imposed against Landlord (including any Gaming Regulations, but excluding any Legal Requirement which Tenant is required to satisfy pursuant to the terms hereof or otherwise)): (i) any accident, injury to or death of Persons or loss of or damage to property occurring on or about the Facility (or any part thereof) or adjoining sidewalks under the control of Tenant or any Subtenant; (ii) any use, misuse, non-use, condition, maintenance or repair by Tenant of the Facility (or any part thereof); (iii) any failure on the part of Tenant to perform or comply with any of the terms of this Lease; (iv) any claim for malpractice, negligence or misconduct committed by Tenant or any Person on or from any Facility (or any part thereof); (v) the violation by Tenant of any Legal Requirement (including any Gaming Regulations) or Insurance Requirements; (vi) the non-performance of any contractual obligation, express or implied, assumed or undertaken by Tenant with respect to the Facility (or any portion thereof), or any business or other activity carried on in relation to the Facility (or any part thereof) by Tenant; and (vii) any lien or claim that may be asserted against the Facility (or any part thereof) arising from any failure by Tenant to perform its obligations hereunder or under any instrument or agreement affecting the Facility (or any part thereof), and (viii) any matter arising out of Tenant's (or any Subtenant's) management, operation, use, or possession of the Facility (including any litigation, suit, proceeding or claim asserted against Landlord). Any amounts which become payable by Tenant under this Article XXI shall be paid within ten (10) Business Days after liability therefor is determined by a final non appealable judgment or settlement or other agreement of the Parties, and if not timely paid shall bear interest at the Overdue Rate from the date of such determination to the date of payment. Tenant, with its counsel and at its sole cost and expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against the Landlord Indemnified Parties. For purposes of this Article XXI, any acts or omissions of Tenant or any Subtenant or any Subsidiary, as applicable, or by employees, agents, assignees, contractors, subcontractors or others acting for or on behalf of Tenant or any Subtenant or any Subsidiary, as applicable (whether or not they are negligent, intentional, willful or unlawful), shall be strictly attributable to Tenant.

(ii) Notwithstanding the existence of any insurance carried by or for the benefit of Landlord or Tenant, and without regard to the policy limits of any such insurance, Landlord shall protect, indemnify, save harmless and defend Tenant and its principals, partners, officers, members, directors, shareholders, employees, managers, agents and servants (collectively, the "Tenant Indemnified Parties"; each individually, a "Tenant Indemnified Party") from and against all liabilities, obligations, claims, damages,

penalties, causes of action, costs and expenses, including reasonable documented attorneys', consultants' and experts' fees and expenses, imposed upon or incurred by or asserted against Tenant Indemnified Parties (excluding any indirect, special, punitive or consequential damages as provided in Section 41.3) by reason of (A) Landlord's gross negligence or willful misconduct hereunder, other than to the extent resulting from Tenant's gross negligence or willful misconduct or default hereunder, and (B) the violation by Landlord of any Legal Requirement imposed against Landlord (including any Gaming Regulations, but excluding any Legal Requirement which Tenant is required to satisfy pursuant to the terms hereof or otherwise). Any amounts which become payable by Landlord under this Article XXI shall be paid within ten (10) Business Days after liability therefor is determined by a final non appealable judgment or settlement or other agreement of the Parties, and if not timely paid shall bear interest at the Overdue Rate from the date of such determination to the date of payment. Landlord, with its counsel and at its sole cost and expense, shall contest, resist and defend any such claim, action or proceeding asserted or instituted against Tenant Indemnified Parties. For purposes of this Article XXI, any acts or omissions of Landlord, or by employees, agents, contractors, subcontractors or others acting for or on behalf of Landlord (whether or not they are negligent, intentional, willful or unlawful), shall be strictly attributable to Landlord.

21.2 Encroachments, Restrictions, Mineral Leases, etc.

(i) If any of the Leased Improvements existing as of the Commencement Date shall, at any time (each of the following, an "Encroachment"), encroach upon any property, street or right-of-way, or shall violate any restrictive covenant or other agreement affecting the Leased Property, or any part thereof or any Capital Improvement thereto, or shall impair the rights of others under any easement or right-of-way to which the Leased Property is subject, or impair, limit or interfere with the use of the Leased Property or any Capital Improvement thereto by reason of the exercise of the right of surface entry or any other provision of a lease or reservation of any oil, gas, water or other minerals, then promptly upon the request of Landlord or any Person affected by any such Encroachment, each of Tenant and Landlord, subject to their right to contest the existence of any such Encroachment, shall protect, indemnify, save harmless and defend the other party hereto from and against fifty percent (50%) of all out of pocket losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such Encroachment; provided, however, with respect to any mechanics', materialmans' and other similar statutory liens (excluding any such statutory lien the removal of which is the obligation of a Subtenant pursuant to its Sublease (excluding management agreements)), Tenant shall be one hundred percent (100%) responsible for such losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses). In the event of an adverse final determination with respect to any such Encroachment, either (a) each of Tenant and Landlord shall be entitled to obtain valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such Encroachment, whether the same shall affect Landlord or Tenant or (b) Tenant at the shared cost and expense of Tenant and Landlord on a 50-50 basis (except for such items as to which Tenant is one hundred percent (100%) responsible as provided in the preceding sentence, in which case Tenant shall be responsible for one hundred percent (100%) of such costs and expenses) shall make such changes in the Leased Improvements, and take such other actions, as Tenant in the good faith exercise of its judgment deems reasonably practicable, to remove or end such Encroachment, including, if necessary, the alteration of any of the Leased Improvements, and in any event take all such actions as may be necessary in order to be able to continue the operation of the Leased Improvements for the Primary Intended Use substantially in the manner and to the extent the Leased Improvements were operated prior to the assertion of such Encroachment. Tenant's (and Landlord's) obligations under this Section 21.2 shall be in addition to and shall in no way discharge or diminish any obligation of any insurer under any policy of title or other insurance and, to the extent the recovery thereof is not necessary to compensate Landlord and Tenant for any damages incurred by any such Encroachment, Tenant shall be entitled to fifty percent (50%) of any sums recovered by Landlord under any such policy of title or other insurance up to the maximum amount paid by Tenant under this Section 21.2 and Landlord, upon request by Tenant, shall assign Landlord's rights under such policies to Tenant provided such assignment does not adversely affect Landlord's rights under any such policy. Landlord agrees to use reasonable efforts to seek recovery under any policy of title or other insurance under which Landlord is an insured party for all losses, liabilities, obligations, claims, damages, penalties,

causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such Encroachment as set forth in this Section 21.2; provided, however, that in no event shall Landlord be obligated to institute any litigation, arbitration or other legal proceedings in connection therewith unless Landlord is reasonably satisfied that Tenant has the financial resources needed to fund such litigation and Tenant and Landlord have agreed upon the terms and conditions on which such funding will be made available by Tenant including, but not limited to, the mutual approval of a litigation budget.

(ii) If any of the Leased Improvements, by reason of an alteration, improvement, modification or construction, modified or constructed from and after the Commencement Date, shall constitute an Encroachment, then in each case promptly upon the request of Landlord or any Person affected by any such Encroachment, Tenant, subject to its right to contest the existence of any such Encroachment, shall protect, indemnify, save harmless and defend Landlord from and against all out of pocket losses, liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including reasonable attorneys', consultants' and experts' fees and expenses) based on or arising by reason of any such Encroachment. In the event of an adverse final determination with respect to any such Encroachment, (x) Landlord shall be entitled to be furnished valid and effective waivers or settlements of all claims, liabilities and damages resulting from each such Encroachment, or (y) Tenant shall make such changes in the Improvements, and take such other actions, as Tenant in the good faith exercise of its judgment deems reasonably practicable, to remove or end such Encroachment, including, if necessary, the alteration of any of the Improvements, and in any event take all such actions as may be necessary in order to be able to continue the operation of the Improvements for the Primary Intended Use substantially in the manner and to the extent the Improvements were operated prior to the assertion of such Encroachment. Landlord's (and Landlord's) obligations under this Section 21.2(ii) shall be in addition to and shall in no way discharge or diminish any obligation of any insurer under any policy of title or other insurance.

ARTICLE XXII
TRANSFERS BY TENANT

22.1 Subletting and Assignment. Other than as expressly provided herein (including in respect of Permitted Leasehold Mortgages under Article XVII, and the permitted Subleases and assignments described in this Article XXII), Tenant shall not, without Landlord's prior written consent (which, except as specifically set forth herein, may be withheld in Landlord's sole and absolute discretion), (x) voluntarily or by operation of law assign (which term includes any transfer, sale, encumbering, pledge or other transfer or hypothecation), in whole or in part, this Lease or Tenant's Leasehold Estate, (y) let or sublet (or sub-sublet, as applicable) all or any part of the Leased Property of the Facility, or (z) engage the services of any Person (other than an Affiliate of Tenant) for the management or operation of the Facility (provided that the foregoing shall not restrict a transferee of Tenant from retaining a manager necessary for such transferee's satisfying the requirement set forth in clause (a)(1) of the definition of "Qualified Transferee"). Tenant acknowledges that Landlord is relying upon the expertise of Tenant in the operation of the Facility hereunder and that Landlord entered into this Lease with the expectation that Tenant would remain in and operate the Facility during the entire Term. Any Change of Control (or, subject to Section 22.2 below, any transfer of direct or indirect interests in Tenant that results in a Change of Control) shall constitute an assignment of Tenant's interest in this Lease within the meaning of this Article XXII and the provisions requiring consent contained herein shall apply thereto.

22.2 Permitted Assignments and Transfers. Subject to compliance with the provisions of Section 22.4, as applicable, and Article XL, Tenant or any successor to Tenant to the extent expressly referenced below, in each case, that has received an assignment of this Lease in accordance with this Article XXII, may:

(i) with Landlord's prior written consent, which consent shall not be unreasonably withheld, allow to occur or undergo a Change in Control (including without limitation a transfer or assignment of this Lease to any third party in conjunction with a sale by Tenant of all or substantially all of Tenant's assets relating to the Facility);

(ii) without Landlord's prior consent, (a) subject to and in accordance with Section 17.1, assign this Lease (and/or permit the assignment of one hundred percent (100%) of the direct or indirect interests in Tenant at any tier of ownership), in whole, but not in part, to a Permitted Leasehold Mortgagee for collateral purposes pursuant to a Permitted Leasehold Mortgage (b) assign this Lease (and/or permit the assignment of one hundred percent (100%) of the direct or indirect interests in Tenant at any tier of ownership) to such Permitted Leasehold Mortgagee or its Permitted Leasehold Mortgagee Designee or any other purchaser at any foreclosure or transaction in lieu of foreclosure, and (c) assign this Lease (and/or one hundred percent (100%) of the direct or indirect interests in Tenant at any tier of ownership) to the first subsequent purchaser thereafter (provided such subsequent purchaser is not Guarantor, any Affiliate of Guarantor or a Prohibited Leasehold Agent), in each case, solely in connection with or following a foreclosure of, or transaction in lieu of foreclosure of, a Permitted Leasehold Mortgage; provided, however, that immediately upon giving effect to any Lease Foreclosure Transaction, (1) the following conditions shall be satisfied (the "Tenant Transferee Requirement"): (x) a Qualified Transferee will be the replacement Tenant hereunder or will Control, and own not less than fifty-one percent (51%) of all of the direct and indirect economic and beneficial interests in, Tenant or such replacement Tenant and (y) a replacement lease guarantor that is a Qualified Transferee will have provided a Guaranty of the Lease on terms reasonably satisfactory to Landlord (it being understood that if Tenant is a Qualified Transferee then no such Guaranty shall be required); (2) the transferee and its equity holders will comply with all customary "know your customer" requirements of any Fee Mortgagee and shall have obtained all necessary Gaming Licenses as required under applicable Legal Requirements (including applicable Gaming Regulations) and all other licenses, approvals and permits required for the transferee to be Tenant under this Lease; (3) a single Person or multiple Affiliated Persons as tenants in common (each of which satisfy the Tenant Transferee Requirement) (provided such Affiliated Persons have executed a joinder to this Lease as the "Tenant" on a joint and several basis, the form and substance of which joinder shall be reasonably satisfactory to Landlord) shall own, directly, all of Tenant's Leasehold Estate and be Tenant under this Lease; (4) the Foreclosure Successor Tenant shall (i) provide written notice to Landlord at least thirty (30) days prior to the closing of the applicable Lease Foreclosure Transaction, specifying in reasonable detail the nature of such Lease Foreclosure Transaction and such additional information as Landlord may reasonably request in order to determine that the requirements of this Section 22.2(ii) are satisfied, which notice shall be accompanied by proposed forms of the Lease Assumption Agreement, the amendment to this Lease contemplated by the penultimate paragraph of this Section 22.2, and the forms of proposed replacement Guaranty, (ii) assume (or, in the case of a foreclosure on or transfer of direct or indirect interests in Tenant, cause Tenant to reaffirm) in writing (in a form reasonably acceptable to Landlord) the obligations of Tenant under this Lease, from and after the date of the closing of the Lease Foreclosure Transaction (a "Lease Assumption Agreement"), (iii) provide Landlord with a copy of any such Lease Assumption Agreement and all other documents required under this Section 22.2(ii) as executed at such closing promptly following such closing and (iv) provide Landlord with a customary opinion of counsel reasonably satisfactory to Landlord with respect to the execution, authorization, and enforceability and other customary matters;

(iii) without Landlord's prior consent, but upon prior written notice to Landlord, assign this Lease (provided that in conjunction therewith Tenant assigns or transfers all of the assets of Tenant (other than assets which in the aggregate are de minims)) in entirety to an Affiliate of Tenant, to Guarantor or an Affiliate of Guarantor, provided, that such assignee becomes party to and assumes (in a form reasonably satisfactory to Landlord) this Lease and Guarantor reaffirms the Guaranty in a manner reasonably acceptable to Landlord;

(iv) without Landlord's prior consent, so long as Guarantor continues to own fifty-one percent (51%) of, and Control, Tenant, transfer direct or indirect interests in Tenant or its direct or indirect parent(s) on a nationally-recognized exchange (it being agreed that Tenant shall give no less than fifteen (15) days prior written notice to Landlord of any transaction or series of related transactions which would result in a Change of Control of Guarantor if such Tenant or Guarantor has knowledge at least fifteen (15) days before such transaction, or, otherwise within two (2) Business Days after Tenant becomes aware that such transaction will result in or has resulted in a Change in Control;

(v) without Landlord's prior consent, so long as Guarantor continues to own fifty-one percent (51%) of, and Control, Tenant, transfer any direct or indirect interests in Tenant, provided Landlord shall be given prior written notice of any transfer of ten percent (10%) or more (in the aggregate) direct or indirect ownership interest in Tenant of which transfer Tenant or Guarantor has actual prior knowledge other than any such transfer on a nationally recognized exchange;

(vi) without Landlord's prior consent, transfer direct or indirect interests in Guarantor or any direct or indirect parent entity of Guarantor, or enter into any merger, consolidation or amalgamation of Guarantor or any direct or indirect parent entity of Guarantor regardless of whether Guarantor or any such direct or indirect parent of Guarantor is the surviving entity and regardless of whether such transaction results in a Change in Control (provided, that in the case of any merger, consolidation or amalgamation involving Guarantor, if Guarantor is not the surviving entity, then the surviving entity shall assume the Guaranty in a manner reasonably satisfactory to Landlord);

(vii) without Landlord's prior consent, transfer direct or indirect interests in Tenant or its direct or indirect parent(s) in connection with a transfer of all of the assets of Guarantor (other than assets which in the aggregate are de minimis); provided, that in case of a transfer of all the assets of Guarantor (other than assets which in the aggregate are de minimis), the applicable transferee shall assume (in a form reasonably satisfactory to Landlord), all of Guarantor's obligations under the Guaranty; and/or

(viii) without Landlord's prior consent, assign this Lease or the direct or indirect interests in Tenant to any Person in an assignment other than in connection with a foreclosure action pursuant to clause (ii) above if (1) such Person is a Qualified Transferee, (2) in the case of an assignment of the Lease, such Qualified Transferee agrees in writing to assume the obligations of Tenant under this Lease without amendment or modification other than as provided below, (3) (A) such Qualified Transferee (if other than Tenant), if any, has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord or, (B)(i) the Parent Entity of such Qualified Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord, or (ii) if such Qualified Transferee does not provide a Guaranty from a Parent Entity, such Qualified Transferee has become a Guarantor and provided a Guaranty on terms reasonably satisfactory to Landlord, and (4) the Net Revenue to Rent Ratio with respect to the Facility (determined at the proposed effective time of the assignment) for the then most recently preceding four (4) fiscal quarters for which financial statements are available is at least 1.4:1.

In connection with any transaction permitted pursuant to Section 22.2(ii), the applicable Successor Foreclosure Tenant and Landlord shall make such amendments and other modifications to this Lease as are reasonably requested by either such party solely as needed to give effect to such transaction and such technical amendments as may be reasonably necessary or appropriate in connection with such transaction including technical changes in the provisions of this Lease regarding delivery of Financial Statements from Tenant and Guarantor to reflect the changed circumstances of Tenant, any interest holders in Tenant or Guarantor (provided, that, in all events, any such amendments or modifications shall not increase any Party's obligations under this Lease or diminish any Party's rights under this Lease; provided, further, it is understood that delivery by any applicable Qualified Transferee under a replacement Guaranty or parent of a replacement Tenant of Financial Statements and other reporting consistent with the requirements of Article XXIII hereof shall not be deemed to increase Tenant's obligations or decrease Tenant's rights under this Lease). After giving effect to any such transaction, unless the context otherwise requires, references to Tenant shall be deemed to refer to the Foreclosure Successor Tenant permitted under this Section 22.2.

Notwithstanding anything to the contrary herein, any transfer of Tenant's interest in this Lease or the Leasehold Estate shall be subject to compliance with all Gaming Regulations, including receipt of all applicable Gaming Licenses and shall not result in the loss or violation of any Gaming License for the Leased Property.

22.3 Permitted Sublease Agreements. Notwithstanding the provisions of Section 22.1, but subject to compliance with the provisions of this Section 22.3 and of Section 22.4 and Article XL, provided that no Tenant Event of Default shall have occurred and be continuing, Tenant may enter into any Sublease (including sub-subleases, license agreements and other occupancy arrangements, but excluding any Sublease for all or substantially all of the Leased

Property) without the consent of Landlord, provided, that, (i) Tenant is not released from any of its obligations under this Lease, (ii) such Sublease is made for bona fide business purposes in the normal course of the Primary Intended Use, and is not designed with the intent to avoid payment of Variable Rent or otherwise avoid any of the requirements or provisions of this Lease, (iii) such transaction is not designed with the intent to frustrate Landlord's ability to enter into a new Lease of the Leased Property with a third Person following the Expiration Date, (iv) such transaction shall not result in a violation of any Legal Requirements (including Gaming Regulations) relating to the operation of the Facility, including any Gaming Facilities, (v) any Sublease of all or substantially all of the Facility shall be subject to the consent of Landlord and the applicable Fee Mortgagee, and (vi) the Subtenant and any other Affiliates shall have obtained all necessary Gaming Licenses as required under applicable Legal Requirements (including Gaming Regulations) in connection with such Sublease; provided, further, that, notwithstanding anything otherwise set forth herein, the following are expressly permitted without such consent: (A) the Specified Subleases and any renewals or extensions in accordance with their terms, respectively, or non-material modifications thereto and (B) any Subleases to Affiliates of Tenant that are necessary or appropriate for the operation of the Facility, including any Gaming Facilities, in connection with licensing requirements (e.g., gaming, liquor, etc.) (provided the same are expressly subject and subordinate to this Lease); provided, further, however, that, notwithstanding anything otherwise set forth herein, the portion(s) of the Leased Property subject to any Subleases (other than the Specified Subleases and other than Subleases to Affiliates of CRC) shall not be used for Gaming purposes or other core functions or spaces at the Facility (e.g., hotel room areas) (and any such Subleases to persons that are not Affiliates of CRC in respect of Leased Property used or to be used in whole or in part for Gaming purposes or other core functions or spaces (e.g., hotel room areas) shall be subject to Landlord's prior written consent not to be unreasonably withheld). If reasonably requested by Tenant in respect of a Subtenant (including any sub-sublessee, as applicable) permitted hereunder that is neither a Subsidiary nor an Affiliate of Tenant or Guarantor, with respect to a Material Sublease, Landlord and any such Subtenant (or sub-sublessee, as applicable) shall enter into a subordination, non-disturbance and attornment agreement with respect to such Material Sublease in a form reasonably satisfactory to Landlord, Tenant and the applicable Subtenant (or sub-sublessee, as applicable) (and if a Fee Mortgage is then in effect, Landlord shall use reasonable efforts to seek to cause the Fee Mortgagee to enter into a subordination, non-disturbance and attornment agreement substantially in the form customarily entered into by such Fee Mortgagee at the time of request with similar subtenants (subject to adjustments and modifications arising out of the specific nature and terms of this Lease and/or the applicable Sublease)). After a Tenant Event of Default has occurred and while it is continuing, Landlord may collect rents from any Subtenant and apply the net amount collected to the Rent, but no such collection shall be deemed (A) a waiver by Landlord of any of the provisions of this Lease, (B) the acceptance by Landlord of such Subtenant as a tenant or (C) a release of Tenant from the future performance of its obligations hereunder. Notwithstanding anything otherwise set forth herein, Landlord shall have no obligation to enter into a subordination, non-disturbance and attornment agreement with any Subtenant with respect to a Sublease, (1) the term of which extends beyond the then Stated Expiration of this Lease, unless the applicable Sublease is on commercially reasonable terms at the time in question taking into consideration, among other things, the identity of the Subtenant, the extent of the Subtenant's investment into the subleased space, the term of such Sublease and Landlord's interest in such space (including the resulting impact on Landlord's ability to lease the Facility on commercially reasonable terms after the Term of this Lease) or (2) that constitutes a management arrangement. Tenant shall furnish Landlord with a copy of each Material Sublease that Tenant enters into promptly following the making thereof (irrespective of whether Landlord's prior approval was required therefor). In addition, promptly following Landlord's request therefor, Tenant shall furnish to Landlord (to the extent in Tenant's possession or under Tenant's reasonable control) copies of all other Subleases with respect to the Facility specified by Landlord. Without limitation of the foregoing, Tenant acknowledges it has furnished to Landlord a subordination agreement of even date herewith that is binding on all Subtenants that are Subsidiaries or Affiliates of Tenant or Guarantor, pursuant to which subordination agreement, among other things, all such Subtenants have subordinated their respective Subleases to this Lease and all of the provisions, terms and conditions hereof. Further, Tenant hereby represents and warrants to Landlord that as of the effective date of the Lease, there exists no Sublease other than the Specified Subleases.

22.4 **Required Subletting and Assignment Provisions**. Any Sublease permitted hereunder and entered into after the Commencement Date must provide that:

(i) the use of the Leased Property (or portion thereof) thereunder shall not conflict with any Legal Requirement or any other provision of this Lease;

(ii) in the case of a Sublease, in the event of cancellation or termination of this Lease for any reason whatsoever or of the surrender of this Lease (whether voluntary, involuntary or by operation of law) prior to the expiration date of such Sublease, including extensions and renewals granted thereunder without replacement of this Lease by a New Lease pursuant to Section 17.1(f), then, subject to Article XXXVI, (a) upon the request of Landlord (in Landlord's discretion), the Subtenant shall make full and complete attornment to Landlord for the balance of the term of the Sublease, which attornment shall be evidenced by an agreement in form and substance reasonably satisfactory to Landlord and which the Subtenant shall execute and deliver within five (5) Business Days after request by Landlord and the Subtenant shall waive the provisions of any law now or hereafter in effect which may give the Subtenant any right of election to terminate the Sublease or to surrender possession in the event any proceeding is brought by Landlord to terminate this Lease and (b) to the extent such Subtenant (and each subsequent subtenant separately permitted hereunder) is required to attorn to Landlord pursuant to subclause (a) above, the aforementioned attornment agreement shall recognize the right of the subtenant (and such subsequent subtenant) under the applicable Sublease and contain commercially reasonable, customary non-disturbance provisions for the benefit of such subtenant, so long as such Subtenant is not in default thereunder;

(iii) in the case of a Sublease, in the event the Subtenant receives a written notice from Landlord stating that this Lease has been cancelled, surrendered or terminated and not replaced by a New Lease pursuant to Section 17.1(f), then the Subtenant shall thereafter be obligated to pay all rentals accruing under said Sublease directly to Landlord (or as Landlord shall so direct); all rentals received from the Subtenant by Landlord shall be credited against the amounts owing by Tenant under this Lease.

(iv) in the case of a Sublease (other than the Specified Subleases), it shall be subject and subordinate to all of the terms and conditions of this Lease (subject to the terms of any applicable subordination, non-disturbance agreement made pursuant to Section 22.3);

(v) no Subtenant shall be permitted to further sublet all or any part of the applicable Leased Property or assign its Sublease except insofar as the same would be permitted if it were a Sublease by Tenant under this Lease (it being understood that any Subtenant under Section 22.3 may pledge and mortgage its subleasehold estate (or allow the pledge of its equity interests) to its lenders or noteholders; and

(vi) in the case of a Sublease, the Subtenant thereunder will, upon request, furnish to Landlord and each Fee Mortgagee an estoppel certificate of the same type and kind as is required of Tenant pursuant to Section 23.1(a) hereof (as if such Sublease was this Lease).

Any assignment, transfer or Sublease under this Article XXII shall be subject to all applicable Legal Requirements, including any Gaming Regulations, and no such assignment, transfer or Sublease shall be effective until any applicable approvals with respect to Gaming Regulations, if applicable, are obtained.

22.5 Costs. Tenant shall reimburse Landlord for Landlord's reasonable out-of-pocket costs and expenses actually incurred in conjunction with the processing and documentation of any assignment, subletting or management arrangement (including in connection with any request for a subordination, non-disturbance and attornment agreement), including reasonable documented attorneys', architects', engineers' or other consultants' fees whether or not such Sublease, assignment or management agreement is actually consummated.

22.6 No Release of Tenant's Obligations; Exception. No assignment (other than as provided in the final sentence of this Section 22.6), subletting or management agreement shall relieve Tenant of its obligation to pay the Rent and to perform all of the other obligations to be performed by Tenant hereunder. The liability of Tenant and any immediate and remote successor in interest of Tenant (by assignment or otherwise), and the due performance of the obligations of this Lease on Tenant's part to be performed or observed, shall not in any way be discharged, released or impaired by any (i) stipulation which extends the time within which an obligation under this Lease is to be performed, (ii) waiver of the performance of an obligation required under this Lease that is not entered into by Landlord in a writing executed by Landlord and expressly stated to be for the benefit of Tenant or such successor, or (iii) failure to enforce any of the obligations set forth in this Lease. Upon a transfer of this Lease in accordance with, and in compliance in

all respects with, Section 22.2(i), Section 22.2(iii), or Section 22.2(viii) of this Lease whereby the identity of the "tenant" hereunder is changed (i.e. an assignment of this Lease as opposed to an assignment of the equity interests in Tenant) the then existing Tenant shall be released from any further obligations hereunder other than any obligations and liabilities that are due and payable on the date of such transfer.

22.7 Bookings. Tenant may enter into any Bookings that do not cover periods after the expiration of the term of this Lease without the consent of Landlord. Tenant may enter into any Bookings that cover periods after the expiration of the term of this Lease without the consent of Landlord, provided, that, (i) such transaction is in each case made for bona fide business purposes in the normal course of the Primary Intended Use; (ii) such transaction shall not result in a violation of any Legal Requirements (including Gaming Regulations) relating to the operation of the Facility, (iii) such Bookings are on commercially reasonable terms at the time entered into; and (iv) such transaction is not designed with the intent to frustrate Landlord's ability to enter into a new lease of the Leased Property or any portion thereof with a third person following the Expiration Date; provided, further, that, notwithstanding anything otherwise set forth herein, any such Bookings in effect as of the Commencement Date are expressly permitted without such consent. Landlord hereby agrees that in the event of a termination or expiration of this Lease, Landlord hereby recognizes and shall keep in effect such Booking on the terms agreed to by Tenant with such Person and shall not disturb such Person's rights to occupy such portion of the Leased Property in accordance with the terms of such Booking.

ARTICLE XXIII
REPORTING

23.1 Estoppel Certificates and Financial Statements.

(a) Estoppel Certificate. Each of Landlord and Tenant shall, at any time and from time to time upon receipt of not less than ten (10) Business Days' prior written request from the other Party, furnish a certificate (an "Estoppel Certificate") certifying (i) that this Lease is unmodified and in full force and effect, or that this Lease is in full force and effect and, if applicable, setting forth any modifications; (ii) the Rent and Additional Charges payable hereunder and the dates to which the Rent and Additional Charges payable have been paid; (iii) that the address for notices to be sent to the Party furnishing such Estoppel Certificate is as set forth in this Lease (or, if such address for notices has changed, the correct address for notices to such party); (iv) whether or not, to its actual knowledge, such Party or the other Party is in default in the performance of any covenant, agreement or condition contained in this Lease (together with back-up calculation and information reasonably necessary to support such determination) and, if so, specifying each such default of which such Party may have knowledge; (v) that Tenant is in possession of the Leased Property; and (vi) responses to such other questions or statements of fact as such other Party may reasonably request. Any such Estoppel Certificate may be relied upon by the receiving Party and any current or prospective Fee Mortgagee (and their successors and assigns), Permitted Leasehold Mortgagee, or purchaser of the Leased Property, as applicable.

(b) Statements. Tenant shall furnish or cause to be furnished the following to Landlord:

(i) On or before twenty-five (25) days after the end of each calendar month the following items as they pertain to Tenant: (A) an occupancy report for the subject month, including an average daily rate and revenue per available room for the subject month; (B) monthly and year-to-date operating statements prepared for each calendar month, noting gross revenue, net revenue, operating expenses and operating income, and other information reasonably necessary and sufficient to fairly represent the financial position and results of operations of Tenant during such calendar month, and containing a comparison of budgeted income and expenses and the actual income and expenses, and (C) PACE reports, in the form attached hereto as Exhibit I.

(ii) As to Tenant:

(a) annual financial statements audited by Tenant's Accountant in accordance with GAAP covering such Fiscal Year and containing statement of profit and loss, a balance sheet, and statement of cash flows for Tenant, together with (1) a report thereon by such Accountant which report shall be unqualified as to scope of audit of Tenant and its Subsidiaries and shall provide in

substance that (A) such Financial Statements present fairly the consolidated financial position of Tenant and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP and (B) that the audit by such Accountant in connection with such Financial Statements has been made in accordance with GAAP and (2) a certificate, executed by the chief financial officer or treasurer of Tenant certifying that no Tenant Event of Default has occurred or, if a Tenant Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, all of which shall be provided within ninety (90) days after the end of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2017);

(b) quarterly unaudited financial statements, consisting of a statement of profit and loss, a balance sheet, and statement of cash flows for Tenant, together with a certificate, executed by the chief financial officer or treasurer of Tenant (A) certifying that no Tenant Event of Default has occurred or, if a Tenant Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, and (B) certifying that such Financial Statements fairly present, in all material respects, the financial position and results of operations of Tenant and its Subsidiaries on a consolidated basis in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes), all of which shall be provided (x) within sixty (60) days after the end of each of the first three Fiscal Quarters of each Fiscal Year (commencing with the Fiscal Quarter ending March 31, 2018); and

(c) such additional information and unaudited quarterly financial information concerning the Leased Property and Tenant, which information shall be limited to balance sheets, income statements, and statements of cash flow, as Landlord, PropCo 1, PropCo or Landlord REIT may require for any ongoing filings with or reports to (i) the SEC under both the Securities Act and the Exchange Act, including, but not limited to 10-Q Quarterly Reports, 10-K Annual Reports and registration statements to be filed by Landlord, PropCo 1, PropCo or Landlord REIT during the Term of this Lease, (ii) the Internal Revenue Service (including in respect of Landlord REIT's qualification as a "real estate investment trust" (within the meaning of Section 856(a) of the Code)) and (iii) any other federal, state or local regulatory agency with jurisdiction over Landlord, PropCo 1, PropCo or Landlord REIT, in each case of clause (i), (ii) and (iii), subject to Section 23.1(c) below.

(iii) As to Guarantor:

(a) annual financial statements audited by Guarantor's Accountant in accordance with GAAP covering such Fiscal Year and containing statement of profit and loss, a balance sheet, and statement of cash flows for Guarantor, together with (1) a report thereon by such Accountant which report shall be unqualified as to scope of audit of Guarantor and its Subsidiaries and shall provide in substance that (A) such Financial Statements present fairly the consolidated financial position of Guarantor and its Subsidiaries as at the dates indicated and the results of their operations and cash flow for the periods indicated in conformity with GAAP and (B) that the audit by such Accountant in connection with such Financial Statements has been made in accordance with GAAP and (2) a certificate, executed by the chief financial officer or treasurer of Guarantor certifying that no Tenant Event of Default has occurred or, if a Tenant Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, all of which shall be provided within ninety (90) days after the end of each Fiscal Year (commencing with the Fiscal Year ending December 31, 2017);

(b) quarterly unaudited financial statements, consisting of a statement of profit and loss, a balance sheet, and statement of cash flows for Guarantor, together with a certificate, executed by the chief financial officer or treasurer of Guarantor (A) certifying that no Tenant Event of Default has occurred or, if a Tenant Event of Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto, and (B) certifying that such Financial Statements fairly present, in all material respects, the financial position and results

of operations of Guarantor and its Subsidiaries on a consolidated basis in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes), all of which shall be provided (x) within sixty (60) days after the end of each of the first three Fiscal Quarters of each Fiscal Year (commencing with the Fiscal Quarter ending March 31, 2018); and

(c) such additional information and unaudited quarterly financial information concerning the Leased Property and Tenant, which information shall be limited to balance sheets, income statements, and statements of cash flow, as Landlord, PropCo 1, PropCo or Landlord REIT may require for any ongoing filings with or reports to (i) the SEC under both the Securities Act and the Exchange Act, including, but not limited to 10-Q Quarterly Reports, 10-K Annual Reports and registration statements to be filed by Landlord, PropCo 1, PropCo or Landlord REIT during the Term of this Lease, (ii) the Internal Revenue Service (including in respect of Landlord REIT's qualification as a "real estate investment trust" (within the meaning of Section 856(a) of the Code)) and (iii) any other federal, state or local regulatory agency with jurisdiction over Landlord, PropCo 1, PropCo or Landlord REIT, in each case of clause (i), (ii) and (iii), subject to Section 23.1(c) below.

(d) Notwithstanding anything to the contrary contained in this Section 23.1, CRC shall be relieved of its obligations to provide any of the reports in the foregoing clauses so long as (1) CEC (or other parent entity of CRC) reports CEC's (or such other entity's) audited financial statements on a consolidated basis and (2) such financial statements are accompanied by consolidating information that explains in reasonable detail the differences between the information relating to CEC (or such other parent entity), on the one hand, and the information relating to CRC and its subsidiaries on a standalone basis, on the other hand, which consolidating information shall be certified by an officer of CRC as having been fairly presented in all material respects.

(iv) As soon as it is prepared and in no event later than sixty (60) days after the end of each Fiscal Year, a statement of Net Revenue with respect to the prior Lease Year (subject to the additional requirements as provided in Section 3.2 hereof in respect of the periodic determination of the Variable Rent hereunder);

(v) Prompt Notice to Landlord of any action, proposal or investigation by any agency or entity, or complaint to such agency or entity (any of which is called a "Proceeding"), known to Tenant, the result of which Proceeding would reasonably be expected to be to revoke or suspend or terminate or modify in a way adverse to Tenant, or fail to renew or fully continue in effect, (x) any Gaming License, or (y) any other license or certificate or operating authority pursuant to which Tenant carries on any part of the Primary Intended Use of all or any portion of the Leased Property which, in any case under this clause (y) (individually or collectively), would be reasonably expected to cause a material adverse effect on Tenant or in respect of the Facility (and, without limitation, Tenant shall (A) keep Landlord apprised of (1) the status of any annual or other periodic Gaming License renewals, and (2) the status of non-routine matters before any applicable gaming authorities, and (B) promptly deliver to Landlord copies of any and all non-routine notices received (or sent) by Tenant from (or to) any Gaming Authorities);

(vi) Within ten (10) Business Days after the end of each calendar month, a schedule containing any additions to or retirements of any fixed assets constituting Leased Property, describing such assets in summary form, their location, historical cost, the amount of depreciation and any improvements thereto, substantially in the form attached hereto as Exhibit D, and such additional customary and reasonable financial information with respect to such fixed assets constituting Leased Property as is reasonably requested by Landlord, it being understood that Tenant may classify any asset additions in accordance with the fixed asset methodology for propco-opco separation used as of the Commencement Date;

(vii) Within three (3) Business Days of obtaining actual knowledge of the occurrence of a Tenant Event of Default (or of the occurrence of any facts or circumstances which, with the giving of notice or the passage of time would ripen into a Tenant Event of Default and that (individually or collectively would be reasonably expected to result in a material adverse effect on Tenant or in respect of the Facility), a

written notice to Landlord regarding the same, which notice shall include a detailed description of the Tenant Event of Default (or such facts or circumstances) and the actions Tenant has taken or shall take, if any, to remedy such Tenant Event of Default (or such facts or circumstances);

(viii) Such additional customary and reasonable financial information related to the Facility, Tenant, CRC and their Affiliates which shall be limited to balance sheets and income statements, as may be required by any Fee Mortgagee as an Additional Fee Mortgagee Requirement hereunder to the extent required by Section 31.3 (and, without limitation, all information concerning Tenant, CRC and any of their Affiliates, respectively, or the Facility or the business of Tenant conducted thereat required pursuant to the Fee Mortgage Documents, within the applicable timeframes required thereunder);

(ix) The compliance certificates, as and when required pursuant to Section 4.3; and

(x) The Annual Capital Budget as and when required in Section 10.5.

(xi) The monthly revenue and Capital Expenditure reporting required pursuant to Section 10.5(b);

(xii) Together with the monthly reporting required pursuant to the preceding clause (xi), an updated rent roll and a summary of all leasing activity then taking place at the Facility;

(xiii) Operating budget for each Tenant for each Fiscal Year, which shall be delivered to Landlord no later than fifty-five (55) days following the commencement of the Fiscal Year to which such operating budget relates;

(xiv) Within five (5) Business Days after request (or as soon thereafter as may be reasonably possible), such further detailed information reasonably available to Tenant with respect to Tenant as may be reasonably requested by Landlord;

(xv) The quarterly reporting in respect of Bookings required pursuant to Section 22.7 of this Lease;

(xvi) The reporting/copies of Subleases made by Tenant in accordance with Section 22.3;

(xvii) Any notices or reporting required pursuant to Article XXXII hereof or otherwise pursuant to any other provision of this Lease; and

(xviii) The monthly reporting required pursuant to Section 4.1 hereof.

The Financial Statements provided pursuant to Section 23.1(b)(iii) shall be prepared in compliance with applicable federal securities laws, including Regulation S-X (and for any prior periods required thereunder), if and to the extent such compliance with federal securities laws, including Regulation S-X (and for any prior periods required thereunder), is required to enable Landlord, PropCo 1, PropCo or Landlord REIT to (x) file such Financial Statements with the SEC if and to the extent that Landlord, PropCo 1, PropCo or Landlord REIT is required to file such Financial Statements with the SEC pursuant to Legal Requirements or (y) include such Financial Statements in an offering document if and to the extent that Landlord, PropCo 1, PropCo or Landlord REIT is reasonably requested or required to include such Financial Statements in any offering document in connection with a financing contemplated by and to the extent required by Section 23.2(b).

(c) Notwithstanding the foregoing, Tenant shall not be obligated (1) to provide information or assistance that would give Landlord or its Affiliates a "competitive" advantage with respect to markets in which Landlord REIT and Tenant or CRC might be competing at any time (it being understood that Landlord shall retain audit rights with respect to such information to the extent required to confirm Tenant's compliance with the terms of this Lease (and Landlord, PropCo 1, PropCo or Landlord REIT shall be permitted to comply with Securities Exchange Commission,

Internal Revenue Service and other legal and regulatory requirements with regard to such information) and provided that appropriate measures are in place to ensure that only Landlord's auditors and attorneys (and not Landlord or Landlord REIT or any other direct or indirect parent company of Landlord) are provided access to such information) or (2) to provide information that is subject to the quality assurance immunity or is subject to attorney-client privilege or the attorney work product doctrine.

(d) For purposes of this Section 23.1, the terms "CRC", "PropCo 1", "PropCo" and "Landlord REIT" shall mean, in each instance, each of such parties and their respective successors and permitted assigns.

23.2 SEC Filings; Offering Information.

(a) Tenant specifically agrees that Landlord, PropCo 1, PropCo or Landlord REIT may file with the SEC or incorporate by reference the Financial Statements referred to in Section 23.1(b)(ii) and (iii) (and Financial Statements referred to in Section 23.1(b)(ii) and (iii) for any prior annual or quarterly periods as required by any Legal Requirements) in Landlord's, PropCo 1's PropCo's or Landlord REIT's filings made under the Securities Act or the Exchange Act to the extent it is required to do so pursuant to Legal Requirements. In addition, Landlord, PropCo 1, PropCo or Landlord REIT may include, cross-reference or incorporate by reference the Financial Statements (and for any prior annual or quarterly periods as required by any Legal Requirements) and other financial information and such information concerning the operation of the Leased Property (1) which is publicly available or (2) the inclusion of which is approved by Tenant in writing, which approval may not be unreasonably withheld, conditioned or delayed, in offering memoranda or prospectuses or confidential information memoranda, or similar publications or marketing materials, rating agency presentations, investor presentations or disclosure documents in connection with syndications, private placements or public offerings of Landlord's, PropCo 1's, PropCo's or Landlord REIT's securities or loans. Unless otherwise agreed by Tenant, neither Landlord, PropCo 1, PropCo nor Landlord REIT shall revise or change the wording of information previously publicly disclosed by Tenant and furnished to Landlord, PropCo 1, PropCo or Landlord REIT pursuant to Section 23 or this Section 23.2, and Landlord's, PropCo 1's PropCo's or Landlord REIT's Form 10-Q or Form 10-K (or amendment or supplemental report filed in connection therewith) shall not disclose the operational results of the Leased Property prior to CRC's, Tenant's or its Affiliate's public disclosure thereof so long as CRC, Tenant or such Affiliate reports such information in a timely manner in compliance with the reporting requirements of the Exchange Act, in any event, no later than ninety (90) days after the end of each Fiscal Year. Landlord agrees to use commercially reasonable efforts to provide a copy of the portion of any public disclosure containing the Financial Statements, or any cross-reference thereto or incorporation by reference thereof (other than cross-references to or incorporation by reference of Financial Statements that were previously publicly filed), or any other financial information or other information concerning the operation of the Leased Property received by Landlord under this Lease, at least two (2) Business Days in advance of any such public disclosure.

(b) Tenant understands that, from time to time, Landlord, PropCo 1, PropCo or Landlord REIT may conduct one or more financings, which financings may involve the participation of placement agents, underwriters, initial purchasers or other persons deemed underwriters under applicable securities law. In connection with any such financings, Tenant shall, upon the request of Landlord, use commercially reasonable efforts to furnish to Landlord, to the extent reasonably requested or required in connection with any such financings, the information referred to in Section 23.1(b), as applicable and in each case including for any prior annual or quarterly periods as required by any Legal Requirements, as promptly as reasonably practicable after the request therefor (taking into account, among other things, the timing of any such request and any Legal Requirements applicable to Tenant or CRC at such time). In addition, Tenant shall, upon the request of Landlord, use commercially reasonable efforts to provide Landlord and its Representatives with such management representation letters, comfort letters and consents of applicable certified independent auditors to the inclusion of their reports in applicable financing disclosure documents as may be reasonably requested or required in connection with the sale or registration of securities by Landlord, PropCo 1, PropCo or Landlord REIT. Landlord shall reimburse Tenant and CRC, their respective Subsidiaries and their respective Representatives as promptly as reasonably practicable after the request therefor, for any reasonable and actual, documented expenses incurred in connection with any cooperation provided pursuant to this Section 23.2(b) (and, unless any non-compliance with this Lease to more than a de minimis extent is revealed, any exercise by Landlord of audit rights pursuant to Section 23.1(c)) (including, without limitation, reasonable and documented fees and expenses of accountants and attorneys, but excluding, for the avoidance of doubt, any such fees and expenses incurred in the preparation of the

Financial Statements). In addition, Landlord shall indemnify and hold harmless Tenant, CEC and CRC, their respective Subsidiaries and their respective Representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties suffered or incurred by them (collectively, "Losses") in connection with any cooperation provided pursuant to this Section 23.2(b), except to the extent (i) such Losses were suffered or incurred as a result of the bad faith, gross negligence or willful misconduct of any such indemnified person or (ii) such Losses were caused by any untrue statement or alleged untrue statement of a material fact contained in any Financial Statements delivered by Tenant to Landlord hereunder, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading.

23.3 Landlord Obligations

(c) Landlord agrees that, upon request of Tenant, it shall from time to time provide such information as may be reasonably requested by Tenant with respect to Landlord's, PropCo 1's, PropCo's and Landlord REIT's capital structure and/or any financing secured by this Lease or the Leased Property in connection with Tenant's review of the treatment of this Lease under GAAP.

(d) Landlord further understands and agrees that, from time to time, Tenant, CEC, CRC or their respective Affiliates may conduct one or more financings, which financings may involve the participation of placement agents, underwriters, initial purchasers or other persons deemed underwriters under applicable securities law. In connection with any such financings, Landlord shall, upon the request of Tenant, use commercially reasonable efforts to furnish to Tenant, to the extent reasonably requested or required in connection with any such financings, the Financial Statements (and for any prior annual or quarterly periods as required by any Legal Requirements), other financial information and cooperation as promptly as reasonably practicable after the request therefor (taking into account, among other things, the timing of any such request and any Legal Requirements applicable to Landlord, PropCo 1, PropCo or Landlord REIT at such time). In addition, Landlord shall, upon the request of Tenant, use commercially reasonable efforts to provide Tenant and its Representatives with such management representation letters, comfort letters and consents of applicable certified independent auditors to the inclusion of their reports in applicable financing disclosure documents as may be reasonably requested or required in connection with the sale or registration of securities by Tenant, CRC or any of their respective Affiliates. Tenant shall reimburse Landlord, PropCo 1, PropCo, Landlord REIT, their respective Subsidiaries and their respective Representatives as promptly as reasonably practicable after the request therefor, for any reasonable and actual, documented expenses incurred in connection with any cooperation provided pursuant to this Section 23.3(b) (including, in each case, without limitation, reasonable and documented fees and expenses of accountants and attorneys and allocated costs of internal employees but excluding, for the avoidance of doubt, any such fees, expenses and allocated costs incurred in the preparation of the Financial Statements). In addition, Tenant shall indemnify and hold harmless Landlord, PropCo 1, PropCo, Landlord REIT, their respective Subsidiaries and their respective Representatives from and against any and all Losses in connection with any cooperation provided pursuant to this Section 23.3(b), except to the extent (i) such Losses were suffered or incurred as a result of the bad faith, gross negligence or willful misconduct of any such indemnified person or (ii) such Losses were caused by any untrue statement or alleged untrue statement of a material fact contained in any Financial Statements delivered by Landlord to Tenant hereunder, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading.

(e) The Financial Statements provided pursuant to Section 23.3(b) shall be prepared in compliance with applicable federal securities laws, including Regulation S-X (and for any prior periods required thereunder), if and to the extent such compliance with federal securities laws, including Regulation S-X (and for any prior periods required thereunder), is required to enable Tenant or CRC or their respective Affiliates to (x) file such Financial Statements with the SEC if and to the extent that Tenant or CRC is required to file such Financial Statements with the SEC pursuant to Legal Requirements or (y) include such Financial Statements in an offering document if and to the extent that Tenant or CRC or their respective affiliates is reasonably requested or required to include such Financial Statements in any offering document in connection with a financing contemplated by and to the extent required by Section 23.3(b).

ARTICLE XXIV

LANDLORD'S RIGHT TO INSPECT

Upon reasonable advance written notice to Tenant, Tenant shall permit Landlord and its authorized representatives (including any Fee Mortgagee and its representatives) to inspect the Leased Property or any portion thereof during reasonable times (or at such time and with such notice as shall be reasonable in the case of an emergency) (and Tenant shall be permitted to have any such representatives of Landlord accompanied by a representative of Tenant). Landlord shall take reasonable care to minimize disturbance of the operations on the applicable portion of the Leased Property.

ARTICLE XXV
NO WAIVER

No delay, omission or failure by Landlord to insist upon the strict performance of any term hereof or to exercise any right, power or remedy hereunder and no acceptance of full or partial payment of Rent during the continuance of any default or Tenant Event of Default shall impair any such right or constitute a waiver of any such breach or of any such term. No waiver of any breach shall affect or alter this Lease, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

ARTICLE XXVI
REMEDIES CUMULATIVE

To the extent permitted by law, each legal, equitable or contractual right, power and remedy of Landlord now or hereafter provided either in this Lease or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power and remedy and the exercise or beginning of the exercise by Landlord of any one or more of such rights, powers and remedies shall not preclude the simultaneous or subsequent exercise by Landlord of any or all of such other rights, powers and remedies.

ARTICLE XXVII
ACCEPTANCE OF SURRENDER

No surrender to Landlord of this Lease or of the Leased Property or any part thereof, or of any interest therein, shall be valid or effective unless agreed to and accepted in writing by Landlord, and no act by Landlord or any representative or agent of Landlord, other than such a written acceptance by Landlord, shall constitute an acceptance of any such surrender.

ARTICLE XXVIII
NO MERGER

There shall be no merger of this Lease or of the Leasehold Estate created hereby by reason of the fact that the same Person may acquire, own or hold, directly or indirectly, (i) this Lease or the Leasehold Estate created hereby or any interest in this Lease or such Leasehold Estate and (ii) the fee estate in the Leased Property or any portion thereof. If Landlord or any Affiliate of Landlord shall purchase any fee or other interest in the Leased Property or any portion thereof that is superior to the interest of Landlord, then the estate of Landlord and such superior interest shall not merge.

ARTICLE XXIX
INTENTIONALLY OMITTED

ARTICLE XXX
QUIET ENJOYMENT

So long as no Tenant Event of Default shall have occurred and be continuing, Tenant shall peaceably and quietly have, hold and enjoy the Leased Property for the Term, free of any claim or other action by Landlord or anyone claiming by, through or under Landlord, but subject (i) to the provisions, terms and conditions of this Lease, and (ii) to all liens and encumbrances existing as of the Commencement Date, or thereafter as provided for in this Lease or

consented to by Tenant. No failure by Landlord to comply with the foregoing covenant shall give Tenant any right to cancel or terminate this Lease or abate, reduce or make a deduction from or offset against the Rent or any other sum payable under this Lease, or to fail to perform any other obligation of Tenant hereunder. Notwithstanding the foregoing, Tenant shall have the right, by separate and independent action to pursue any claim it may have against Landlord as a result of a breach by Landlord of the covenant of quiet enjoyment contained in this Article XXX.

ARTICLE XXXI
LANDLORD FINANCING

31.1 Landlord's Financing.

(a) Without the consent of Tenant (but subject to the remainder of this Section 31.1), Landlord may from time to time, directly or indirectly, create or otherwise cause to exist any Fee Mortgage upon all of the Leased Property (other than de minimis portions thereof that are not capable of being assigned or transferred) (or upon interests in Landlord which are pledged pursuant to a mezzanine loan or similar financing arrangement). This Lease is and at all times shall be subordinate to any Existing Fee Mortgage and any other Fee Mortgage which may hereafter affect the Leased Property or any portion thereof or interest therein and in each case to all renewals, modifications, consolidations, replacements, restatements and extensions thereof or any parts or portions thereof; provided, however, that the subordination of this Lease and Tenant's leasehold interest hereunder to any new Fee Mortgage hereafter made, shall be conditioned and occur only upon the execution and delivery to Tenant by the respective Fee Mortgagee of a commercially reasonable subordination, nondisturbance and attornment agreement that is reasonably acceptable to Tenant, which will bind Tenant and such Fee Mortgagee and its successors and assigns as well as any person who acquires any portion of the Leased Property in a foreclosure or similar proceeding or in a transfer in lieu of any such foreclosure or a successor owner of the Leased Property (each, a "Foreclosure Purchaser") and which shall provide, among other things, that so long as there is no outstanding and continuing Tenant Event of Default under this Lease (or, if there is a continuing Tenant Event of Default, subject to the rights granted to a Permitted Leasehold Mortgagee as expressly set forth in this Lease), the holder of such Fee Mortgage, and any Foreclosure Purchaser shall not disturb Tenant's leasehold interest or possession of the Leased Property, subject to and in accordance with the terms hereof, and shall give effect to this Lease, including, but not limited to, the provisions of Article XVII which benefit any Permitted Leasehold Mortgagee (as if such Fee Mortgagee or Foreclosure Purchaser were the landlord under this Lease (it being understood that if a Tenant Event of Default has occurred and is continuing at such time, such parties shall be subject to the terms and provisions hereof concerning the exercise of rights and remedies upon such Tenant Event of Default including the provisions of Articles XVI, XVII and XXXVI)). In connection with the foregoing and at the request of Landlord, Tenant shall promptly execute a subordination, nondisturbance and attornment agreement that contains commercially reasonable provisions, terms and conditions and that is reasonably acceptable to Tenant and Landlord, in all events complying with this Section 31.1. In connection with any subsequent Fee Mortgage, as a condition to the Fee Mortgagee holding any Fee Mortgage Reserve Accounts, Tenant and such Fee Mortgagee shall have entered into a subordination, nondisturbance and attornment agreement as provided in this Section 31.1(a).

(b) If, in connection with obtaining any Fee Mortgage or entering into any agreement relating thereto, Landlord shall request in writing (i) reasonable cooperation from Tenant or (ii) reasonable amendments or modifications to this Lease, in each case required to comply with any reasonable request made by Fee Mortgagee, Tenant shall reasonably cooperate with such request, so long as (I) no default in any material respect by Landlord beyond applicable cure periods is continuing, (II) all reasonable documented out-of-pocket costs and expenses incurred by Tenant in connection with such cooperation, including, but not limited to, its reasonable documented attorneys' fees, shall be paid by Landlord and (III) any requested action, including any amendments or modification of this Lease, shall not (a) increase Tenant's monetary obligations under this Lease by more than a de minimis extent, or increase Tenant's non-monetary obligations under this Lease in any material respect or decrease Landlord's obligations in any material respect, (b) diminish Tenant's rights under this Lease in any material respect, (c) adversely impact the value of the Leased Property by more than a de minimis extent or otherwise have a more than de minimis adverse effect on the Leased Property, Tenant or Landlord, (d) result in this Lease not constituting a "true lease", or (e) result in a default under any Permitted Leasehold Mortgage. The foregoing is not intended to vitiate or supersede the provisions, terms and conditions of Section 31.1 hereof.

31.2 Attornment. If either (a) Landlord's interest in the Leased Property or any portion thereof or interest therein is sold, conveyed or terminated upon the exercise of any remedy provided for in any Fee Mortgage Documents (or in lieu of such exercise) or (b) equity interests in Landlord are sold or conveyed upon the exercise of any remedy provided for in any Fee Mortgage Documents (or in lieu of such exercise), or otherwise by operation of law, then, at the request and option of the new owner or superior lessor, as the case may be, Tenant shall attorn to and recognize the new owner or superior lessor as Tenant's "landlord" under, and on the terms and conditions set forth, in this Lease.

31.3 Compliance with Fee Mortgage Documents.

(a) Tenant acknowledges that any Fee Mortgage Documents executed by Landlord or any Affiliate of Landlord may impose certain obligations on the "borrower" or other counterparty thereunder to comply with, or cause the operator and/or lessee of the Leased Property to comply with, certain reasonable covenants contained therein, including, without limitation, covenants relating to (i) the alteration, maintenance, repair and restoration of the Leased Property; (ii) maintenance and submission of financial records and accounts of the operation of the Leased Property and financial and other information regarding the operator and/or lessee of the Leased Property and the Leased Property itself and other portions of the Facility; (iii) the procurement of insurance policies with respect to the Leased Property; (iv) removal of liens and encumbrances; (v) subleasing, management and related activities; and (vi) without limiting the foregoing, compliance with all applicable Legal Requirements (including Gaming Regulations) relating to the Leased Property and the operation of the business thereon or therein. From and after the date any Fee Mortgage encumbers the Leased Property (or any portion thereof or interest therein), and Landlord has provided Tenant with true and complete copies thereof and, if Landlord elects, of any applicable Fee Mortgage Documents (for informational purposes only, but not for Tenant's approval), accompanied by a written request for Tenant to comply with the Additional Fee Mortgagee Requirements (hereinafter defined) (which request shall expressly reference this Section 31.3 and expressly identify the Fee Mortgage Documents and sections thereof containing the Additional Fee Mortgagee Requirements), and continuing until the first to occur of (1) such Fee Mortgage Documents ceasing to remain in full force and effect by reason of satisfaction in full of the indebtedness thereunder or foreclosure or similar exercise of remedies or otherwise), (2) the Expiration Date, (3) such time as Tenant's compliance with the Additional Fee Mortgagee Requirements would constitute or give rise to a breach or violation of (x) this Lease, and not otherwise waived by Landlord, (y) Legal Requirements (including Gaming Regulations and Liquor Laws), or (z) any Permitted Leasehold Mortgage (not waived by the applicable Permitted Leasehold Mortgagee), provided, however, with respect to this clause (z), Tenant shall not be relieved of its obligation to comply with (A) the terms of the Additional Fee Mortgagee Requirements in effect as of the Commencement Date (whether embodied in the Existing Fee Mortgage or related Fee Mortgage Documents or in any future Fee Mortgage or related Fee Mortgage Documents containing the applicable corresponding terms), nor (B) any Additional Fee Mortgagee Requirements (other than any Additional Fee Mortgagee Requirements covered under the preceding clause (A)) in effect as of the time when the Permitted Leasehold Mortgage was obtained, and (4) Tenant receives written direction from Landlord, any Fee Mortgagee or any governmental authority requesting or instructing Tenant to cease complying with the Additional Fee Mortgagee Requirements, (provided, prior to ceasing compliance with any Additional Fee Mortgagee Requirements under the preceding clauses (3) and (4), Tenant shall first provide Landlord with prior written notice together with, (x) if acting pursuant to clause (3), reasonably detailed materials evidencing that such compliance constitutes such a breach, and (y) if acting pursuant to clause (4), a copy of the applicable communication(s) from such Fee Mortgagee or governmental authority, as applicable, and Tenant shall in such event only cease compliance with the specific Additional Fee Mortgage Requirements in question under clause (3) or that are covered by the written direction under clause (4), as applicable) (such time period, the "Additional Fee Mortgagee Requirements Period"), Tenant covenants and agrees, at its sole cost and expense and for the express benefit of Landlord (and not, for the avoidance of doubt, any Fee Mortgagee, which shall not be construed to be a third-party beneficiary of this Lease, provided, however, this parenthetical provision is not intended to vitiate Tenant's obligation to perform any or all of the Additional Fee Mortgagee Requirements directly for the benefit of any Fee Mortgagee as and to the extent agreed to by Tenant in an agreement entered into directly between Tenant and such Fee Mortgagee), to operate the Leased Property (or cause the Leased Property to be operated) in compliance with the Additional Fee Mortgagee Requirements of which it has received written notice. For the avoidance of doubt, notwithstanding anything to the contrary herein, Tenant shall not be required to comply with and shall not have any other obligations with respect to any terms or conditions of, or amendments or modifications to, any Fee Mortgage or other Fee Mortgage Documents that do not constitute Additional Fee Mortgagee Requirements; provided, however, that the foregoing shall not be deemed to release Tenant from its obligations under this Lease that do not derive from

the Fee Mortgage Documents, whether or not such obligations are duplicative of those set forth in the Fee Mortgage Documents.

(b) As used herein, "Additional Fee Mortgagee Requirements" means those customary requirements as to the operation of the Leased Property and the business thereon or therein which the Fee Mortgage Documents impose (x) directly upon, or require Landlord (or Landlord's Affiliate borrower thereunder) to impose upon, the tenant(s) and/or operator(s) of the Leased Property or (y) directly upon Landlord, but which, by reason of the nature of the obligation(s) imposed and the nature of Tenant's occupancy and operation of the Leased Property and the business conducted thereupon, are not reasonably susceptible of being performed by Landlord and are reasonably susceptible of being performed by Tenant (excluding, for the avoidance of doubt, payment of any indebtedness or other obligations evidenced or secured thereby) and, except with respect to the Existing Fee Mortgage (of which Tenant is deemed to have received written notice) of which Tenant has received written notice; provided, however, that, notwithstanding the foregoing, Additional Fee Mortgagee Requirements shall not include or impose on Tenant (and Tenant will not be subject to) obligations which (a) are not customary for Landlord financings of the type contemplated under the applicable Fee Mortgage Documents, (b) increase Tenant's monetary obligations under this Lease to more than a de minimis extent (it being agreed that making Rent payments otherwise payable to Landlord into a "lockbox" account designated by a Fee Mortgagee shall not be deemed to increase Tenant's monetary obligations under the Lease), (c) increase Tenant's non-monetary obligations under this Lease in any material respect, or (d) diminish Tenant's rights under this Lease in any material respect (it being agreed that none of the provisions, terms and conditions of the Existing Fee Mortgage Documents violate any of the preceding clauses (a) through (d)).

(c) Any proposed implementation of any additional financial covenants (i.e., a requirement that Tenant must meet certain specified performance tests of a financial nature, e.g., meeting a threshold EBITDAR, Net Revenue, financial ratio or similar test) that are imposed on Tenant shall not constitute Additional Fee Mortgagee Requirements (it being understood that Landlord may agree to such financial covenants being imposed in any Fee Mortgage Documents so long as such financial covenants will not impose additional obligations on Tenant to comply therewith). For the avoidance of doubt, Additional Fee Mortgagee Requirements may include (to the extent consistent with the foregoing definition of Additional Fee Mortgagee Requirements) requirements of Tenant to:

(ix) make Rent payments into "lockbox accounts" maintained for the benefit of Fee Mortgagee; and/or

(x) subject to this Section 31.3, perform other actions consistent with the obligations described in the first sentence of this Section 31.3

(d) In the event Tenant breaches its obligations to comply with Additional Fee Mortgagee Requirements as described herein (without regard to any notice or cure period under the Fee Mortgage Documents and without regard to whether a default or event of default has occurred as a result thereof under the Fee Mortgage Documents), Landlord shall have the right, following the failure of Tenant to cure such breach within twenty (20) days from receipt of written notice to Tenant from Landlord of such breach (except to the extent the breach is of a nature such that it is not practicable for Landlord to provide such prior written notice, in which event Landlord shall provide written notice as soon as practicable), to cure such breach, in which event Tenant shall reimburse Landlord for Landlord's reasonable costs and expenses incurred in connection with curing such breach.

(e) To the extent of any conflict between the terms and provisions of any agreement to which Landlord, Tenant and Fee Mortgagee are parties and the terms and provisions of this Section 31.3, the terms and provisions of such agreement shall govern and control in accordance with its terms.

ARTICLE XXXII
ENVIRONMENTAL COMPLIANCE

32.1 Hazardous Substances. Tenant shall not allow any Hazardous Substance to be located in, on, under or about the Leased Property or any portion thereof or incorporated into the Facility; provided however that Hazardous Substances may be (i) brought, kept, used or disposed of in, on or about the Leased Property in quantities and for

purposes similar to those brought, kept, used or disposed of in, on or about similar facilities used for purposes similar to the Primary Intended Use or in connection with the construction of facilities similar to the Leased Property and (ii) disposed of in strict compliance with Legal Requirements (other than Gaming Regulations). Tenant shall not allow the Leased Property or any portion thereof to be used as a waste disposal site or for the manufacturing, handling, storage, distribution or disposal of any Hazardous Substance other than in the ordinary course of the business conducted at the Leased Property and in compliance with applicable Legal Requirements (other than Gaming Regulations).

32.2 **Notices**. Each of Landlord and Tenant shall provide to the other party, as soon as reasonably practicable but in no event later than fifteen (15) days after Tenant's or Landlord's receipt thereof, a copy of any notice, notification or request for information with respect to, (i) any violation of a Legal Requirement (other than Gaming Regulations) relating to, or Release of, Hazardous Substances located in, on, or under the Leased Property or any portion thereof or any adjacent property; (ii) any enforcement, cleanup, removal, or other governmental or regulatory action instituted, completed or threatened in writing with respect to the Leased Property or any portion thereof; (iii) any material claim made or threatened in writing by any Person against Tenant, Landlord or the Leased Property or any portion thereof relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from or claimed to result from any Hazardous Substance; and (iv) any reports made to any federal, state or local environmental agency arising out of or in connection with any Hazardous Substance in, on, under or removed from the Leased Property or any portion thereof, including any written complaints, notices, warnings or assertions of violations in connection therewith.

32.3 **Remediation**. If either Landlord or Tenant become aware of a violation of any Legal Requirement (other than Gaming Regulations) relating to any Hazardous Substance in, on, under or about the Leased Property or any portion thereof or any adjacent property, or if Tenant, Landlord or the Leased Property or any portion thereof becomes subject to any order of any federal, state or local agency to repair, close, detoxify, decontaminate or otherwise remediate the Leased Property, Landlord or Tenant, as applicable, shall promptly notify the other Party of such event and, at Tenant's sole cost and expense, Tenant shall cure such violation or effect such repair, closure, detoxification, decontamination or other remediation. If Tenant fails to diligently pursue, implement and complete any such cure, repair, closure, detoxification, decontamination or other remediation, which failure continues after notice and expiration of applicable cure periods, Landlord shall have the right, but not the obligation, to carry out such action and to recover from Tenant all of Landlord's costs and expenses incurred in connection therewith.

32.4 **Indemnity**. Tenant shall indemnify, defend, protect, save, hold harmless, and reimburse Landlord for, from and against any and all actual out-of-pocket costs, losses (including, losses of use or economic benefit or diminution in value), liabilities, damages, assessments, lawsuits, deficiencies, demands, claims and expenses (collectively, "Environmental Costs") (whether or not arising out of third-party claims and regardless of whether liability without fault is imposed, or sought to be imposed, on Landlord) incurred in connection with, arising out of, resulting from or incident to, directly or indirectly, in each case before or (except to the extent first discovered after the end of the Term) during (but not if first occurring after) the Term (i) the production, use, generation, storage, treatment, transporting, disposal, discharge, Release or other handling or disposition of any Hazardous Substances from, in, on or under the Leased Property or any portion thereof (collectively, "Handling"), including the effects of such Handling of any Hazardous Substances on any Person or property within or outside the boundaries of the Leased Property, (ii) the presence of any Hazardous Substances in, on or under the Leased Property and (iii) the violation of any Environmental Law. "Environmental Costs" include interest, costs of response, removal, remedial action, containment, cleanup, investigation, design, engineering and construction, damages (including actual and consequential damages) for personal injuries and for injury to, destruction of or loss of property or natural resources, relocation or replacement costs, penalties, fines, charges or expenses, reasonable attorney's fees, reasonable expert fees, reasonable consultation fees, and court costs, and all amounts paid in investigating, defending or settling any of the foregoing, as applicable. Tenant's indemnity hereunder shall survive the termination of this Lease, but in no event shall Tenant's indemnity apply to Environmental Costs incurred in connection with, arising out of, resulting from or incident to matters first occurring after the later of (x) the end of the Term and (y) the date upon which Tenant shall have vacated the Leased Property and surrendered the same to Landlord, in each case to the extent such matters are not or were not caused by the acts or omissions of Tenant in breach of this Lease.

Without limiting the scope or generality of the foregoing, Tenant expressly agrees that, in the event of a breach by Tenant in its obligations under Sections 32.1-32.3 that is not cured within any applicable cure period, Tenant shall reimburse Landlord for any and all reasonable costs and expenses incurred by Landlord in connection with, arising out of, resulting from or incident to (directly or indirectly, before or during (but not if first occurring after) the Term) the following:

(a) investigating any and all matters relating to the Handling of any Hazardous Substances, in, on, from or under the Leased Property or any portion thereof;

(b) bringing the Leased Property into compliance with all Legal Requirements, and

(c) removing, treating, storing, transporting, cleaning-up and/or disposing of any Hazardous Substances used, stored, generated, released or disposed of in, on, from, under or about the Leased Property or off-site other than in the ordinary course of the business conducted at the Leased Property and in compliance with applicable Legal Requirements.

If any claim is made by Landlord for reimbursement for Environmental Costs incurred by it hereunder, Tenant agrees to pay such claim promptly, and in any event to pay such claim within sixty (60) calendar days after receipt by Tenant of written notice thereof and any amount not so paid within such sixty (60) calendar day period shall bear interest at the Overdue Rate from the date due to the date paid in full.

32.5 Environmental Inspections. In the event Landlord has a reasonable basis to believe that Tenant is in breach of its obligations under Sections 32.1 through 32.4, Landlord shall have the right, from time to time, during normal business hours and upon not less than five (5) Business Days written notice to Tenant (except in the case of an emergency that constitutes an imminent threat to human health or safety or damage to property, in which event Landlord shall undertake reasonable efforts to notify a representative of Tenant as soon as practicable under the circumstances), to conduct an inspection of the Leased Property or any portion thereof (and Tenant shall be permitted to have Landlord or its representatives accompanied by a representative of Tenant) to determine the existence or presence of Hazardous Substances on or about the Leased Property or any portion thereof. In the event Landlord has a reasonable basis to believe that Tenant is in breach of its obligations under Sections 32.1 through 32.4, Landlord shall have the right to enter and inspect the Leased Property or any portion thereof, conduct any testing, sampling and analyses it reasonably deems necessary and shall have the right to inspect materials brought into the Leased Property or any portion thereof. Landlord may, in its discretion, retain such experts to conduct the inspection, perform the tests referred to herein, and to prepare a written report in connection therewith if Landlord has a reasonable basis to believe that Tenant is in breach of its obligations under Sections 32.1 through 32.4. All costs and expenses incurred by Landlord under this Section 32.6 shall be the responsibility of Landlord, except solely to the extent Tenant has breached its obligations under Sections 32.1 through 32.5, in which event such reasonable costs and expenses shall be paid by Tenant to Landlord as provided in Section 32.4. Failure to conduct an environmental inspection or to detect unfavorable conditions if such inspection is conducted shall in no fashion constitute a release of any liability for environmental conditions subsequently determined to be associated with or to have occurred during Tenant's tenancy. Tenant shall remain liable for any environmental condition related to or having occurred during its tenancy regardless of when such conditions are discovered and regardless of whether or not Landlord conducts an environmental inspection at the termination of this Lease. The obligations set forth in this Article XXXII shall survive the expiration or earlier termination of this Lease but in no event shall Article XXXII apply to matters first occurring after the later of (x) the end of the Term and (y) the date upon which Tenant shall have vacated the Leased Property and surrendered the same to Landlord, in each case to the extent such matters are not or were not caused by the acts or omissions of Tenant in breach of this Lease.

ARTICLE XXXIII
MEMORANDUM OF LEASE

Landlord and Tenant shall, promptly upon the request of either Party, enter into one or more short form memoranda of this Lease, in form suitable for recording in each county or other applicable location in which the Leased Property is located. Each Party shall bear its own costs in negotiating and finalizing such memoranda, but

Tenant shall pay all costs and expenses of recording any such memorandum and shall fully cooperate with Landlord in removing from record any such memorandum upon the Expiration Date.

ARTICLE XXXIV
DISPUTE RESOLUTION

34.1 **Expert Valuation Process**. Whenever a determination of Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value is required pursuant to any provision of this Lease, and where Landlord and Tenant have not been able to reach agreement on such Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value either (i) with respect to Fair Market Rental Value applicable to a Renewal Term, within three hundred seventy (370) days prior to the commencement date of a Renewal Term or (ii) for all other purposes, after at least fifteen (15) days of good faith negotiations, then either Party shall each have the right to seek, upon written notice to the other Party (the "Expert Valuation Notice"), which notice clearly identifies that such Party seeks, to have such Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value determined in accordance with the following Expert Valuation Process:

(a) Within twenty (20) days of the receiving Party's receipt of the Expert Valuation Notice, Landlord and Tenant shall provide notice to the other Party of the name, address and other pertinent contact information, and qualifications of its selected appraiser (which appraiser must be an independent qualified MAI appraiser (i.e., a Member of the Appraisal Institute)).

(b) As soon as practicable following such notice, and in any event within twenty (20) days following their selection, each appraiser shall prepare a written appraisal of Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be) as of the relevant date of valuation, and deliver the same to its respective client. Representatives of the Parties shall then meet and simultaneously exchange copies of such appraisals. Following such exchange, the appraisers shall promptly meet and endeavor to agree upon Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be) based on a written appraisal made by each of them (and given to Landlord by Tenant). If such two appraisers shall agree upon a Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value, as applicable, such agreed amount shall be binding and conclusive upon Landlord and Tenant.

(c) If such two appraisers are unable to agree upon a Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be) within five (5) Business Days after the exchange of appraisals as aforesaid, then such appraisers shall advise Landlord and Tenant of the same and, within twenty (20) days of the exchange of appraisals, select a third appraiser (which third appraiser, however selected, must be an independent qualified MAI appraiser) to make the determination of Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value. The selection of the third appraiser shall be binding and conclusive upon Landlord and Tenant.

(d) If such two appraisers shall be unable to agree upon the designation of a third appraiser within the twenty (20) day period referred to in clause (c) above, or if such third appraiser does not make a determination of Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be) within thirty (30) days after his or her selection, then such third appraiser (or a substituted third appraiser, as applicable) shall, at the request of either Party, be appointed by the Appointing Authority and such appointment shall be final and binding on Landlord and Tenant. The determination of Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be) made by the third appraiser appointed pursuant hereto shall be made within twenty (20) days after such appointment.

(e) If a third appraiser is selected, Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be) shall be the average of (x) the determination of Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be) made by the third appraiser and (y) the determination of Fair Market

Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be) made by the appraiser (selected pursuant to Section 34.1(b)) whose determination of Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be) is nearest to that of the third appraiser. Such average shall be binding and conclusive upon Landlord and Tenant as being the Fair Market Ownership Value or Fair Market Base Rental Value or Fair Market Rental Value or Fair Market Property Value (as the case may be).

(f) In determining Fair Market Ownership Value of the Leased Property as a whole, the appraisers shall (in addition to taking into account the criteria set forth in the definition of Fair Market Ownership Value), add (i) the present value of the Rent for the remaining Term, assuming the Term has been extended for all Renewal Terms provided herein (with assumed increases in the CPI to be determined by the appraisers) using a discount rate (which may be determined by an investment banker retained by each appraiser) based on the credit worthiness of Tenant and any guarantor of Tenant's obligations hereunder and (ii) the present value of the Leased Property as of the end of such Term (having assumed the Term has been extended for all extension periods provided herein). The appraisers shall further assume that no default then exists under the Lease, that Tenant has complied (and will comply) with all provisions of the Lease, and that no default exists under any guaranty of Tenant's obligations hereunder.

(g) In determining Fair Market Rental Value, the appraisers shall (in addition to the criteria set forth in the definition thereof) take into account: (i) the age, quality and condition (as required by the Lease) of the Improvements; (ii) that the Leased Property will be leased as a whole or substantially as a whole to a single user; (iii) when determining the Fair Market Rental Value for any Renewal Term, a lease term of five (5) years together with such options to renew as then remains hereunder; (iv) an absolute triple net lease; and (v) such other items that professional real estate appraisers customarily consider.

(h) [Reserved].

(i) If, by virtue of any delay, Fair Market Rental Value is not determined by the first (1st) day of the applicable Renewal Term, then until Fair Market Rental Value is determined, Tenant shall continue to pay Rent during the succeeding Renewal Term in the same amount which Tenant was obligated to pay prior to the commencement of the Renewal Term. Upon determination of Fair Market Rental Value, Rent shall be calculated retroactive to the commencement of the Renewal Term and Tenant shall either receive a refund from Landlord (in the case of an overpayment) or shall pay any deficiency to Landlord (in the case of an underpayment) within thirty (30) days of the date on which the determination of Fair Market Rental Value becomes binding.

(j) The cost of the procedure described in this Section 34.1 shall be borne equally by the Parties and the Parties will reasonably coordinate payment; provided, that if Landlord pays such costs, fifty percent (50%) of such costs shall be Additional Charges hereunder and if Tenant pays such costs, fifty percent (50%) of such costs shall be a credit against the next Rent payment hereunder.

34.2 Arbitration. In the event of a dispute with respect to this Lease pursuant to an Arbitration Provision, or in any case when this Lease expressly provides for the settlement or determination of a dispute or question by an Expert pursuant to this Section 34.2 (in any such case, a "Section 34.2 Dispute") such dispute shall be determined in accordance with an arbitration proceeding as set forth in this Section 34.2.

(a) Any Section 34.2 Dispute shall be determined by an arbitration panel comprised of three members, each of whom shall be an Expert (the "Arbitration Panel"). No more than one panel member may be with the same firm and no panel member may have an economic interest in the outcome of the arbitration.

The Arbitration Panel shall be selected as set forth in this Section 34.2(b). If a Section 34.2 Dispute arises and if Landlord and Tenant are not able to resolve such dispute after at least fifteen (15) days of good faith negotiations, then either Party shall each have the right to submit the dispute to the Arbitration Panel, upon written notice to the other Party (the "Arbitration Notice"). The Arbitration Notice shall identify one member of the Arbitration Panel who meets the criteria of the above paragraph. Within five (5) Business Days after the receipt of the Arbitration Notice, the Party receiving such Arbitration Notice shall respond in writing identifying one member of the Arbitration Panel who meets

the criteria of the above paragraph. Such notices shall include the name, address and other pertinent contact information, and qualifications of its member of the Arbitration Panel. If a Party fails to timely select its respective panel member, the other Party may notify such Party in writing of such failure, and if such Party fails to select its respective panel member within three (3) Business Days after receipt of such notice, then such other Party may select and identify to such Party such panel member on such Party's behalf. The third member of the Arbitration Panel will be selected by the two (2) members of the Arbitration Panel who were selected by Landlord and Tenant; provided, that if, within five (5) Business Days after they are identified, they fail to select a third member, or if they are unable to agree on such selection, Landlord and Tenant shall cause the third member of the Arbitration Panel to be appointed by the managing officer of the American Arbitration Association.

(b) Within ten (10) Business Days after the selection of the Arbitration Panel, Landlord and Tenant each shall submit to the Arbitration Panel a written statement identifying its summary of the issues. Landlord and Tenant may also request an evidentiary hearing on the merits in addition to the submission of written statements. The Arbitration Panel shall make its decision within twenty (20) days after the later of (i) the submission of such written statements, and (ii) the conclusion of any evidentiary hearing on the merits. The Arbitration Panel shall reach its decision by majority vote and shall communicate its decision by written notice to Landlord and Tenant.

(c) [Reserved]

(d) The decision by the Arbitration Panel shall be final, binding and conclusive and shall be non-appealable and enforceable in any court having jurisdiction. All hearings and proceedings held by the Arbitration Panel shall take place in New York, New York unless otherwise mutually agreed by the Parties and the Arbitration Panel.

(e) The resolution procedure described herein shall be governed by the Commercial Rules of the American Arbitration Association and the Procedures for Large, Complex, Commercial Disputes in effect as of the Commencement Date.

(f) Landlord and Tenant shall bear equally the fees, costs and expenses of the Arbitration Panel in conducting any arbitration described in this Section 34.2.

ARTICLE XXXV
NOTICES

Any notice, request, demand, consent, approval or other communication required or permitted to be given by either Party hereunder to the other Party shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or express courier service, by email transmission or by an overnight express service to the following address:

To Tenant:
Harrah's Las Vegas, LLC
One Caesars Palace Drive
Las Vegas, NV 89109
Attention: General Counsel
Email: corplaw@caesars.com

To Landlord:
Claudine Propco LLC
8329 West Sunset Road, Suite 210
Las Vegas, NV 89113
Attention: General Counsel
Email: corplaw@viciproperties.com

or to such other address as either Party may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by email shall be deemed given only upon an independent, non-automated confirmation from the recipient acknowledging receipt.

ARTICLE XXXVI
END OF TERM SUCCESSOR ASSET TRANSFER

36.1 **Transfer of Tenant's Property and Operational Control of the Facility**. Upon the written request (an "End of Term Asset Transfer Notice") of Landlord in connection with the expiration of this Lease on the Stated Expiration Date or the earlier termination of the Term, or of Tenant in connection with a termination of this Lease that occurs (i) on the Stated Expiration Date, or (ii) in the event Landlord exercises its right to terminate this Lease or repossess the Leased Property in accordance with the terms of this Lease and, provided in each of the foregoing clauses (i) or (ii) that Tenant complies with the provisions of Section 36.3, Tenant shall transfer (or cause to be transferred) upon the expiration of the Term, or as soon thereafter as Landlord shall request, the business operations (which will include a two (2) year transition license for Property Specific IP used at or in connection with the Facility) conducted by Tenant and its Subsidiaries at the Facility (including, for the avoidance of doubt, all Tenant's Property relating to the Facility but excluding (x) each license, permit, sublease, concession or contract, the transfer of which would constitute a breach or default under or violate such license, permit, sublease, concession or contract and (y) all Intellectual Property (other than Property Specific IP to the extent provided in Section 36.4) (collectively, the "Excluded Items") (collectively the "Successor Assets") to a successor lessee or operator (or lessees or operators) of the Facility (collectively, the "Successor Tenant") designated pursuant to Section 36.3 for consideration to be received by Tenant (or its Subsidiaries) from the Successor Tenant in an amount equal to the fair market value of such business operations (which will include a two (2) year transition license for the Property Specific IP used at or in connection with the Facility) conducted at the Facility and Tenant's Property (including any Tenant Capital Improvements not funded by Landlord in accordance with Section 10.3 and excluding all Excluded Items) (the "Successor Assets FMV") as negotiated and agreed by Tenant and the Successor Tenant; provided, however, that in the event an End of Term Asset Transfer Notice is delivered hereunder, then notwithstanding the expiration or earlier termination of the Term, until such time that Tenant transfers the business operations conducted at the Facility and Tenant's Property (but excluding the Excluded Items) to a Successor Tenant, Tenant shall (or shall cause its Subsidiaries, if applicable, to) continue to possess and operate the Facility (and Landlord shall permit Tenant to maintain possession of the Leased Property (including, if necessary, by means of a written extension of this Lease or license agreement or other written agreement) to the extent necessary to operate the Facility) in accordance with the applicable terms of this Lease and the course and manner in which Tenant (or its Subsidiaries) has operated the Facility prior to the end of the Term (including, but not limited to, the payment of Rent hereunder) which shall be calculated as provided in this Lease, except, that for any period following the last day of the calendar month in which the thirty-fifth (35th) anniversary of the Commencement Date occurs, the Rent shall be a per annum amount equal to the sum of (A) the amount of the Base Rent hereunder during the Lease Year in which the Expiration Date occurs, multiplied by the Escalator, and increased on each anniversary of the Expiration Date to be equal to the Rent payable for the immediately preceding year, multiplied by the Escalator, plus (B) the amount of the Variable Rent hereunder during the Lease Year in which the Expiration Date occurs (the period described in this proviso, the "Transition Period"). If Tenant and a potential Successor Tenant designated by Landlord cannot agree on the Successor Assets FMV within a reasonable time not to exceed thirty (30) days after receipt of an End of Term Asset Transfer Notice hereunder, then such Successor Assets FMV shall be determined, and Tenant's transfer of the Successor Assets to a Successor Tenant in consideration for a payment in such amount shall be determined and transferred, in accordance with the provisions of Section 36.1.

36.2 **[Reserved]**

36.3 **Determination of Successor Lessee and Successor Assets FMV**. If not effected pursuant to Section 36.1, then the determination of the Successor Assets FMV and the transfer of Tenant's Property (but excluding the Excluded Items) to a Successor Tenant in consideration for the Successor Assets FMV shall be effected by (i) first, determining in accordance with Section 36.1(a) the rent that Landlord would be entitled to receive from Successor Tenant assuming a lease term of ten (10) years (the "Successor Tenant Rent") pursuant to a lease agreement containing substantially the same terms and conditions of this Lease (other than, in the case of a new lease at the end of the final Renewal Term, the terms of this Article XXXVI, which will not be included in such new lease), (ii) second, identifying and designating in accordance with the terms of Section 36.3(b), a pool of qualified potential Successor Tenants (each, a "Qualified Successor Tenant") prepared to lease the Facility at the Successor Tenant Rent and to bid for the business operations conducted at the Facility and Tenant's Property (but excluding the Excluded Items), and (iii) third, in accordance with the terms of Section 36.3(c), determining the highest price a Qualified Successor Tenant would agree

to pay for Tenant's Property and setting such highest price as the Successor Assets FMV in exchange for which Tenant shall be required to transfer Tenant's Property (but excluding the Excluded Items) and Landlord will enter into a lease with such Qualified Successor Tenant on substantially the same terms and conditions of this Lease (other than, in the case of a new lease at the end of the final Renewal Term, the terms of this Article XXXVI, which will not be included in such new lease) through the remaining term of this Lease (assuming that this Lease will not have terminated prior to its natural expiration at the end of the final Renewal Term) or ten (10) years, whichever is greater for a rent calculated pursuant to Section 36.3(a) hereof. Notwithstanding anything in the contrary in this Article XXXVI, the transfer of the Successor Assets will be conditioned upon the approval of the applicable regulatory agencies of the transfer of the Gaming Licenses and any other Gaming assets to the Successor Tenant and/or the issuance of new Gaming Licenses as required by applicable Gaming Regulations and the relevant regulatory agencies both with respect to operating and suitability criteria, as the case may be.

(a) *Determining Successor Tenant Rent*. Landlord and Tenant shall first attempt to agree on the amount of Successor Tenant Rent that it will be assumed Landlord will be entitled to receive for a term of ten (10) years and pursuant to a lease containing substantially the same terms and conditions of this Lease (other than, in the case of a new lease at the end of the final Renewal Term, the terms of this Article XXXVI, which will not be included in such new lease). If Landlord and Tenant cannot agree on the Successor Tenant Rent amount within a reasonable time not to exceed sixty (60) days after receipt of an End of Term Asset Transfer Notice hereunder, then the Successor Tenant Rent shall be set as follows:

(i) for the period preceding the last day of the calendar month in which the thirty-fifth (35th) anniversary of the Commencement Date occurs, then the annual Successor Tenant Rent shall be an amount equal to the annual Rent that would have accrued under the terms of this Lease for such period (assuming the Lease will have not been terminated prior to its natural expiration); and

(ii) for the period following the last day of the calendar month in which the thirty-fifth (35th) anniversary of the Commencement Date occurs, then the Successor Tenant Rent shall be calculated in the same manner as Rent is calculated under this Lease (but in no event will the Rent be less than the Rent that would otherwise be payable under this Lease), provided, that for any period following the last day of the calendar month in which the thirty-fifth (35th) anniversary of the Commencement Date occurs, the Rent shall be a per annum amount equal to the sum of (A) the amount of the Base Rent hereunder during the Lease Year in which the Expiration Date occurs, multiplied by the Escalator, and increased on each anniversary of the Expiration Date to be equal to the Rent payable for the immediately preceding year, multiplied by the Escalator, plus (B) the amount of the Variable Rent hereunder during the Lease Year in which the Expiration Date occurs, subject to a reset at the end of the first subsequent five year period consistent with the Variable Rent adjustments performed under this Lease at the commencement of each Renewal Period.

(b) *Designating Potential Successor Tenants*. Landlord will select one and Tenant will select three (for a total of up to four) potential Qualified Successor Tenants prepared to lease the Facility for the Successor Tenant Rent, each of whom must meet the criteria established for a Qualified Transferee (and none of whom may be Tenant or an Affiliate of Tenant (it being understood and agreed that there shall be no restriction on Landlord or any Affiliate of Landlord from being a potential Qualified Successor Tenant), except in the case of termination of the Lease on the last day of the calendar month in which the thirty-fifth (35th) anniversary of the Commencement Date occurs). Landlord and Tenant must designate their proposed Qualified Successor Tenants within ninety (90) days after receipt of an End of Term Asset Transfer Notice hereunder. In the event that Landlord or Tenant fails to designate such party's allotted number of potential Qualified Successor Tenants, the other party may designate additional potential Qualified Successor Tenants such that the total number of potential Qualified Successor Tenants does not exceed four; provided that, in the event the total number of potential Qualified Successor Tenants is less than four, the transfer process will still proceed as set forth in Section 36.3(c) below.

(c) *Determining Successor Assets FMV*. Tenant will have a three (3) month period to negotiate an acceptable sales price for Tenant's Property with one of the Qualified Successor Tenants, which three (3) month period will commence immediately upon the conclusion of the steps set forth above in Section 36.3(b). If Tenant does not reach an agreement prior to the end of such three (3) month period, Landlord shall conduct an auction for Tenant's

Property among the four potential successor lessees, and Tenant will be required to transfer Tenant's Property (but excluding the Excluded Assets) to the highest bidder.

36.4 Operation Transfer. Upon designation of a Successor Tenant (pursuant to either Section 36.1 or 36.2, as the case may be), Tenant shall reasonably cooperate and take all actions reasonably necessary (including providing all reasonable assistance to Successor Tenant) to effectuate the transfer of the Successor Assets and operational control of the Facility to Successor Tenant in an orderly manner so as to minimize to the maximum extent feasible any disruption to the continued orderly operation of the Facility for their respective Primary Intended Use. Concurrently with the transfer of the Successor Assets to Successor Tenant, (i) (other than, in the case of the transfer of the Successor Assets in connection with Landlord's exercising its right to terminate this Lease or repossess the Leased Property in accordance with the terms of this Lease, such Subleases that Landlord is not obligated to assume) Tenant shall assign (and Successor Tenant shall assume) any then-effective Subleases or other agreements (to the extent such other agreements are assignable) relating to the Leased Property, (ii) Tenant shall vacate and surrender the Leased Property to Landlord and/or Successor Tenant in the condition required under this Lease, and (iii) Tenant shall, and effective as of the Stated Expiration Date or earlier termination of the Term hereby does, transfer and assign to Landlord or any Successor Tenant (as directed by Landlord) a complete copy of all Property Specific Guest Data, in standard CSV format or other format reasonably satisfactory to Landlord, collected or held by, or otherwise in possession or control of, and/or owned by, Affiliated manager and/or Tenant, current as of the transition completion date, following which such transfer and assignment, both the Successor Tenant and Tenant (or Affiliated manager, to the extent such Property Specific Guest Data was owned by affiliated Manager instead of Tenant prior to such transfer) shall each own one hundred percent (100%) of their respective copy of the Property Specific Guest Data, free and clear and without any restrictions whatsoever; provided that use of such transferred and assigned Property Specific Guest Data shall be in compliance with Applicable Law. Notwithstanding the expiration of the Term and anything to the contrary herein, to the extent that this Article XXXVI applies, unless Landlord consents to the contrary, until such time that Tenant transfers the Successor Assets and operational control of the Facility to a Successor Tenant in accordance with the provisions of this Article XXXVI, Tenant shall (or shall cause its Subsidiaries to) continue to (and Landlord shall permit Tenant to maintain possession of the Leased Property to the extent necessary to) operate the Facility in accordance with the applicable terms of this Lease and the course and manner in which Tenant (or its Subsidiaries) has operated the Facility prior to the end of the Term (including, but not limited to, the payment of Rent hereunder). Concurrently with the transfer of the Successor Assets to Successor Tenant, Landlord and Successor Tenant shall execute a new Lease in accordance with the terms as set forth in the final clause of the first sentence of Section 36.3 hereof.

ARTICLE XXXVII
ATTORNEYS' FEES

If Landlord or Tenant brings an action or other proceeding against the other to enforce or interpret any of the terms, covenants or conditions hereof or any instrument executed pursuant to this Lease, or by reason of any breach or default hereunder or thereunder, the Party substantially prevailing in any such action or proceeding and any appeal thereupon shall be paid all of its costs and reasonable documented outside attorneys' fees incurred therein. In addition to the foregoing and other provisions of this Lease that specifically require Tenant to reimburse, pay or indemnify against Landlord's attorneys' fees, Tenant shall pay, as Additional Charges, all of Landlord's reasonable documented outside attorneys' fees incurred in connection with the enforcement of this Lease (except to the extent provided above), including reasonable documented attorneys' fees incurred in connection with the review, negotiation or documentation of any subletting, assignment, or management arrangement or any consent requested in connection with such enforcement, and the collection of past due Rent.

ARTICLE XXXVIII
BROKERS

Tenant warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in connection with this Lease, and Tenant shall indemnify, protect, hold harmless and defend Landlord from and against any liability with respect to any fee or brokerage commission arising out of any act or omission of Tenant. Landlord warrants that it has not had any contact or dealings with any Person or real estate broker which would give rise to the payment of any fee or brokerage commission in

connection with this Lease, and Landlord shall indemnify, protect, hold harmless and defend Tenant from and against any liability with respect to any fee or brokerage commission arising out of any act or omission of Landlord.

ARTICLE XXXIX
ANTI-TERRORISM REPRESENTATIONS

Each Party hereby represents and warrants to the other Party that neither such representing Party nor, to its knowledge, any persons or entities holding any Controlling legal or beneficial interest whatsoever in it are (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons" (collectively, "Prohibited Persons"). Each Party hereby represents and warrants to the other Party that no funds tendered to such other Party by such tendering Party under the terms of this Lease are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. Neither Party will during the Term of this Lease knowingly engage in any transactions or dealings, or knowingly be otherwise associated with, any Prohibited Persons in connection with the Leased Property.

ARTICLE XL
LANDLORD REIT PROTECTIONS

(a) The Parties intend that Rent and other amounts paid by Tenant hereunder will qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto and this Lease shall be interpreted consistent with this intent.

(b) Anything contained in this Lease to the contrary notwithstanding, Tenant shall not without Landlord's advance written consent (which consent shall not be unreasonably withheld) (i) sublet, assign or enter into a management arrangement for the Leased Property on any basis such that the rental or other amounts to be paid by the subtenant, assignee or manager thereunder would be based, in whole or in part, on either (x) the income or profits derived by the business activities of the subtenant, assignee or manager or (y) any other formula such that any portion of any amount received by Landlord could reasonably be expected to cause any portion of the amounts to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto; (ii) furnish or render any services to the subtenant, assignee or manager or manage or operate the Leased Property so subleased, assigned or managed; (iii) sublet, assign or enter into a management arrangement for the Leased Property to any Person (other than a "taxable REIT subsidiary" (within the meaning of Section 856(l) of the Code, or any similar or successor provision thereto) of Landlord REIT) in which Tenant, Landlord or PropCo owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Code, or any similar or successor provision thereto); or (iv) sublet, assign or enter into a management arrangement for the Leased Property in any other manner which could reasonably be expected to cause any portion of the amounts received by Landlord pursuant to this Lease or any Sublease to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or any similar or successor provision thereto, or which could cause any other income of Landlord to fail to qualify as income described in Section 856(c)(2) of the Code, or any similar or successor provision thereto. As of the end of each Fiscal Quarter during the Term, Tenant shall deliver to Landlord a certification, in the form attached hereto as Exhibit H, stating that Tenant has reviewed its transactions during such Fiscal Quarter and certifying that Tenant is in compliance with the provisions of this Article XL. The requirements of this Article XL shall likewise apply to any further sublease, assignment or management arrangement by any subtenant, assignee or manager.

(c) Anything contained in this Lease to the contrary notwithstanding, the Parties acknowledge and agree that Landlord, in its sole discretion, may assign this Lease or any interest herein to another Person (including without limitation, a "taxable REIT subsidiary" (within the meaning of Section 856(l) of the Code, or any similar or successor provision thereto)) in order to maintain Landlord REIT's status as a "real estate investment trust" (within the meaning of Section 856(a) of the Code, or any similar or successor provision thereto); provided however, Landlord

shall be required to (i) comply with any applicable Legal Requirements related to such transfer and (ii) give Tenant notice of any such assignment; and provided further, that any such assignment shall be subject to all of the rights of Tenant hereunder.

(d) Anything contained in this Lease to the contrary notwithstanding, upon request of Landlord, Tenant shall cooperate with Landlord in good faith and at no cost or expense (other than de minimis cost) to Tenant, and provide such documentation and/or information as may be in Tenant's possession or under Tenant's control and otherwise readily available to Tenant as shall be reasonably requested by Landlord in connection with verification of Landlord REIT's "real estate investment trust" (within the meaning of Section 856(a) of the Code, or any similar or successor provision thereto) compliance requirements. Anything contained in this Lease to the contrary notwithstanding, Tenant shall take such reasonable action as may be requested by Landlord from time to time in order to ensure compliance with the Internal Revenue Service requirement that Rent allocable for purposes of Section 856 of the Code to personal property, if any, at the beginning and end of a calendar year does not exceed fifteen percent (15%) of the total Rent due hereunder as long as such compliance does not (i) increase Tenant's monetary obligations under this Lease by more than a de minimis extent or (ii) materially increase Tenant's nonmonetary obligations under this Lease or (iii) materially diminish Tenant's rights under this Lease.

ARTICLE XLI
MISCELLANEOUS

41.1 Survival. Anything contained in this Lease to the contrary notwithstanding, all claims against, and liabilities, obligations and indemnities of Tenant or Landlord arising or in respect of any period prior to the Expiration Date shall survive the Expiration Date.

41.2 Severability. Subject to Section 1.2, if any term or provision of this Lease or any application thereof shall be held invalid or unenforceable, the remainder of this Lease and any other application of such term or provision shall not be affected thereby.

41.3 Non-Recourse. Tenant specifically agrees to look solely to the Leased Property for recovery of any judgment from Landlord (and Landlord's liability hereunder shall be limited solely to its interest in the Leased Property, and no recourse under or in respect of this Lease shall be had against any other assets of Landlord whatsoever). The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord, or any action not involving the personal liability of Landlord. In no event shall either Party ever be liable to the other Party for any indirect, consequential, lost profits, punitive, exemplary, statutory or treble damages suffered from whatever cause (other than, as to all such forms of damages, (i) if Landlord has terminated this Lease, any damages with respect to Rent or Additional Charges as provided under Section 16.3(a) hereof, (ii) if Landlord has not terminated this Lease, any damages with respect to Rent or Additional Charges as provided for herein, (iii) any amount of any Required Capital Expenditures not made pursuant to Section 10.5(a)(vi) hereof, (iv) damages as provided under Section 16.3(c) hereof, (v) a claim (including an indemnity claim) for recovery of any such forms of damages that the claiming party is required by a court of competent jurisdiction to pay to a third party other than to the extent resulting from the claiming party's gross negligence, willful misconduct or default hereunder, and (vi) to the extent expressly provided under Section 32.4), and acknowledge and agree that the rights and remedies in this Lease, and all other rights and remedies at law and in equity, will be adequate in all circumstances for any claims the parties might have with respect to damages. For the avoidance of doubt, (I) any damages of Landlord under or relating to any Fee Mortgage or Fee Mortgage Documents shall be deemed to be consequential damages hereunder, provided, however that, notwithstanding the foregoing clause (I), it is expressly agreed that the following shall constitute direct damages hereunder: (i) amounts payable by Tenant pursuant to Section 16.7 resulting from the breach by Tenant of any Additional Fee Mortgagee Requirements and (ii) out of pocket costs and expenses (including reasonable legal fees) incurred by a Landlord Indemnified Party (or, to the extent required to be reimbursed by a Landlord Indemnified Party under a Fee Mortgage Document, incurred by or on behalf of any other Person) to defend (but not settle or pay any judgment resulting from) any investigative, administrative or judicial proceeding commenced or threatened as a result of a breach by Tenant of any Additional Fee Mortgagee Requirement; provided that, notwithstanding the foregoing, in no event shall Tenant be required to pay any amounts to repay (or that are applied to reduce) the principal amount of any loan or debt secured by or relating to a Fee Mortgage or any interest or fees on

any such loan or debt, and (II) any damages of Tenant under or relating to any Permitted Leasehold Mortgage and any related agreements or instruments shall be deemed consequential damages hereunder. It is specifically agreed that no constituent member, partner, owner, director, officer or employee of a Party shall ever be personally liable for any judgment (in respect of obligations under or in connection with this Lease) against, or for the payment of any monetary obligation under or in respect of this Lease, such Party, to the other Party (provided, this sentence shall not limit the obligations of Guarantor expressly set forth in the Guaranty).

41.4 **Successors and Assigns**. This Lease shall be binding upon Landlord and its permitted successors and assigns and, subject to the provisions of Article XXII, upon Tenant and its successors and assigns.

41.5 **Governing Law**. (a) THIS LEASE WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY. ACCORDINGLY, IN ALL RESPECTS THIS LEASE (AND ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OR CONFLICTS OF LAW) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA, EXCEPT THAT ALL PROVISIONS HEREOF RELATING TO THE CREATION OF THE LEASEHOLD ESTATE AND ALL REMEDIES SET FORTH IN ARTICLE XVI RELATING TO RECOVERY OF POSSESSION OF THE LEASED PROPERTY (SUCH AS AN ACTION FOR UNLAWFUL DETAINER, IN REM ACTION OR OTHER SIMILAR ACTION) SHALL BE CONSTRUED AND ENFORCED ACCORDING TO, AND GOVERNED BY, THE LAWS OF THE STATE OF THE STATE IN WHICH THE FACILITY IS LOCATED.

(a) EXCEPT FOR (x) DISPUTES SPECIFICALLY PROVIDED IN THIS LEASE TO BE REFERRED TO AN EXPERT VALUATION PROCESS PURSUANT TO SECTION 34.1 OR ARBITRATION PURSUANT TO SECTION 34.2 AND (y) PROCEEDINGS PERTAINING TO THE PROVISIONS HEREOF RELATING TO THE CREATION OF THE LEASEHOLD ESTATE AND THE EXERCISE OF REMEDIES SET FORTH IN ARTICLE XVI RELATING TO RECOVERY OF POSSESSION OF THE LEASED PROPERTY (SUCH AS AN ACTION FOR UNLAWFUL DETAINER, IN REM ACTION OR OTHER SIMILAR ACTION), ALL CLAIMS, DEMANDS, CONTROVERSIES, DISPUTES, ACTIONS OR CAUSES OF ACTION OF ANY NATURE OR CHARACTER ARISING OUT OF OR IN CONNECTION WITH, OR RELATED TO, THIS LEASE, WHETHER LEGAL OR EQUITABLE, KNOWN OR UNKNOWN, CONTINGENT OR OTHERWISE SHALL BE RESOLVED IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURTS THERETO, OR IF FEDERAL JURISDICTION IS LACKING, THEN IN NEW YORK STATE SUPREME COURT, NEW YORK COUNTY (COMMERCIAL DIVISION) AND ANY APPELLATE COURTS THERETO. THE PARTIES AGREE THAT SERVICE OF PROCESS FOR PURPOSES OF ANY SUCH LITIGATION OR LEGAL PROCEEDING NEED NOT BE PERSONALLY SERVED OR SERVED WITHIN THE STATE OF NEW YORK, BUT MAY BE SERVED WITH THE SAME EFFECT AS IF THE PARTY IN QUESTION WERE SERVED WITHIN THE STATE OF NEW YORK, BY GIVING NOTICE CONTAINING SUCH SERVICE TO THE INTENDED RECIPIENT (WITH COPIES TO COUNSEL) IN THE MANNER PROVIDED IN ARTICLE XXXV. THIS PROVISION SHALL SURVIVE AND BE BINDING UPON THE PARTIES AFTER THIS LEASE IS NO LONGER IN EFFECT.

41.6 **Waiver of Trial by Jury** . EACH OF LANDLORD AND TENANT ACKNOWLEDGES THAT IT HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS TO TRIAL BY JURY UNDER THE CONSTITUTION OF THE UNITED STATES, THE STATE OF NEW YORK AND THE OTHER STATES IN WHICH THE FACILITY IS LOCATED. EACH OF LANDLORD AND TENANT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR (ii) IN ANY MANNER CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF LANDLORD AND TENANT WITH RESPECT TO THIS LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH; OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREINAFTER ARISING, AND WHETHER SOUNDING IN

CONTRACT OR TORT OR OTHERWISE; EACH OF LANDLORD AND TENANT HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY, AND THAT EITHER PARTY MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS CONCLUSIVE EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

41.7 **Entire Agreement**. This Lease (including the Exhibits and Schedules hereto), constitutes the entire and final agreement of the Parties with respect to the subject matter hereof, and may not be changed or modified except by an agreement in writing signed by the Parties. In addition to the foregoing, it is agreed to by the Parties that no modification to this Lease shall be effective without the written consent of (i) any applicable Fee Mortgagee, to the extent that such a modification would adversely affect such Fee Mortgagee and (ii) any applicable Permitted Leasehold Mortgagee, to the extent that such a modification would adversely affect such Permitted Leasehold Mortgagee. Landlord and Tenant hereby agree that all prior or contemporaneous oral understandings, agreements or negotiations relative to the leasing of the Leased Property are merged into and revoked by this Lease.

41.8 **Headings**. All captions, titles and headings to sections, subsections, paragraphs, exhibits or other divisions of this Lease, and the table of contents, are only for the convenience of the Parties and shall not be construed to have any effect or meaning with respect to the other contents of such sections, subsections, paragraphs, exhibits or other divisions, such other content being controlling as to the agreement among the Parties.

41.9 **Counterparts**. This Lease may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument. This Lease may be effectuated by the exchange of electronic copies of signatures (*e.g.*, .pdf), with electronic copies of this executed Lease having the same force and effect as original counterpart signatures hereto for all purposes.

41.10 **Interpretation**. Both Landlord and Tenant have been represented by counsel and this Lease and every provision hereof has been freely and fairly negotiated. Consequently, all provisions of this Lease shall be interpreted according to their fair meaning and shall not be strictly construed against any party.

41.11 **Deemed Consent**. Each request for consent or approval under Sections 9.1, 10.2, 10.3(e), 13.1(a), 13.5, 14.1, 22.1, 22.2 and 22.3 and Article XI of this Lease shall be made in writing to either Tenant or Landlord, as applicable, and shall include all information necessary for Tenant or Landlord, as applicable, to make an informed decision, and shall include the following in capital, bold and block letters: **"FIRST NOTICE – THIS IS A REQUEST FOR CONSENT UNDER THAT CERTAIN LEASE ([ˇ]). THE FOLLOWING REQUEST REQUIRES A RESPONSE WITHIN FIFTEEN (15) BUSINESS DAYS OF RECEIPT."** If the party to whom such a request is sent does not approve or reject the proposed matter within fifteen (15) Business Days of receipt of such notice and all necessary information, the requesting party may request a consent again by delivery of a notice including the following in capital, bold and block letters: **"SECOND NOTICE – THIS IS A SECOND REQUEST FOR CONSENT UNDER THAT CERTAIN LEASE ([ˇ]). THE FOLLOWING REQUEST REQUIRES A RESPONSE WITHIN FIVE (5) BUSINESS DAYS OF RECEIPT."** If the party to whom such a request is sent does not approve or reject the proposed matter within five (5) Business Days of receipt of such notice and all necessary information, the requesting party may request a consent again by delivery of a notice including the following in capital, bold and block letters: **"FINAL NOTICE - THIS IS A THIRD REQUEST FOR CONSENT UNDER THAT CERTAIN LEASE ([ˇ]). THE FOLLOWING REQUEST REQUIRES A RESPONSE WITHIN FIVE (5) BUSINESS DAYS OF RECEIPT. FAILURE TO RESPOND WITHIN FIVE (5) BUSINESS DAYS HEREOF WILL BE DEEMED AN APPROVAL OF THE REQUEST."** If the party to whom such a request is sent still does not approve or reject the proposed matter within five (5) Business Days of receipt of such final notice, such party shall be deemed to have approved the proposed matter. Notwithstanding the foregoing, if the Guaranty is in effect at the time any such notice is provided to Tenant hereunder, Tenant shall not be deemed to have approved such proposed matter if such notice was not also addressed and delivered to Guarantor in accordance with the Guaranty.

41.12 **Further Assurances**. The Parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Lease. In addition, Landlord agrees to, at Tenant's sole cost and expense, reasonably cooperate with all applicable Gaming Authorities and Liquor Authorities in connection with the administration of their

regulatory jurisdiction over Tenant, Tenant's direct and indirect parent(s) and their respective Subsidiaries, if any, including the provision of such documents and other information as may be requested by such Gaming Authorities or Liquor Authorities relating to Tenant, Tenant's direct and indirect parent(s) or any of their respective Subsidiaries, if any, or to this Lease and which are within Landlord's reasonable control to obtain and provide.

41.13 Gaming Regulations. Notwithstanding anything to the contrary in this Lease, this Lease and any agreement formed pursuant to the terms hereof are subject to all applicable Gaming Regulations and all applicable laws involving the sale, distribution and possession of alcoholic beverages (the "Liquor Laws"). Without limiting the foregoing, each of Tenant and Landlord acknowledges that (i) it is subject to being called forward by any applicable Gaming Authority or governmental authority enforcing the Liquor Laws (the "Liquor Authority") with jurisdiction over this Lease or the Facility, in each of their discretion, for licensing or a finding of suitability or to file or provide other information, and (ii) all rights, remedies and powers under this Lease and any agreement formed pursuant to the terms hereof, including with respect to the entry into and ownership and operation of a Gaming Facility, and the possession or control of Gaming equipment, alcoholic beverages or a Gaming License or liquor license, may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of the Gaming Regulations and Liquor Laws and only to the extent that required approvals (including prior approvals) are obtained from the requisite governmental authorities.

Notwithstanding anything to the contrary in this Lease or any agreement formed pursuant to the terms hereof, (subject to Section 41.12) each of Tenant, Landlord, and each of Tenant's or Landlord's successors and assigns agree to cooperate with each Gaming Authority and each Liquor Authority in connection with the administration of their regulatory jurisdiction over the Parties, including, without limitation, the provision of such documents or other information as may be requested by any such Gaming Authorities and/or Liquor Authorities relating to Tenant, Landlord, Tenant's or Landlord's successors and assigns or to this Lease or any agreement formed pursuant to the terms hereof.

If there shall occur a Licensing Event, then the Party with respect to which such Licensing Event occurs shall notify the other Party, as promptly as practicable after becoming aware of such Licensing Event (but in no event later than twenty (20) days after becoming aware of such Licensing Event). In such event, the Party with respect to which such Licensing Event has occurred, shall and shall cause any applicable Affiliates to use commercially reasonable efforts to resolve such Licensing Event within the time period required by the applicable Gaming Authorities by submitting to investigation by the relevant Gaming Authorities and cooperating with any reasonable requests made by such Gaming Authorities (including filing requested forms and delivering information to the Gaming Authorities). If the Party with respect to which such Licensing Event has occurred cannot otherwise resolve the Licensing Event within the time period required by the applicable Gaming Authorities and any aspect of such Licensing Event is attributable to any Person(s) other than such Party, then such Party shall disassociate with the applicable Persons to resolve the Licensing Event. It shall be a material breach of this Lease by Landlord if a Licensing Event with respect to Landlord shall occur and is not resolved in accordance with this Section 41.13 within the later of (i) thirty (30) days or (ii) such additional time period as may be permitted by the applicable Gaming Authorities.

41.14 Certain Provisions of Nevada Law. Landlord shall, pursuant to Section 108.2405(1)(b) of the Nevada Revised Statutes ("NRS"), record a written notice of waiver of Landlord's rights set forth in NRS 108.234 with the office of the recorder of Clark County, Nevada, before the commencement of construction of each work of improvement with respect to the Leased Property by Tenant or caused by Tenant. Pursuant to NRS 108.2405(2), Landlord shall serve such notice by certified mail, return receipt requested, upon the prime contractor of such work of improvement and all other lien claimants who may give the owner a notice of right to lien pursuant to NRS 108.245, within ten (10) days after Landlord's receipt of a notice of right to lien or ten (10) days after the date on which the notice of waiver is recorded.

41.15 Confidential Information. Each Party hereby agrees to, and to cause its Representatives to, maintain the confidentiality of all non-public information received pursuant to this Lease; provided that nothing herein shall prevent any Party from disclosing any such non-public information (a) in the case of Landlord, to VICI Properties Inc., a Maryland corporation and any Affiliate thereof, (b) in the case of Tenant, to CRC and any Affiliate thereof, (c) in any legal, judicial or administrative proceeding or other compulsory process or otherwise as required by applicable Legal Requirements (in which case the disclosing Party shall promptly notify the other Parties, in advance, to the extent

permitted by law), (d) upon the request or demand of any regulatory authority having jurisdiction over a Party or its affiliates (in which case the disclosing Party shall, other than with respect to routine, periodic inspections by such regulatory authority, promptly notify the other Parties, in advance, to the extent permitted by law), (e) to its Representatives who are informed of the confidential nature of such information and have agreed to keep such information confidential (and the disclosing Party shall be responsible for such Representatives' compliance therewith), (f) to the extent any such information becomes publicly available other than by reason of disclosure by the disclosing Party or any of its respective Representatives in breach of this Section 41.22, (g) to the extent that such information is received by such Party from a third party that is not, to such Party's knowledge, subject to confidentiality obligations owing to the other Parties or any of their respective affiliates or related parties, (h) to the extent that such information is independently developed by such Party or (i) as permitted under the first sentence of Section 23.2(a). Each of the Parties acknowledges that it and its Representatives may receive material non-public information with respect to the other Party and its Affiliates and that each such Party is aware (and will so advise its Representatives) that federal and state securities laws and other applicable laws may impose restrictions on purchasing, selling, engaging in transactions or otherwise trading in securities of the other Party and its Affiliates with respect to which such Party or its Representatives has received material non-public information so long as such information remains material non-public information.

41.16 Time of Essence. TIME IS OF THE ESSENCE OF THIS LEASE AND EACH PROVISION HEREOF IN WHICH TIME OF PERFORMANCE IS ESTABLISHED.

41.17 Consents, Approvals and Notices.

(a) All consents and approvals that may be given under this Lease shall, as a condition of their effectiveness, be in writing. The granting of any consent or approval by Landlord or Tenant to the performance of any act by Tenant or Landlord requiring the consent or approval of Landlord or Tenant under any of the terms or provisions of this Lease shall relate only to the specified act or acts thereby consented to or approved and, unless otherwise specified, shall not be deemed a waiver of the necessity for such consent or approval for the same or any similar act in the future, and/or the failure on the part of Landlord or Tenant to object to any such action taken by Tenant or Landlord without the consent or approval of the other Party, shall not be deemed a waiver of their right to require such consent or approval for any further similar act; and Tenant hereby expressly covenants and agrees that as to all matters requiring Landlord's consent or approval under any of the terms of this Lease, Tenant shall secure such consent or approval for each and every happening of the event requiring such consent or approval, and shall not claim any waiver on the part of Landlord of the requirement to secure such consent or approval.

(b) Each Party acknowledges that in granting any consents, approvals or authorizations under this Lease, and in providing any advice, assistance, recommendation or direction under this Lease, neither such Party nor any Affiliates thereof guarantees success or a satisfactory result from the subject of such consent, approval, authorization, advice, assistance, recommendation or direction. Accordingly, each Party agrees that neither such Party nor any of its Affiliates shall have any liability whatsoever to any other Party or any third person by reason of: (i) any consent, approval or authorization, or advice, assistance, recommendation or direction, given or withheld; or (ii) any delay or failure to provide any consent, approval or authorization, or advice, assistance, recommendation or direction (except in the event of a breach of a covenant herein not to unreasonably withhold or delay any consent or approval); provided, however, each agrees to act in good faith when dealing with or providing any advice, consent, assistance, recommendation or direction.

(c) Any notice, report or information required to be delivered by Tenant hereunder may be delivered collectively with any other notices, reports or information required to be delivered by Tenant hereunder as part of a single report, notice or communication. Any such notice, report or information may be delivered to Landlord by Tenant providing a representative of Landlord with access to Tenant's or its Affiliate's electronic databases or other information systems containing the applicable information and notice that information has been posted on such database or system.

41.18 Reserved.

41.19 **Amendments**. This Lease may not be amended except by a written agreement executed by all Parties hereto.

SIGNATURES ON FOLLOWING PAGES

IN WITNESS WHEREOF, this Lease has been executed by Landlord and Tenant as of the date first written above.

LANDLORD:
Claudine Propco LLC,
a Delaware limited liability company

By: /s/ John Payne
Name: John Payne
Title: President

[Signatures continue on following page]

TENANT:

HARRAH'S LAS VEGAS, LLC,
a Nevada limited liability company

By: /s/ Eric Hession
Name: Eric Hession
Title: Treasurer

[Signatures continue on following page]

The undersigned has executed this Lease solely for the purpose of acknowledging and agreeing to be bound by the penultimate paragraph of Section 1.1 hereof.

PROPCO TRS:

Propco TRS LLC

By: /s/ John Payne
Name: John Payne
Title: President

Exhibit 10.45

PUT-CALL RIGHT AGREEMENT

THIS PUT-CALL RIGHT AGREEMENT (this "Agreement") is entered into as of December __, 2017 (the "Effective Date"), by and among CLAUDINE PROPCO LLC, a Delaware limited liability company ("VICI"), and VEGAS DEVELOPMENT LAND OWNER LLC, a Delaware limited liability company ("Parcel 1 Owner") and 3535 LV NEWCO, LLC, a Delaware limited liability company ("Parcel 2 Owner" and with Parcel 1 Owner, collectively "Owner"). VICI and Owner are together referred to herein as the "Parties", and each individually, a "Party".

RECITALS:

A. Parcel 1 Owner is the owner of certain parcels of real property together with the real property improvements thereon (together with related fixtures and other related property) located in Clark County, Nevada, as more particularly described on ***Exhibit A-1*** attached hereto (collectively, the "Designated Land Parcel 1").

B. Parcel 2 Owner is the owner of certain parcels of real property together with the real property improvements thereon (together with related fixtures and other related property) located in Clark County, Nevada, as more particularly described on ***Exhibit A-2*** attached hereto (collectively, the "Designated Land Parcel 2" and with the Designated Land Parcel 1, collectively the "Designated Land").

C. On even date herewith, Claudine Property Owner LLC, a Delaware limited liability company ("HLV Buyer"), an Affiliate of VICI, acquired from Harrah's Las Vegas, LLC, a Nevada limited liability company ("HLV Seller"), an Affiliate of Owner, all of the membership interests in VICI, the owner of that certain parcel of real property and the buildings and other improvements constructed thereon, and fixtures and certain other property interests related thereto, commonly known as Harrah's Las Vegas Hotel & Casino, having an address of 3475 South Las Vegas Boulevard, Clark County, Nevada (collectively, the "HLV Property"), pursuant to the terms and conditions of that certain Purchase and Sale Agreement, dated as of November 29, 2017 (the "HLV Property PSA").

D. On even date herewith, VICI leased to HLV Seller (also referred to herein as "HLV Tenant") the HLV Property, pursuant to the terms and conditions of that certain Amended and Restated Lease by and between VICI, as landlord, and HLV Tenant, as tenant (as further amended, supplemented or otherwise modified from time to time (other than pursuant to the HLV Lease Amendment), the "HLV Lease").

E. Owner is considering demolishing some or all of the improvements that are located on the Designated Land as of the date hereof and is considering constructing a Convention Center on the Eastside Convention Center Land (as defined below) (the "Eastside Convention Center"). The Eastside Convention Center, together with the Eastside Convention Center Land and all buildings, fixtures and improvements located thereon and all real property rights and interests relating thereto are referred to, collectively, as the "Eastside Convention Center Property".

F. Subject to the satisfaction of certain conditions and upon the terms set forth herein, the Parties desire for (i) Owner to have the right to require VICI to purchase the Eastside Convention Center Property from Owner, and if VICI does not perform such obligation, for Owner to have the right to acquire the HLV Property from VICI, and (ii) if Owner does not exercise the right to require VICI to purchase the Eastside Convention Center Property from Owner, for VICI to have the right to require Owner to sell the Eastside Convention Center Property to VICI, all on and subject to the terms and conditions set forth in this Agreement.

AGREEMENT:

NOW, THEREFORE, in consideration of Ten and 00/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Access Provisions" means the following:

(1) VICI, at its cost, may conduct such surveys and non-invasive investigations and inspections of the Eastside Convention Center Property (collectively "Inspections") as VICI elects in its sole discretion and Owner, at reasonable times, shall provide reasonable access to the Eastside Convention Center Property to VICI and VICI's consultants and other representatives for such purpose. VICI's right to perform the Inspections shall be subject to and will not unreasonably interfere with or disturb the rights of tenants, guests and customers at the Eastside Convention Center Property and the Inspections shall not unreasonably interfere with Owner's business operations. VICI and its agents, contractors and consultants shall comply with Owner's reasonable requests with respect to the Inspections to minimize such interference. VICI will cause each of VICI's consultants that will be performing such tests and inspections (other than purely visual inspections) to provide (as a condition to performing such Inspections) proof of commercial general liability insurance on an occurrence form with limits of not less than One Million Dollars ($1,000,000.00) per occurrence and Five Million Dollars ($5,000,000.00) aggregate limit bodily injury, death and property damage per occurrence shall be provided to Owner.

(2) In connection with such access, VICI shall be deemed to agree to indemnify and hold harmless Owner from and against any loss that Owner shall incur as the result of the acts of VICI or VICI's representatives or consultants in conducting physical diligence with respect to the Eastside Convention Center Property, or, in the case of physical damage to the Eastside Convention Center Property resulting from such physical diligence, for the reasonable cost of repairing or restoring the Eastside Convention Center Property to substantially its condition immediately prior to such damage (unless VICI promptly shall cause such damage to be repaired or restored); provided, however, (i) the foregoing indemnity and agreement to hold Owner harmless shall not apply to, and VICI shall not be liable or responsible for, (A) the discovery of any fact or circumstance not caused by VICI or its representatives or consultants (except to the extent VICI exacerbates such fact or circumstance), (B) any pre-existing condition (except to the extent VICI exacerbates such pre-existing condition), or (C) the negligence or willful misconduct of Owner, any of Owner's Affiliates or any of their respective agents, employees, consultants or representatives and (ii) in no event shall VICI be liable for any consequential, punitive or special damages; provided that, for the avoidance of doubt, such waiver of consequential, punitive and special damages shall not be deemed a waiver of damages that Owner is required to pay to a party other than Owner or an Affiliate of Owner in respect of consequential, punitive or special damages.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In no event shall Owner or any of its Affiliates, on the one hand, or VICI or any of its Affiliates, on the other hand, be deemed to be an Affiliate of the other Party as a result of this Agreement or other agreements or arrangements between such Parties.

"Amended HLV Lease" means the Lease, as amended by the HLV Lease Amendment.

"Arbitration Panel" shall have the meaning set forth in Section 6 hereof.

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

"Call Right" means VICI's right to require Owner to sell the Convention Center Property to VICI and simultaneously lease the Convention Center Property back from VICI subject to and in accordance with the terms and conditions of this Agreement.

"Call Right HLV Lease Amendment Rent" means the greater of (a) the lesser of (i) the quotient of the Project Costs divided by thirteen (13) and (ii) the amount of annual Rent for the Convention Center that would be required to be paid under the Amended HLV Lease to meet a Combined Rent Coverage Ratio of 1.75:1.00, and (b) Twenty-Five Million and 00/100 Dollars ($25,000,000.00), which is the amount of Rent per annum to be attributable to the Convention Center Property in the event the Call Right is exercised; provided that, for the avoidance of doubt, the Call Right HLV Lease Amendment Rent and the Rent (including Variable Rent, as defined in the HLV Lease) will be calculated without taking into account Net Revenue (as defined in the HLV Lease) produced by the Eastside Convention Center; provided, further, under the Amended HLV Lease, the Call Right HLV Lease Amendment Rent shall increase annually by one percent (1%) of the amount of the Call Right HLV Lease Amendment Rent at the end of each Lease Year following the Lease Year during which the Closing Date occurs.

"Call Right Property Package" shall have the meaning set forth in Section 5(b).

"Call Right Property Package Request" shall have the meaning set forth in Section 5(b).

"Call Right Purchase Price" means the product of (a) thirteen (13) and (b) the Call Right HLV Lease Amendment Rent.

"Call Right Rent Coverage Condition" means the Combined Rent Coverage Ratio will be no less than 1.75 to 1.

"Capital Expenditures" means the sum of all expenditures actually paid by or on behalf of Owner, on a consolidated basis, to the extent capitalized in accordance with GAAP.

"Capital Improvement" means the initial construction of the Convention Center to the extent that the costs of such activity are or would be capitalized in accordance with GAAP.

"Closing Date" means the date upon which the Eastside Convention Center Property shall be conveyed to VICI and leased back to Lessee, either pursuant to the Put Right or Call Right, as applicable, in accordance with the terms hereof, or the date upon which the HLV Property shall be conveyed to Owner pursuant to the HLV Repurchase Right, in accordance with the terms hereof.

"Combined Rent Coverage Ratio" means the ratio of the sum of EBITDAR of the HLV Tenant solely derived from the HLV Property plus EBITDAR of Owner solely derived from the Eastside Convention Center Property, in each case, for the most recently ended four consecutive Fiscal Quarter period for which Financial Statements are available as of the date of Owner's exercise of the Put Right or VICI's exercise of the Call Right, as the case may be (and as calculated based upon such Financial Statements) to the Rent that will be payable under the Amended HLV Lease for same the period commencing on the Closing Date and ending on the first anniversary of the Closing Date (assuming that annual Rent attributable to the Eastside Convention Center Property is the Put Right HLV Lease Amendment Rent or the Call Right HLV Lease Amendment Rent, as the case may be).

"Control" (including the correlative meanings of the terms "Controlled by" and "under common Control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, partnership interests, other equity interests or otherwise.

"Convention Center" shall mean a convention, conference, meeting, exposition and/or exhibition center or similar building or group of related buildings.

"Convention Center Construction Conditions" shall mean with respect to any given Convention Center: (a) such Convention Center shall be the Eastside Convention Center; or (b) such Convention Center shall contain not more than 125,000 usable square feet of convention, conference, meeting, exposition and/or exhibition space. For the avoidance of doubt, if any Convention Center containing not more than 125,000 usable square feet is constructed after the date hereof, and such Convention Center is subsequently expanded or combined with another Convention Center that is constructed after the date hereof such that the aggregate usable square footage of convention, conference, exposition, meeting and/or exhibition space in such Convention Center(s) which are operated together exceeds 125,000, then the Convention Center Conditions shall not be deemed to have been satisfied.

"Development Interests" shall mean Use Rights that are in the good faith judgment of Owner commercially appropriate for the development or operation of the Eastside Convention Center.

"Eastside Convention Center" shall have the meaning set forth in the recitals hereto.

"Eastside Convention Center Property" shall have the meaning set forth in the recitals hereto.

"Eastside Convention Center Land" means that portion of the Designated Land upon which (i) the Eastside Convention Center and (ii) all parking improvements, sidewalks, landscaped areas and walkways that are constructed

primarily to serve, or that are legally required to be constructed (such as to meet mandatory set-back requirements) as a condition to the construction of, the Eastside Convention Center, are located.

"EBITDAR" means, for any applicable twelve (12) month period, the consolidated net income or loss of a Person on a consolidated basis for such period, determined in accordance with GAAP, provided, however, that without duplication and in each case to the extent included in calculating net income (calculated in accordance with GAAP): (i) income tax expense shall be excluded; (ii) interest expense shall be excluded; (iii) depreciation and amortization expense shall be excluded; (iv) amortization of intangible assets shall be excluded; (v) write-downs and reserves for non-recurring restructuring-related items (net of recoveries) shall be excluded; (vi) reorganization items shall be excluded; (vii) any impairment charges or asset write-offs, non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP and related interpretations, and non-cash charges for deferred tax asset valuation allowances, shall be excluded; (viii) any effect of a change in accounting principles or policies shall be excluded; (ix) any non-cash costs or expense incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement shall be excluded; (x) any nonrecurring gains or losses (less all fees and expenses relating thereto) shall be excluded; (xi) rent expense shall be excluded (provided, for the avoidance of doubt, "rent expense" does not include Additional Charges (as defined in the Amended HLV Lease)); and (xii) the impact of any deferred proceeds resulting from failed sale accounting shall be excluded. In connection with any EBITDAR calculation made pursuant to this Agreement or any determination or calculation made pursuant to this Agreement for which EBITDAR is a necessary component of such determination or calculation, (i) promptly following request therefor, Owner shall provide VICI with all supporting documentation and backup information with respect thereto as may be reasonably requested by VICI, (ii) such calculation shall be as reasonably agreed upon between Owner and VICI, and (iii) if Owner and VICI do not agree within twenty (20) days of either party seeking to commence discussions, the same may be determined by an Arbitration Panel in accordance with and pursuant to the process set forth in Section 6 hereof (clauses (i) through (iii), collectively, the "EBITDAR Calculation Procedures").

"Financial Statements" means, (i) for a Fiscal Year, statements of a Person's income, stockholders' equity and comprehensive income and cash flows for such period and the related consolidated balance sheet as at the end of such period, together with the notes thereto, all in reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding Fiscal Year and prepared in accordance with GAAP and audited by a "big four" or other nationally recognized accounting firm, and (ii) for a Fiscal Quarter, consolidated statements of a Person's income, stockholders' equity and comprehensive income and cash flows for such period and for the period from the beginning of the Fiscal Year to the end of such period and the related consolidated balance sheet as at the end of such period, together with the notes thereto, all in reasonable detail and setting forth in comparative form the corresponding figures for the corresponding period in the preceding Fiscal Year or Fiscal Quarter, as the case may be, and prepared in accordance with GAAP, together with a certificate, executed by the chief financial officer or treasurer of such Person, certifying that such financial statements fairly present, in all material respects, the financial position and results of operations of such Person in accordance with GAAP (subject to normal year-end audit adjustments and the absence of footnotes).

"Fiscal Quarter" means, with respect to any Person, for any date of determination, a fiscal quarter for each Fiscal Year of such Person.

"Fiscal Year" means the annual period commencing January 1 and terminating December 31 of each year.

"GAAP" means generally accepted accounting principles in the United States consistently applied in the preparation of Financial Statements, as in effect from time to time.

"Gaming Approval Failure" shall mean the failure to obtain all Requisite Gaming Approvals within the Regulatory Period.

"Gaming Authorities" means, collectively, (i) the Nevada Gaming Commission, (ii) the Nevada State Gaming Control Board, (iii) the Clark County Liquor and Gaming Licensing Board, and (iv) any other foreign, federal, state or local governmental entity or authority, or any department, commission, board, bureau, agency, court or instrumentality thereof, regulating gaming activities or related activities.

"Gaming Laws" means all applicable constitutions, treaties, laws, regulations and orders and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling

or casino activities, including, without limitation, the Nevada Gaming Control Act, as codified in Nevada Revised Statutes Chapter 463, the regulations promulgated thereunder, and the Clark County Code, each as from time to time amended, modified or supplemented, including by succession of comparable successor statutes, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities of the applicable Person or any of its Affiliates in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"Geographical Area" shall mean the geographical area bounded by Valley View Blvd. to the West, Russell Rd. to the South, Koval Ln. to the East and Sahara Ave. to the North.

"HLV Lease" shall have the meaning set forth in the recitals hereto.

"HLV Lease Amendment" shall mean the second amended and restated HLV Lease, the form of which is attached hereto as ***Exhibit B***, pursuant to which VICI, as landlord, will lease the Eastside Convention Center Property to Lessee, as tenant.

"HLV Repurchase Election Period" means the period of one (1) year commencing on the date upon which a Put Right Closing Failure occurs and ending on the day immediately preceding the first anniversary thereof.

"HLV Repurchase PSA Modifications" shall mean those terms and conditions set forth on ***Exhibit D*** attached hereto.

"HLV Repurchase Right" means Owner's right to require VICI to sell the HLV Property to Owner in accordance with and subject to the terms and conditions of this Agreement.

"HLV Repurchase Right Purchase Price" means the amount equal to the product of (x) the Rent due under the HLV Lease for the most recently ended four consecutive Fiscal Quarter period for which Financial Statements are available as of the date of Owner's election to execute the HLV Repurchase Right, and (y) thirteen (13).

"HLV Repurchase Sale Agreement" means a purchase and sale agreement for the purchase and sale of the HLV Property, in materially the same form and on materially the same terms and conditions as the HLV Property PSA, except for the HLV Repurchase PSA Modifications.

"Legal Requirements" means all applicable federal, state, county, municipal and other governmental statutes, laws (including securities laws), rules, policies, guidance, codes, orders, regulations, ordinances, permits, licenses, covenants, conditions, restrictions, judgments, decrees and injunctions, whether now or hereafter enacted and in force, as applicable to any Person or to the Eastside Convention Center Property.

"Lessee" shall mean HLV Tenant or its successor as Tenant under the HLV Lease, which will be the lessee of the Eastside Convention Center Property pursuant to the HLV Lease Amendment.

"Lockout Period" shall mean the period commencing on the Effective Date and ending on the earlier of (a) the end of the VICI Election Period (but only in the event that neither Owner exercised the Put Right nor VICI timely exercises the Call Right pursuant to and in accordance with the terms and provisions of Section 5), or (b) the termination of this Agreement.

"Material Adverse Effect" shall mean any defect in the design or construction of the Eastside Convention Center, any Hazardous Substances (as defined in the Amended HLV Lease) located in, on, under or about the Eastside Convention Center Property or any portion thereof or incorporated therein, any casualty or condemnation with respect to the Eastside Convention Center Property, and/or any violation of any Legal Requirements with respect to the Eastside Convention Center Property that (a) has a material adverse effect on the value of the Eastside Convention Center Property (i.e., will, or are reasonably likely to, individually or in the aggregate, reduce the value of the Eastside Convention Center by more than 15% of the Put Right Purchase Price or Call Right Purchase Price, as applicable), (b) has or would reasonably be expected to have a material adverse effect on Owner's authority and/or ability to convey title to the Eastside Convention Center Property within the time or otherwise in accordance with the provisions of this Agreement and/or (c) has or would reasonably be expected to have a material adverse effect on the use and/or operation of the Eastside Convention Center Property as a Convention Center, in each case individually or in the aggregate.

"No-Build Period" shall mean the period commencing on the Effective Date and ending on the earliest of (a) the end of the Owner Election Period, (b) the date when Owner or an Affiliate of Owner substantially completes construction of an Eastside Convention Center and satisfies all other Put/Call Convention Center Conditions, or (c) the termination of this Agreement.

"Owner Election Period" means the period of time commencing on the first day of the seventh (7th) Lease Year (as such term is defined in the HLV Lease) and ending on the last day of the seventh (7th) Lease Year under the HLV Lease.

"Owner Guarantor" shall mean the Net Lease Guarantor (as such term is defined in the HLV Property PSA).

"Owner Guaranty" shall mean a Guaranty dated as of the Effective Date by Owner Guarantor in favor of VICI.

"Owner Licensing Event" means: (a) a communication (whether oral or in writing) by or from any Gaming Authority or other action by any Gaming Authority that indicates that such Gaming Authority is likely to find that the association of any member of the Owner Subject Group with VICI or any of its Affiliates is likely to (i) result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any registration, application or license or any other rights or entitlements held or required to be held by VICI or any of its Affiliates under any Gaming Law, or (ii) violate any Gaming Law to which VICI or any of its Affiliates is subject; or (b) any member of the Owner Subject Group is required to be licensed, registered, qualified or found suitable under any Gaming Law, and such Person is not or does not remain so licensed, registered, qualified or found suitable within any applicable timeframes required by the applicable Gaming Authority, or, after becoming so licensed, registered, qualified or found suitable, fails to remain so. For purposes of this definition, an "Affiliate" of VICI includes any Person for which VICI or its Affiliate is providing management services. For the avoidance of doubt, it shall not be an Owner Licensing Event if (x) Owner can resolve or cure the Owner Licensing Event within applicable timeframes (for purposes of illustration and not limitation, by terminating any responsible employee) and (y) Owner acts timely to cure the Owner Licensing Event.

"Owner Panel Member" shall have the meaning set forth in Section 6(b).

"Owner Subject Group" means Owner, Owner's Affiliates and its and their principals, direct or indirect shareholders, officers, directors, agents, employees and other related Persons (including in the case of any trusts or similar Persons, the direct or indirect beneficiaries of such trust or similar Persons), excluding VICI and its Affiliates.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

"Project Costs" means an amount equal to the sum of (a) the product of (i) all costs actually incurred (including internally allocated costs) by Owner that are capitalized under GAAP in respect of the development, design and construction of the Eastside Convention Center (including any incidental improvements on the Eastside Convention Center Land such as parking improvements, but in each case, only to the extent they service the Eastside Convention Center), but expressly excluding any amounts attributable to land value or land purchase costs, and (ii) 1.03, *plus* (b) the product of the number of acres of the Eastside Convention Center Land and Four Million Dollars ($4,000,000.00) per acre, all as (x) evidenced by reasonable supporting documentation and (y) certified to in writing by an officer of Owner.

"Put-Call PSA Modifications" shall mean those terms and conditions set forth on ***Exhibit C*** attached hereto.

"Put Right" means Owner's right to require VICI to purchase the Eastside Convention Center Property from Owner and simultaneously lease the Eastside Convention Center Property back to Owner subject to and in accordance with the terms and conditions of this Agreement.

"Put Right Election Notice" shall have the meaning set forth in Section 3(b).

"Put Right HLV Lease Amendment Rent" means the lesser of (a) the quotient of the Project Costs divided by thirteen (13) and (b) the amount of annual Rent for the Convention Center that would be required to be paid

under the Amended HLV Lease to meet a Combined Rent Coverage Ratio of 1.75:1.00, which is the amount of Rent per annum to be attributable to the Eastside Convention Center Property in the event the Put Right is exercised; provided that, for the avoidance of doubt, the Put Right HLV Lease Amendment Rent and the Rent (including Variable Rent, as defined in the HLV Lease) will be calculated without taking into account Net Revenue (as defined in the HLV Lease) produced by the Eastside Convention Center; provided, further, under the Amended HLV Lease, the Put Right HLV Lease Amendment Rent shall increase annually by one percent (1%) of the amount of the Put Right HLV Lease Amendment Rent at the end of each Lease Year following the Lease Year during which the Closing Date occurs.

"Put/Call Convention Center Conditions" means each of the following: (1) the Eastside Convention Center shall be constructed; (2) the Eastside Convention Center shall contain at least 250,000 usable square feet of convention, conference, meeting, exposition and/or and exhibition space; (3) Project Costs exceed Two Hundred Fifty Million and 00/100 Dollars ($250,000,000.00), (x) evidenced by reasonable supporting documentation and (y) certified to in writing by an officer of Owner; (4) the Eastside Convention Center shall have been constructed in compliance with all applicable Legal Requirements in all material respects, and good construction practices; and (5) all certificates of occupancy (or its local equivalent), and which may include one or more temporary certificates of occupancy, licenses and approvals necessary for use of the Eastside Convention Center as a convention, conference, office, exhibition and meeting facility shall have been issued by the applicable governmental and/or quasi-governmental authorities and remain in full force and effect.

"Put Right Property Package" shall have the meaning set forth in Section 3(b).

"Put Right Purchase Price" means the product of the Put Right HLV Lease Amendment Rent and thirteen (13).

"Regulatory Approval Supporting Information" means information regarding VICI (and, without limitation, its officers and Affiliates) or Owner (and, without limitation, its officers and Affiliates) that is reasonably requested either by Owner from VICI or by VICI from Owner, as the case may be, in connection with obtaining any Requisite Gaming Approvals that may be required in connection with the transactions contemplated by this Agreement.

"Regulatory Period" means the period of time that is two hundred seventy (270) days (or such longer time as may be agreed between Owner and VICI) after the finalization and execution of a Sale Agreement or HLV Repurchase Sale Agreement, as the case may be.

"Rent" shall have the meaning set forth in the Amended HLV Lease.

"Requisite Gaming Approvals" shall mean any necessary licenses, qualifications and approvals from applicable Gaming Authorities required for the exercise of the Put Right, HLV Repurchase Right or Call Right, as the case may be, and the consummation of the transactions contemplated thereby.

"Sale Agreement" means a purchase and sale agreement for the purchase and sale of the Eastside Convention Center Property, in materially the same form and on materially the same terms and conditions as the HLV Property PSA, except for the Put-Call PSA Modifications.

"Third Panel Member" shall have the meaning set forth in Section 6(b).

"Use Rights" shall mean any easements, licenses, space leases, parking rights and other similar agreements.

"VICI Election Period" means the period of time commencing on the first day of the tenth (10^{th}) Lease Year (as such term is defined in the HLV Lease) and ending on the last day of the tenth (10^{th}) Lease Year under the HLV Lease.

"VICI Guarantor" shall mean VICI Properties 1 LLC, a Delaware limited liability company.

"VICI Guaranty" shall mean a Guaranty dated as of the Effective Date by VICI Guarantor in favor of Owner.

"VICI Licensing Event" means: (a) a communication (whether oral or in writing) by or from any Gaming Authority or other action by any Gaming Authority that indicates that such Gaming Authority is likely to find that the association of any member of the VICI Subject Group with Owner or any of its Affiliates is likely to (i) result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any registration, application or license or any other rights or entitlements held or required to be held by Owner or any of its Affiliates under any Gaming Law, or (ii) violate any Gaming Law to which Owner or any of its Affiliates is subject; or (b) any member of the VICI Subject Group is required to be licensed, registered, qualified or found suitable under any Gaming Law, and such Person is not or does not remain so licensed, registered, qualified or found suitable within any applicable timeframes required by the applicable Gaming Authority, or, after becoming so licensed, registered, qualified or found suitable, fails to remain so. For purposes of this definition, an "Affiliate" of Owner includes any Person for which Owner or its Affiliate is providing management services. For the avoidance of doubt, it shall not be a VICI Licensing Event if (x) VICI can resolve or cure the VICI Licensing Event within applicable timeframes (for purposes of illustration and not limitation, by terminating any responsible employee) and (y) VICI acts timely to cure the VICI Licensing Event.

"VICI Panel Member" shall have the meaning set forth in Section 6(b).

"VICI Subject Group" means VICI, VICI's Affiliates and its and their principals, direct or indirect shareholders, officers, directors, agents, employees and other related Persons (including in the case of any trusts or similar Persons, the direct or indirect beneficiaries of such trust or similar Persons), excluding Owner and its Affiliates.

2. Convention Center.

(a) Owner and its Affiliates shall have the right, but not the obligation, to construct a Convention Center anywhere in the Geographical Area, provided, however, during the No-Build Period, neither Owner nor any of Owner's Affiliates shall construct a new Convention Center (as opposed to expansions of existing Convention Centers existing on the date hereof) anywhere in the Geographical Area unless the Convention Center Construction Conditions with respect to such Convention Center are satisfied. For the avoidance of doubt, this Agreement does not restrict Owner or its Affiliates from building any improvements on the Designated Land and does not require Owner and its Affiliates to build any improvements on the Designated Land. From and after the No-Build Period, the Convention Center Construction Conditions shall cease and Owner and its Affiliates shall have the right, but not the obligation, to construct any Convention Center in the Geographical Area without restriction, but subject to and upon the other terms and conditions of this Agreement including, without limitation, VICI's Call Right. Nothing contained herein shall affect or be deemed to affect the Parties' and their Affiliates' respective rights and obligations under: (i) that certain Right of First Refusal Agreement dated as of October 6, 2017, between Caesars Entertainment Corporation, a Delaware corporation, and VICI Properties L.P., a Delaware limited partnership, as modified by that certain Amended and Restated ROFR (as such term is defined in the HLV Property PSA), or (ii) any of the Existing Leases (as such term is defined in the HLV Lease).

(b) Notwithstanding anything to the contrary contained herein, during the Lockout Period, Owner shall be prohibited from selling, disposing, conveying or otherwise transferring all or any portion of the Eastside Convention Center Land or permitting the sale, disposition, conveyance or other transfer of any direct or indirect membership, partnership or other equity interest in Owner, including, without limitation, pursuant to a lease of the Designated Land and/or the Eastside Convention Center (other than the granting of any Use Rights) (collectively, "Transfers"), except such prohibition shall not apply to (i) Transfers to Affiliates of Owner or (ii) Transfers to a Person which is not an Affiliate of Owner that acquires (or whose Affiliate acquires) HLV Tenant's interest in the HLV Property, including, without limitation, any direct or indirect membership, partnership or other equity interest in HLV Tenant so long as during the Lockout Period, the owner of the Eastside Convention Center Property and the tenant of the HLV Lease shall be the same Person or Affiliates of each other; provided, however, the foregoing does not prohibit Owner from granting a deed of trust on any portion of the Eastside Convention Center Property as security for any indebtedness obtained in a bona fide third-party financing that is also secured by a deed of trust on HLV Tenant's interest in the HLV Property in accordance with the terms of the HLV Lease; provided that a memorandum of this Agreement is recorded in the Clark County real estate records pursuant to Section 7(m) prior to the execution of each such deed of trust. Nothing in this Agreement prohibits Parcel 1 Owner and Parcel 2 Owner from merging with each other or transferring the Eastside Convention Center Land or any portion thereof between Parcel 1 Owner and Parcel 2 Owner.

3. Put Right in Favor of Owner.

(a) *Put Right*. Provided that (1) the Put/Call Convention Center Conditions have been satisfied, (2) the Eastside Convention Center shall have been operating and capable of fully operating at the time the Put Right is exercised, and there shall be Financial Statements for no less than four consecutive Fiscal Quarters, (3) the HLV Lease shall be in full force and effect, no Tenant Event of Default (as defined in the HLV Lease) shall exist, and no event or circumstance, which with the passage of time would result in a Tenant Event of Default (a "Tenant Default"), shall exist, (4) neither Owner nor any Affiliate of Owner shall then be in material default hereunder, and (5) there is no Material Adverse Effect, then at any time during the Owner Election Period, Owner shall have the right to exercise the Put Right in accordance with the procedures set forth in this Section 3 (all of the foregoing, collectively, the "Put Exercise Conditions"). If any or all of the Put Exercise Conditions are not satisfied, then Owner shall not be entitled to exercise the Put Right.

(b) *Requirements of Put Right Property Package*. In order to duly and timely exercise the Put Right, subject to satisfaction of the Put Exercise Conditions, Owner shall deliver to VICI a notice (the "Put Right Election Notice") of Owner's election to exercise the Put Right, which shall include a package of information (the "Put Right Property Package"), which shall set forth all material information with respect to the Eastside Convention Center Property and the Put Right including, without limitation, the following:

(i) reasonable evidence that the Put Exercise Conditions have been satisfied;

(ii) the proposed Sale Agreement, in the condition required by this Agreement, which shall include the Put Right Purchase Price and Closing Date;

(iii) the proposed HLV Lease Amendment, in the condition required by this Agreement;

(iv) delivery of the Financial Statements referenced in the definition of Combined Rent Coverage Ratio; and

(v) a reasonably detailed explanation of the computation of the proposed Put Right Purchase Price and the Put Right HLV Lease Amendment Rent; and

(vi) due diligence materials of a type that would customarily be provided to a purchaser of properties such as the Convention Center Property and produced by reputable third-party companies reasonably acceptable to VICI, including in any event a recent title report, survey, environmental reports, current tax status and any assessments owed, and information regarding any known litigation or judgment (collectively, "Diligence Materials").

Promptly upon VICI's reasonable request therefor, Owner shall provide to VICI additional information reasonably related to the Put Right Property Package, to the extent such information is reasonably available to Owner. Further, following delivery of the Put Right Election Notice, VICI and its consultants and representatives shall have access to the Eastside Convention Center Property pursuant to, and VICI, and its consultants and representatives, shall comply with, the Access Provisions.

(c) *Put Right Deadline*. If Owner does not deliver a Put Right Election Notice to VICI in accordance with the provisions of Section 3(b) prior to the expiration of the Owner Election Period, TIME BEING OF THE ESSENCE, the Put Right shall automatically terminate and be deemed null and void.

(d) *Dispute Regarding Put Right Property Package; Material Adverse Effect*. If a Put Right Election Notice and Put Right Property Package are timely delivered by Owner to VICI but VICI either (1) disagrees with Owner's computation of the Put Right HLV Lease Amendment Rent and/or the Put Right Purchase Price, (2) has comments or revisions to the draft HLV Lease Amendment or Sale Agreement that are required to cause same to comply with the provisions of this Agreement, (3) believes that a condition exists (evidenced through the Diligence Materials or otherwise) that has a Material Adverse Effect, or (4) believes that any or all of the Put Exercise Conditions have not been satisfied, then VICI shall notify Owner thereof within twenty (20) days of VICI's receipt of the Put Right Property Package (or, if later, such evidence of an alleged Material Adverse Effect or, Tenant Event of Default or Tenant Default). In such event, Owner and VICI shall negotiate in good faith up to a period of thirty (30) days in an effort to reconcile the applicable issue(s). If Owner and VICI are unable to resolve the subject dispute, then Owner may withdraw the Put Right Election Notice (in which case the Put Right may not be exercised again for a period of six (6) months (but in no event after the end of the Owner Election Period)), and if

Owner does not withdraw the Put Right Election Notice, the Parties agree that such dispute shall be resolved pursuant to arbitration in accordance with the procedures set forth in Section 6 hereof.

(e) *Finalization of Put Right Documents*. If a Put Right Election Notice and Put Right Property Package are timely delivered, and (if applicable) any disputes under Section 3(d) above have been resolved, Owner and VICI shall as soon as reasonably practicable (but in all events within ten (10) days thereafter) enter into the Sale Agreement (with a HLV Lease Amendment attached thereto as an exhibit, which HLV Lease Amendment shall be executed upon the consummation of the closing under the Sale Agreement).

(f) *Gaming Approvals.* If a Gaming Approval Failure occurs, the Put Right shall automatically terminate and be deemed null and void. Each Party shall use good faith, commercially reasonable efforts in order to timely obtain the Requisite Gaming Approvals that it must obtain for the Put Right transaction, and the other Party shall use good faith, commercially reasonable efforts in order to assist such Party in its efforts to timely obtain such Requisite Gaming Approvals. If there is a dispute among the Parties as to whether good faith, commercially reasonable efforts were used throughout the Regulatory Period, such dispute shall be resolved in accordance with the procedures set forth in Section 6 hereof, and such matter shall be submitted to arbitration in accordance with the procedures set forth in Section 6 hereof within twenty (20) days after the expiration of the Regulatory Period. Each Party, at no material unreimbursed expense to such Party, agrees to reasonably cooperate with the other Party and use commercially reasonable efforts to provide Regulatory Approval Supporting Information that is reasonably requested by the other Party, in such Party's efforts to obtain any necessary regulatory approvals (including, if necessary Requisite Gaming Approvals).

(g) *Closing.* The closing of the Put Right transaction shall occur in accordance with the terms of the Sale Agreement. In the event that a Put Right transaction fails to close for any reason other than Owner's breach or default under this Agreement or under the Sale Agreement or because of a failure of one or more representations or warranties by Seller under the Sale Agreement to be true and correct in all material respects as of the Closing Date (a "Rep Condition Failure"), or due to a Gaming Approval Failure and the Sale Agreement is terminated (any such failure to close for a reason other than such breach or default by Owner, a Rep Condition Failure or Gaming Approval Failure, a " Put Right Closing Failure"), Owner shall have the right to exercise the HLV Repurchase Right in accordance with the procedures set forth in Section 4 hereof. Either VICI or Owner shall have the right, to be exercised within twenty (20) days after the date the alleged Put Right Closing Failure occurs, to submit any dispute related to the failure to close to arbitration in accordance with the procedures set forth in Section 6 hereof in order to obtain a determination of the reason for such failure to close. If the Sale Agreement has been executed between the Parties, from and after such execution the terms and conditions of such Sale Agreement shall govern all disputes between the Parties other than the reason for such failure to close rather than the arbitration procedures set forth in Section 6 hereof.

(h) *Failure to Execute Sale Agreement Due To VICI's Breach* . Prior to entering into this transaction, Owner and VICI have discussed the fact that substantial damages will be suffered by Owner if VICI shall breach or default in its obligations under this Section 3 to execute a Sale Agreement if and when required under this Section 3 (a "VICI LD Default"); accordingly, the Parties agree that a reasonable estimate of Owner's damages in such event is the amount of $9,000,000 (the "Owner Liquidated Damages Amount"). In the event of a VICI LD Default, then, as Owner's sole and exclusive remedy hereunder, at law, in equity or otherwise (but for the avoidance of doubt, without limiting Owner's rights to exercise the HLV Repurchase Right in accordance with the procedures set forth in Section 4 hereof) VICI shall pay the Owner Liquidated Damages Amount to Owner as liquidated damages. VICI's obligation to pay the Owner Liquidated Damages Amount if and when payable hereunder shall survive the termination of this Agreement. In the event of an alleged VICI LD Default, Owner shall provide notice to VICI of same, setting forth in reasonable detail the nature of such VICI LD Default (a "VICI LD Default Notice"). VICI shall have the right, to be exercised within twenty (20) days after the date Owner gives a VICI LD Default Notice, to submit any dispute related to such alleged VICI LD Default to arbitration in accordance with the procedures set forth in Section 6 hereof in order to obtain a determination as to whether a VICI LD Default occurred. In the event the Arbitration Panel's determination is that a VICI LD Default occurred, VICI shall have a period of twenty (20) days from the date of such determination to cure such default, failure of which shall result in VICI being required to pay the Owner Liquidated Damages Amount.

(i) *Termination of Agreement*. Upon closing of the Put Right transaction this Agreement shall automatically terminate and be of no further force and effect.

4. HLV Repurchase Right in Favor of Owner.

(a) *HLV Repurchase Right*. If and only if Owner duly exercises the Put Right in accordance with the terms and conditions of Section 3, but a Put Right transaction fails to close by the outside date by which the closing could

occur under the Sale Agreement (as described as the "Closing Date" in ***Exhibit D***) due to a Put Right Closing Failure, then during the HLV Repurchase Election Period, Owner shall have the right to exercise the HLV Repurchase Right subject to and in accordance with the further terms and provisions of this Section 4. Under no circumstances shall Owner have the right to exercise the HLV Repurchase Right in the event Owner withdraws its Put Right pursuant to the terms and provisions of Section 3(d) (unless Owner subsequently duly exercises its Put Right again within the Owner Election Period and otherwise in accordance with the terms and conditions of Section 3, and thereafter a Put Right transaction again fails to close by the outside date by which the closing could occur under the Sale Agreement due to a Put Right Closing Failure and otherwise in accordance with the terms and conditions of this Agreement).

(b) *Requirements of HLV Repurchase Right Property Package Request*. As a condition to exercising the HLV Repurchase Right, Owner shall deliver to VICI during the HLV Repurchase Right Election Period a notice of Owner's intention to exercise the HLV Repurchase Right, and a request for the HLV Repurchase Right Property Package from VICI (collectively, the "HLV Repurchase Right Property Package Request"). As promptly as practicable after receipt of the HLV Repurchase Right Property Package Request, but in no event later than the date occurring thirty (30) days after VICI's receipt of the HLV Repurchase Right Property Package Request, VICI shall provide to Owner a package of information (the "HLV Repurchase Right Property Package"), which shall include the following:

(i) the proposed HLV Repurchase Sale Agreement, in the condition required by this Agreement, which shall include the HLV Repurchase Right Purchase Price and Closing Date;

(ii) the computation of the proposed HLV Repurchase Right Purchase Price; and

(iii) Diligence Materials (if and to the extent VICI has such materials in its possession and Lessee does not already have same at the time the HLV Repurchase Right Property Package Request was received).

Promptly upon Owner's reasonable request therefor, VICI shall provide to Owner additional information reasonably related to the HLV Repurchase Right, to the extent such information is in its possession and Lessee does not already have same.

(c) *Call Right Deadline*. If Owner does not deliver a HLV Repurchase Right Property Package Request to VICI in accordance with the provisions of Sections 4(a) and 4(b) prior to the expiration of the HLV Repurchase Election Period, TIME BEING OF THE ESSENCE, the HLV Repurchase Right shall automatically terminate and be deemed null and void.

(d) *Dispute Regarding HLV Repurchase Right Property Package*. If Owner, after reviewing the HLV Repurchase Right Property Package, either (1) disagrees with VICI's computation of the HLV Repurchase Right Purchase Price, or (2) has comments or revisions to the draft HLV Repurchase Sale Agreement that are required to cause same to comply with the provisions of this Agreement, Owner shall notify VICI thereof within twenty (20) days of Owner's receipt of the HLV Repurchase Right Property Package. In such event, Owner and VICI shall negotiate in good faith up to a period of thirty (30) days in an effort to reconcile the applicable issue(s). If Owner and VICI are unable to resolve the subject dispute, such dispute shall be resolved pursuant to arbitration in accordance with the procedures set forth in Section 6 hereof.

(e) *Finalization of HLV Repurchase Right Documents*. If the HLV Repurchase Right Property Package is timely delivered, and (if applicable) any disputes under Section 4(d) above have been resolved, Owner and VICI shall as soon as reasonably practicable (but in all events within ten (10) days thereafter) enter into the HLV Repurchase Sale Agreement.

(f) *Gaming Approvals*. If a Gaming Approval Failure occurs, the HLV Repurchase Right shall automatically terminate and be deemed null and void. Each party shall use good faith, commercially reasonable efforts in order to timely obtain the Requisite Gaming Approvals that it must obtain for the HLV Repurchase Right Transaction, and the other party shall use good faith, commercially reasonable efforts in order to assist such party in its efforts to timely obtain such Requisite Gaming Approvals. If there is a dispute among the Parties as to whether good faith, commercially reasonable efforts were used throughout the Regulatory Period, such dispute shall be resolved in accordance with the procedures set forth in Section 6 hereof, and such matter shall be submitted to arbitration in accordance with the procedures set forth in Section 6 hereof within twenty (20) days after the expiration of the Regulatory Period. Each Party, at no material unreimbursed expense to such Party, agrees to reasonably cooperate with the other Party and use commercially reasonable efforts to provide Regulatory Approval Supporting Information that is reasonably requested by the other Party, in such Party's efforts to obtain any necessary regulatory approvals (including, if necessary Requisite Gaming Approvals).

(g) *Closing*. The closing of the HLV Repurchase Right transaction shall occur in accordance with the terms of the HLV Repurchase Sale Agreement. In the event that a HLV Repurchase Right transaction fails to close as aforesaid, either VICI or Owner shall have the right, to be exercised within twenty (20) days after the date the alleged failure occurs, to submit any dispute related to such failure to arbitration in accordance with the procedures set forth in Section 6 hereof; provided, however, that if the HLV Repurchase Sale Agreement has been executed between the Parties, from and after such execution the terms and conditions of such HLV Repurchase Sale Agreement shall govern all disputes between the Parties.

5. Call Right in Favor of VICI.

(a) *Call Right*. Provided that clauses (1), (2) and (3) (excluding clauses (x) and (y) thereof) of the Put/Call Convention Center Conditions have been satisfied, the Call Right Rent Coverage Condition has been satisfied, the HLV Lease shall be in full force and effect, Landlord (as defined in the HLV Lease) shall not be in material uncured default under the HLV Lease, and VICI is not in material default hereunder (and, for the avoidance of doubt, it shall not be deemed a material default if a VICI LD Default occurred and thereafter VICI paid the Owner Liquidated Damages Amount), then, at any time during the VICI Election Period, VICI shall have the right to exercise the Call Right in accordance with the procedures set forth in this Section 5.

(b) *Requirements of Call Right Election Notice and Call Right Property Package Request*. As a condition to exercising the Call Right, VICI shall deliver to Owner a notice of VICI's intention to exercise the Call Right, and a request for the Call Right Property Package from Owner (collectively, the "Call Right Property Package Request"). As promptly as practicable after receipt of the Call Right Property Package Request, but in no event later than the date occurring thirty (30) days after Owner's receipt of the Call Right Property Package Request, Owner shall provide to VICI a package of information (the "Call Right Property Package"), which shall set forth all material information with respect to the Eastside Convention Center Property and the Call Right including, without limitation, the following:

(i) reasonable evidence that the Put/Call Convention Center Conditions have been satisfied;

(ii) the proposed Sale Agreement, in the condition required by this Agreement, which shall include the Call Right Purchase Price and Closing Date;

(iii) a determination of whether the Call Right Rent Coverage Condition has been satisfied, together with reasonably detailed supporting documentation and computations used to derive such determination;

(iv) the proposed HLV Lease Amendment, in the condition required by this Agreement;

(v) delivery of the Financial Statements referenced in the definition of Combined Rent Coverage Condition; and

(vi) a reasonably detailed explanation of the computation of the proposed Call Right Purchase Price and the Call Right HLV Lease Amendment Rent; and

(vii) Diligence Materials.

Promptly upon VICI's reasonable request therefor, Owner shall provide to VICI additional information reasonably related to the Call Right, to the extent such information is reasonably available to Owner. Further, following delivery of the Call Right Property Package Request VICI and its consultants and representatives shall have access to the Eastside Convention Center Property pursuant to, and VICI, and its consultants and representatives, shall comply with, the Access Provisions.

(c) *Call Right Deadline*. If VICI does not deliver a Call Right Property Package Request to Owner in accordance with Section 5(b) prior to the expiration of the VICI Election Period, TIME BEING OF THE ESSENCE, this Agreement shall automatically terminate on the expiration of such period.

(d) *Failure of Put/Call Convention Center Conditions or Call Right Rent Coverage Condition*. If upon VICI's delivering of the Call Right Property Package Request to Owner, the Put/Call Convention Center Conditions have not been satisfied or the Call Right Rent Coverage Condition is not satisfied (in either case, a "Call Right Condition Failure"), then this Agreement shall automatically terminate at the conclusion of the VICI Election Period unless following

a Call Right Condition Failure, VICI again exercises its Call Right within the VICI Election Period and at the time of delivering of the Call Right Property Package Request to Owner, clause (1), (2) and (3) (excluding clauses (x) and (y) thereof) of the Put/Call Convention Center Conditions and the Call Right Rent Coverage Condition are then satisfied.

(e) *Dispute Regarding Call Right Property Package*. If VICI, after reviewing the Call Right Property Package, still wishes to exercise the Call Right but VICI either (1) disagrees with Owner's computation of the Call Right Purchase Price and/or the Call Right HLV Lease Amendment Rent, or (2) has comments or revisions to the draft HLV Lease Amendment and/or Sale Agreement required to cause the same to comply with the provisions of this Agreement, VICI shall notify Owner thereof within twenty (20) days of VICI's receipt of the Call Right Property Package. In such event, Owner and VICI shall negotiate in good faith up to a period of thirty (30) days in an effort to reconcile the applicable issue(s). If Owner and VICI are unable to resolve the subject dispute, such dispute shall be resolved pursuant to arbitration in accordance with the procedures set forth in Section 6 hereof. Notwithstanding anything to the contrary contained herein, in the event that: (x) the Call Right Property Package discloses that any of the Put/Call Convention Center Conditions is not satisfied and/or the Call Right Rent Coverage Condition is not satisfied, (y) a Tenant Event of Default or Tenant Default exists, and/or (z) a condition exists or an event occurred (evidenced through the Diligence Materials or otherwise) that has a Material Adverse Effect, then, with respect to clauses (x) or (y), Owner may terminate this Agreement to be effective at the conclusion of the VICI Election Period, subject to the provisions of Section 5(d), and if Owner does not so terminate this Agreement, and with respect to clause (z), VICI shall have the right to retract its exercise of the Call Right by providing notice to Owner thereof within twenty (20) days of VICI's receipt of the Call Right Property Package (or, if later, in the case of any item described in either clauses (y) or (z) above, twenty (20) days following the occurrence of such event). In such case, this Agreement shall automatically terminate at the conclusion of the VICI Election Period, subject to the provisions of Section 5(d).

(f) *Finalization of Call Right Documents*. If the Call Right Property Package is timely delivered, and (if applicable) any disputes under Section 5(e) above have been resolved, if VICI still wishes to exercise the Call Right, Owner and VICI shall as soon as reasonably practicable (but in all events within ten (10) days thereafter) enter into the Sale Agreement (with a HLV Lease Amendment attached thereto as an exhibit, which HLV Lease Amendment shall be executed upon the consummation of the closing under the Sale Agreement).

(g) *Gaming Approvals*. If a Gaming Approval Failure occurs, then this Agreement shall automatically terminate. Each Party shall use good faith, commercially reasonable efforts in order to timely obtain the Requisite Gaming Approvals that it must obtain for the Call Right Transaction, and the other Party shall use good faith, commercially reasonable efforts in order to assist such Party in its efforts to timely obtain such Requisite Gaming Approvals. If there is a dispute among the Parties as to whether good faith, commercially reasonable efforts were used throughout the Regulatory Period, such dispute shall be resolved in accordance with the procedures set forth in Section 6 hereof, and such matter shall be submitted to arbitration in accordance with the procedures set forth in Section 6 hereof within twenty (20) days after the expiration of the Regulatory Period. Each Party, at no material unreimbursed expense to such Party, agrees to reasonably cooperate with the other Party and use commercially reasonable efforts to provide Regulatory Approval Supporting Information that is reasonably requested by the other Party, in such Party's efforts to obtain any necessary regulatory approvals (including, if necessary Requisite Gaming Approvals).

(h) *Closing*. The closing of the Call Right transaction shall occur in accordance with the terms of the Sale Agreement. In the event that the Parties fail to execute a Sale Agreement, either VICI or Owner shall have the right, to be exercised within twenty (20) days after the date the alleged failure occurs, to submit any dispute related to such failure to arbitration in accordance with the procedures set forth in Section 6 hereof; provided, however, that if the Sale Agreement has been executed between the Parties, from and after such execution the terms and conditions of such Sale Agreement shall govern all disputes between the Parties.

(i) *Failure to Execute Sale Agreement Due To Owner Breach*. Prior to entering into this transaction, Owner and VICI have discussed the fact that substantial damages will be suffered by VICI if Owner shall breach or default in its obligations under this Section 5 to execute a Sale Agreement when required under this Section 5 (an "Owner LD Default"); accordingly, the Parties agree that a reasonable estimate of VICI's damages in such event is the amount of $9,000,000 (the "VICI Liquidated Damages Amount"). In the event of an Owner LD Default, then, as VICI's sole and exclusive remedy hereunder, at law, in equity or otherwise, Owner shall pay the VICI Liquidated Damages Amount to VICI as liquidated damages, and thereafter, the Parties shall have no further rights or obligations hereunder except for other obligations which expressly survive the termination of this Agreement. Owner's obligation to pay the VICI Liquidated Damages Amount if and when payable hereunder shall survive the termination of this Agreement. In the event of an alleged Owner LD Default, VICI shall provide notice to Owner of same, setting forth in reasonable detail the nature of such Owner LD Default (an "Owner LD Default Notice"). Owner shall have the right, to be exercised within twenty (20) days after the

date VICI gives an Owner LD Default Notice, to submit any dispute related to such alleged Owner LD Default to arbitration in accordance with the procedures set forth in Section 6 hereof in order to obtain a determination as to whether an Owner LD Default occurred. In the event the Arbitration Panel's determination is that an Owner LD Default occurred, Owner shall have a period of twenty (20) days from the date of such determination to cure such default, failure of which shall result in Owner being required to pay the VICI Liquidated Damages Amount.

(j) *Financial Statements and Access to Eastside Convention Center Property*. At any time and from time to time after the first (1st) day of the ninth (9th) Lease Year under the HLV Lease, within thirty (30) days after request therefor by VICI, Owner shall provide: (x) to VICI, Financial Statements for the then most recent period of four consecutive Fiscal Quarters ended at least 90 days prior to such date, and (y) to VICI and its consultants and representatives, access to the Eastside Convention Center Property pursuant to, and VICI, and its consultants and representatives, shall comply with, the Access Provisions.

(k) *Termination of Agreement*. Upon closing of the Call Right transaction this Agreement shall automatically terminate and be of no further force and effect.

6. Arbitration.

(a) *Arbitrator Qualifications*. Any dispute required pursuant to the terms and conditions of this Agreement to be resolved by arbitration shall be submitted to and determined by an arbitration panel comprised of three (3) members (the "Arbitration Panel"). No more than one (1) panel member may be with the same firm, and no panel member may have an economic interest in the outcome of the arbitration. In addition, each panel member shall have (i) at least ten (10) years of experience as an arbitrator and at least one (1) year of experience in a profession that directly relates to the ownership, operation, financing or leasing of gaming or other hospitality facilities similar to the Eastside Convention Center Property, as applicable, or (ii) at least one (1) year of experience as an arbitrator and at least ten (10) years of experience in a profession that directly relates to the ownership, operation, financing or leasing of gaming or other hospitality facilities similar to the HLV Property or Eastside Convention Center Property, as applicable.

(b) *Arbitrator Appointment.* The Arbitration Panel shall be selected as set forth in this Section 6(b). Within fifteen (15) Business Days after the expiration of the applicable date identified in this Agreement, Owner shall select and identify to VICI a panel member meeting the criteria of the above paragraph (the "Owner Panel Member") and VICI shall select and identify to Owner a panel member meeting the criteria of the above paragraph (the "VICI Panel Member"). If a Party fails to timely select its respective panel member, the other Party may notify such Party in writing of such failure, and if such Party fails to select its respective panel member within three (3) Business Days after receipt of such notice, then such other Party may select and identify to such Party such panel member on such Party's behalf. Within ten (10) Business Days after the selection of the Owner Panel Member and the VICI Panel Member, the Owner Panel Member and the VICI Panel Member shall jointly select a third panel member meeting the criteria of the above paragraph (the "Third Panel Member"). If the Owner Panel Member and the VICI Panel Member fail to timely select the Third Panel Member and such failure continues for more than three (3) Business Days after written notice of such failure is delivered to the Owner Panel Member and VICI Panel Member by either Owner or VICI, then Owner and VICI shall cause the Third Panel Member to be appointed by the managing officer of the American Arbitration Association.

(c) *Arbitration Procedure.* Within twenty (20) Business Days after the selection of the Arbitration Panel, Owner and VICI each shall submit to the Arbitration Panel a written statement identifying its summary of the issues. Owner and VICI may also request an evidentiary hearing on the merits in addition to the submission of written statements, such request to be made in writing within such twenty (20) Business Day period. The Arbitration Panel shall determine the appropriate terms and conditions of the documents or other matters in question in accordance with this Agreement. The Arbitration Panel shall make its decision within twenty (20) days after the later of (i) the submission of such written statements, and (ii) the conclusion of any evidentiary hearing on the merits (if any). The Arbitration Panel shall reach its decision by majority vote and shall communicate its decision by written notice to Owner and VICI.

(d) *Determinations by Arbitration Panel.* For the avoidance of doubt, (i) any damages payable hereunder shall be payable only in cash or cash equivalents or, in the discretion of both Parties acting reasonably, equity securities or debt with at least the same value as a cash award or, in the sole discretion of each Party, such other form of consideration as may be agreed between them; and (ii) in making any determination of an issue with respect to Gaming Laws or involving the Gaming Authorities, the Arbitration Panel shall be limited to determining whether the Owner acted in good faith and/or a commercially reasonable manner with respect to this Agreement and its obligations hereunder.

(e) *Binding Decision.* The decision by the Arbitration Panel shall be final, binding and conclusive and shall be non-appealable and enforceable in any court having jurisdiction. All hearings and proceedings held by the Arbitration Panel shall take place in New York, New York.

(f) *Determination Rules.* The resolution procedure described herein shall be governed by the Commercial Rules of the American Arbitration Association and the Procedures for Large, Complex, Commercial Disputes in effect as of the date hereof.

(g) *Liability for Costs.* Owner and VICI shall bear equally the fees, costs and expenses of the Arbitration Panel in conducting any arbitration described in this Section 6.

7. Miscellaneous.

(a) *Notices*. Any notice, request or other communication to be given by any Party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or express courier service, by facsimile transmission or by an overnight express service to the following address or to such other address as either Party may hereafter designate:

To Owner: Vegas Development Land Owner LLC
One Caesars Palace Drive
Las Vegas, NV 89109
Attention: General Counsel
Facsimile: (702) 892-2795
Email: corplaw@caesars.com

To VICI: Claudine Propco LLC
c/o VICI Properties, L.P.
8329 West Sunset Road, Suite 210
Las Vegas, NV 89113
Attention: General Counsel
Fax:
Email: corplaw@viciproperties.com

Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by facsimile transmission shall be deemed given upon confirmation that such notice was received at the number specified above or in a notice to the sender.

(b) *Successors and Assigns*. This Agreement shall be binding upon and shall inure to the benefit of Owner and VICI and their respective permitted successors and assigns; provided, however, in all instances this Agreement shall "run with the land" and be binding against any successor of the Parties and each such permitted successor or assign shall be required to execute and notarize a joinder to this Agreement in a form of joinder reasonably acceptable to the Parties hereto, but failure to execute and/or have notarized such joinder shall in no way affect such successor's or assign's obligations under this Agreement. Owner shall not have the right to assign its rights or obligations under this Agreement without the prior written consent of VICI; provided, that if after the date hereof HLV Tenant assigns its rights and obligations as "Tenant" under and pursuant to the terms of the HLV Lease to a person or entity that is not an Affiliate of HLV Tenant and Owner, then Owner, concurrently with such assignment by HLV Tenant, shall assign this Agreement to the "Tenant" or to an Affiliate of such "Tenant" under the HLV Lease. VICI shall not have the right to assign its rights or obligations under this Agreement, other than to an Affiliate of VICI; provided, that if after the date hereof VICI assigns its rights and obligations as "Landlord" under and pursuant to the terms of the HLV Lease, then this Agreement shall be automatically assigned and be binding upon and inure to the benefit of such successor that is then the "Landlord" under the HLV Lease. The foregoing shall be subject to the terms and provisions of Section 2(b).

(c) Entire Agreement; Amendment . This Agreement and the exhibits hereto constitute the entire and final agreement of the Parties with respect to the subject matter hereof, and may not be changed or modified except by an agreement in writing signed by the Parties. Owner and VICI hereby agree that all prior or contemporaneous oral understandings, agreements or negotiations relative to the subject matter hereof are merged into and revoked by this Agreement.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, which State the Parties agree has a substantial relationship to the Parties and to the underlying transaction embodied hereby. This Agreement is the product of joint drafting by the Parties and shall not be construed against either Party as the drafter hereof.

(e) Venue. With respect to any action relating to this Agreement, Owner and VICI irrevocably submit to the exclusive jurisdiction of the courts of the State of Nevada sitting in Clark County, Nevada and the United States District Court having jurisdiction over Clark County, Nevada, and Owner and VICI each waives: (a) any objection to the laying of venue of any suit or action brought in any such court; (b) any claim that such suit or action has been brought in an inconvenient forum; (c) any claim that the enforcement of this Section is unreasonable, unduly oppressive, and/or unconscionable; and (d) the right to claim that such court lacks jurisdiction over that Party.

(f) Waiver of Jury Trial. EACH PARTY HERETO, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT.

(g) Severability. If any term or provision of this Agreement or any application thereof shall be held invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision shall not be affected thereby.

(h) Third-Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and is not enforceable by any other persons.

(i) Time of Essence. TIME IS OF THE ESSENCE OF THIS AGREEMENT AND EACH PROVISION HEREOF IN WHICH TIME OF PERFORMANCE IS ESTABLISHED.

(j) Further Assurances. The Parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Agreement. In addition, VICI agrees to, at Owner's sole cost and expense, reasonably cooperate with all applicable Gaming Authorities in connection with the administration of their regulatory jurisdiction over the Owner and the transactions contemplated and described herein, including the provision of such documents and other information as may be requested by such Gaming Authorities.

(k) Counterparts; Originals. This Agreement may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument. Facsimile or digital copies of this Agreement, including the signature page hereof, shall be deemed originals for all purposes.

(l) Licensing Events; Termination.

(i) If there shall occur a VICI Licensing Event and any aspect of such VICI Licensing Event is attributable to a member of the VICI Subject Group, then Owner or VICI, as applicable, shall notify the other Party thereof as promptly as practicable after becoming aware of such VICI Licensing Event (but in no event later than twenty (20) days after becoming aware of such VICI Licensing Event). In such event, VICI shall use commercially reasonable efforts to resolve and to cause the other members of the VICI Subject Group to use commercially reasonable to in resolve such VICI Licensing Event within the time period required by the applicable Gaming Authorities by submitting to investigation by the relevant Gaming Authorities and cooperating with any reasonable requests made by such Gaming Authorities (including filing requested forms and delivering information to the Gaming Authorities). If, despite these efforts, such VICI Licensing Event cannot be resolved to the satisfaction of the applicable Gaming Authorities within the time period required by such Gaming Authorities, Owner shall have the right, in its discretion, to (1) cause this Agreement to temporarily cease to be in full force and effect, until such time, as any, as the VICI Licensing Event is resolved to the satisfaction of the applicable Gaming Authorities; provided, that if the VICI Election Period, Owner Election Period or HLV Repurchase Election Period would otherwise terminate at a time while the Agreement is not in full force and effect, then the VICI Election Period, Owner Election Period or HLV Repurchase Election Period, as the case may be, shall be extended until the date that is the earlier of (x) one hundred eighty (180) days after the date on which the Parties become aware that the VICI Licensing Event was resolved to the satisfaction of the applicable Gaming Authorities, (y) the date on which each of VICI and Owner reasonably determines that the VICI Licensing Event is not likely to be resolved or otherwise ceases using commercially reasonable efforts to resolve such VICI Licensing Event and (z) the date that is one (1) year following the expiration of the VICI Election Period, Owner Election Period or HLV Repurchase Election Period, as the case may be, or (2) to the extent causing this Agreement to temporarily cease to be in full force and

effect in lieu of terminating this Agreement is not sufficient for the applicable Gaming Authorities, notify VICI of its intention to terminate this Agreement, in which case the Agreement shall terminate upon receipt of such notice.

(ii) If there shall occur an Owner Licensing Event and any aspect of such Owner Licensing Event is attributable to a member of the Owner Subject Group, then VICI or Owner, as applicable, shall notify the other Party thereof as promptly as practicable after becoming aware of such Owner Licensing Event (but in no event later than twenty (20) days after becoming aware of such Owner Licensing Event). In such event, Owner shall use commercially reasonable efforts to resolve and to cause the other members of the Owner Subject Group to resolve such Owner Licensing Event within the time period required by the applicable Gaming Authorities by submitting to investigation by the relevant Gaming Authorities and cooperating with any reasonable requests made by such Gaming Authorities (including filing requested forms and delivering information to the Gaming Authorities). If, despite these efforts, such Owner Licensing Event cannot be resolved to the satisfaction of the applicable Gaming Authorities within the time period required by such Gaming Authorities, VICI shall have the right, in its discretion, to terminate this Agreement; provided, that if the VICI Election Period, Owner Election Period or HLV Repurchase Election Period would otherwise terminate at a time while the Agreement is not in full force and effect, then the VICI Election Period, Owner Election Period or HLV Repurchase Election Period, as the case may be, shall be extended until the date that is the earlier of (x) one hundred eighty (180) days after the date on which the Parties become aware that the Owner Licensing Event was resolved to the satisfaction of the applicable Gaming Authorities, (y) the date on which each of VICI and Owner reasonably determines that the Owner Licensing Event is not likely to be resolved or otherwise ceases using commercially reasonable efforts to resolve such Owner Licensing Event and (z) the date that is one (1) year following the expiration of the VICI Election Period, Owner Election Period or HLV Repurchase Election Period, as the case may be, or (2) to the extent causing this Agreement to temporarily cease to be in full force and effect in lieu of terminating this Agreement is not sufficient for the applicable Gaming Authorities, notify Owner of its intention to terminate this Agreement, in which case the Agreement shall terminate upon receipt of such notice.

(m) Memorandum. Owner and VICI shall, promptly upon the request of either Party, enter into one or more short form memoranda of this Agreement in a form reasonably acceptable to the Parties and in all events in form suitable for recording in the county or other applicable location in which the Eastside Convention Center Property is located and which shall be recorded against the Designated Land and the HLV Property. Each Party shall bear its own costs in negotiating and finalizing such memoranda, but the Parties shall split equally all costs and expenses of recording any such memorandum and shall fully cooperate with Owner in removing from record any such memorandum upon the termination of this Agreement. Notwithstanding anything to the contrary, each of Owner and VICI shall, promptly upon the termination of this Agreement, enter into a termination of memorandum of agreement in recordable form and promptly after execution record such termination of memorandum of agreement.

(n) Guaranties. On the Effective Date, (x) Owner Guarantor shall execute and deliver the Owner Guaranty, which shall in all events be in a form reasonably acceptable to the Parties, and be on materially the same terms as the PSA Seller Guaranty and PSA Buyer Guaranty (as defined in the HLV Property PSA), except that the Owner Guaranty shall be with respect to Owner's obligations to pay the VICI Liquidated Damages Amount to the extent due pursuant to the terms and conditions of this Agreement and with respect to the performance of Owner's obligations under Section 2 of this Agreement, and (y) VICI Guarantor shall execute and deliver the VICI Guaranty, which shall in all events be in a form reasonably acceptable to the Parties, and be on materially the same terms as the PSA Seller Guaranty and PSA Buyer Guaranty, except that the VICI Guaranty shall be with respect to VICI's obligations to pay the Owner Liquidated Damages Amount to the extent due pursuant to the terms and conditions of this Agreement. If the form of the Owner Guaranty and the form of VICI Guaranty have not been agreed to on the Effective Date, then the parties may submit the dispute with regard to the form of the VICI Guaranty and Owner Guaranty to arbitration in accordance with Section 6.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, VICI and Owner have executed this Agreement as of the date first set forth above.

VICI:

CLAUDINE PROPCO LLC,
a Delaware limited liability company

By: /s/ John Payne
Name: John Payne
Title: President

PARCEL 1 OWNER:

VEGAS DEVELOPMENT LAND OWNER LLC,
a Delaware limited liability company

By: EASTSIDE CONVENTION CENTER, LLC,
A Delaware limited liability company, its sole member

By: CAESARS RESORT COLLECTION, LLC,
A Delaware limited liability company, its sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

PARCEL 2 OWNER:

3535 LV NEWCO, LLC
a Delaware limited liability company

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

Exhibit 10.46

INCREMENTAL ASSUMPTION AGREEMENT NO. 1

INCREMENTAL ASSUMPTION AGREEMENT NO. 1 (this "**Agreement**") dated as of December 18, 2017 relating to the Credit Agreement dated as of October 6, 2017 (as amended, restated, supplemented, waived or otherwise modified from time to time, the "**Credit Agreement**") among CAESARS ENTERTAINMENT OPERATING COMPANY, INC., CEOC, LLC, as borrower (the "**Borrower**"), the Lenders party thereto from time to time and CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as administrative agent for the Lenders (together with its successors and assigns in such capacity, the "**Administrative Agent**") and collateral agent for the Secured Parties.

RECITALS:

WHEREAS, the Borrower has requested Incremental Term Loan Commitments in an aggregate principal amount of $265,000,000 (the "**Chester Notes Refinancing**") pursuant to Section 2.21(a) of the Credit Agreement, which Incremental Term Loan Commitments shall have the same terms and conditions as the Term B Loans prior to giving effect to this Agreement, and the net proceeds of which plus cash on hand will be used to make a voluntary prepayment of certain existing Indebtedness (the "**Chester Existing Notes**") of Chester Downs and Marina, LLC ("**Chester Downs**") and Chester Downs Finance Corp. on the 2017 Incremental Effective Date (as defined below), together with accrued interest thereon (such amounts collectively, the "**Chester Notes Repayment Amount**");

WHEREAS, the Borrower has appointed (a) each of Credit Suisse Securities (USA) LLC ("**CS Securities**") and Deutsche Bank Securities Inc. ("**DBSI**") as joint lead arrangers (collectively, the "**Lead Arrangers**") and (b) each of CS Securities, DBSI, Barclays Bank PLC, Citigroup Global Markets Inc., Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A. and Morgan Stanley Senior Funding, Inc. as joint bookrunners (collectively, the "**Bookrunners**" and, together with the Lead Arrangers, the "**2017 Incremental Arrangers**"), in each case for the Chester Notes Refinancing;

WHEREAS, the institution listed on Schedule I hereto (the "**2017 Incremental Term Lender**") has agreed, on the terms and conditions set forth herein and in the Credit Agreement, to provide the Chester Notes Refinancing by making a Term Loan to the Borrower in the amount set forth opposite its name under the heading "2017 Incremental Term Loan Commitment" on Schedule I hereto (the "**2017 Incremental Term Loan Commitment**");

NOW, THEREFORE, the parties hereto therefore agree as follows:

SECTION 1. *Defined Terms; References*. Capitalized terms used in this Agreement and not otherwise defined herein have the respective meanings assigned thereto in the Credit Agreement. The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 2. *Chester Notes Refinancing.*

(a) Subject to the terms and conditions set forth herein, the 2017 Incremental Term Lender agrees to make an Incremental Term Loan to the Borrower on the 2017 Incremental Effective Date, in an aggregate principal amount not to exceed its 2017 Incremental Term Loan Commitment (such term loans, collectively, the "**2017 Incremental Term Loans**"). Unless previously terminated, the 2017 Incremental Term Loan Commitment shall terminate at 5:00 p.m., New York City time, on the 2017 Incremental Effective Date.

(b) With effect from the 2017 Incremental Effective Date, the 2017 Incremental Term Loans incurred under Section 2(a) of this Agreement shall constitute a single Class of Term Loan and shall be a "Term B Loan" for all purposes under the Credit Agreement and the 2017 Incremental Term Lender shall be a Lender with an outstanding Term B Loan.

(c) The 2017 Incremental Term Loans shall constitute an increase to, and have the same terms as, the Term B Loans prior to giving effect to this Agreement, including with respect to the Term B Facility Maturity Date.

SECTION 3. *Representations of the Borrower*. The Borrower represents and warrants that:

(a) the representations and warranties set forth in the Loan Documents are true and correct in all material respects on and as of the 2017 Incremental Effective Date after giving effect hereto with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date (in which case such representations and warranties shall be true and correct in all material respects as of such earlier date);

(b) no Event of Default or Default was continuing on and as of the 2017 Incremental Effective Date after giving effect hereto and to the extension of credit requested to be made on the 2017 Incremental Effective Date;

(c) immediately after giving effect to the transactions contemplated hereunder on the 2017 Incremental Effective Date, (i) the fair value of the assets of the Borrower and the Subsidiaries on a consolidated basis, at a fair valuation, will exceed the debts and liabilities, direct, subordinated, contingent or otherwise, of the Borrower and the Subsidiaries on a consolidated basis; (ii) the present fair saleable value of the property of the Borrower and the Subsidiaries on a consolidated basis will be greater than the amount that will be required to pay the probable liability of the Borrower and the Subsidiaries on a consolidated basis on their debts and other liabilities, direct, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured; (iii) the Borrower and the Subsidiaries on a consolidated basis will be able to pay their debts and liabilities, direct, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (iv) the Borrower and the Subsidiaries on a consolidated basis will not have unreasonably small capital with which to conduct the businesses in which they are engaged as such businesses are now conducted and are proposed to be conducted following the 2017 Incremental Effective Date; and

(d) as of the 2017 Incremental Effective Date, immediately after giving effect to the transactions contemplated hereunder on the 2017 Incremental Effective Date, the Borrower does not intend to, and the Borrower does not believe that it or any of its subsidiaries will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing and amounts of cash to be received by it or any such subsidiary and the timing and amounts of cash to be payable on or in respect of its Indebtedness or the Indebtedness of any such subsidiary.

SECTION 4. *Conditions*. This Agreement shall become effective as of the first date (the "**2017 Incremental Effective Date**") when each of the following conditions shall have been satisfied:

(a) the Administrative Agent (or its counsel) shall have received from each Loan Party, the 2017 Incremental Term Lender and the Administrative Agent (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include facsimile or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement;

(b) the Administrative Agent shall have received any required notice of borrowing of the 2017 Incremental Term Loans pursuant to Section 2.03 of the Credit Agreement; *provided* that such notice of borrowing shall be delivered in accordance the time periods specified in Section 2.03 of the Credit Agreement or such shorter period as the Administrative Agent may agree;

(c) the representations and warranties set forth in Section 3 above shall be true and correct as of the date hereof;

(d) the Administrative Agent shall have received a certificate, dated the 2017 Incremental Effective Date and executed by a Responsible Officer of the Borrower, confirming the accuracy of the representations and warranties set forth in Section 3 above;

(e) the Administrative Agent shall have received, on behalf of itself and the 2017 Incremental Term Lender, a favorable written opinion of Latham & Watkins LLP, as New York, California, Delaware and Illinois special counsel for the Loan Parties (i) dated the date hereof, (ii) addressed to the Administrative Agent and the 2017 Incremental Term Lender and (iii) in form and substance reasonably satisfactory to the Administrative Agent and covering such other matters relating to this Agreement as the Administrative Agent shall reasonably request (it being understood and agreed that such opinion shall be with respect to the Borrower and each other Loan Party organized under the laws of the states of New York, California, Delaware and Illinois only);

(f) the Administrative Agent shall have received customary closing certificates consistent with those delivered on the Closing Date; *provided* that, in lieu of attaching organizational documents and/or evidence of incumbency of the officers of any Loan Party to such certificates, such certificates may certify that (i) since the Closing Date, there have been no changes to the organizational documents of such Loan Party and (ii) no changes have been made to the incumbency certificate of the officers of such Loan Party delivered on the Closing Date or such later date referred to in such certificates;

(g) the Administrative Agent shall have received satisfactory evidence of the payment of the Chester Notes Repayment Amount by the Borrower to U.S. Bank National Association, as trustee under the Chester Existing Notes, which shall occur substantially simultaneously with the Borrowing of the 2017 Incremental Term Loans, and the Borrower shall designate Chester Downs as a Subsidiary under the Credit Agreement; and

(h) any fees and reasonable out-of-pocket expenses (including reasonable fees, charges and disbursements of Davis Polk & Wardwell LLP) owing by the Borrower to the Administrative Agent and the 2017 Incremental Arrangers and invoiced prior to the date hereof shall have been paid in full (subject to any agreed-upon limits contained in any letter agreement with the Administrative Agent or its affiliates or such 2017 Incremental Arrangers or their respective affiliates entered into in connection with this Agreement).

SECTION 5. *Post-Closing Conditions.*

(a) Borrower shall as soon as practicable, but not later than ninety (90) days after the 2017 Incremental Effective Date (or such later date as Administrative Agent may determine in its reasonable discretion), deliver or cause to be delivered to the Administrative Agent the following items with respect to each Mortgaged Property, each in form and substance reasonably acceptable to Administrative Agent:

(i) an amendment to each Mortgage encumbering a Mortgaged Property, and/or a new and/or additional Mortgage encumbering each Mortgaged Property, to include the 2017 Incremental Term Loans in the obligations secured by such Mortgage (such amendments and/or new and/or additional Mortgages, collectively, the "**Mortgage Amendments**"), each duly executed and delivered by an authorized officer of each Loan Party party thereto and in form suitable for filing and recording in all filing or recording offices that Administrative Agent may deem necessary or desirable unless Administrative Agent is satisfied in its reasonable discretion that Mortgage Amendments are not required in order to secure the applicable Loan Party's obligations as modified hereby; and

(ii) to the extent requested by the Administrative Agent, a new lender's title insurance policy and/or mortgage modification endorsement or local equivalent and/or such other endorsements as may be reasonably requested by Administrative Agent with respect to the Mortgaged Properties, each in form and substance reasonably satisfactory to Administrative Agent, or other endorsements acceptable to Administrative Agent.

(b) Borrower shall as soon as practicable, and in any event within the time period required by Section 5.10 of the Credit Agreement, cause Chester Downs to become a Subsidiary Loan Party under the Credit Agreement, except to the extent it constitutes an Excluded Subsidiary.

SECTION 6. *Governing Law*. This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

SECTION 7. *Confirmation of Guaranties and Security Interests*. By signing this Agreement, each Loan Party hereby confirms that (i) the obligations of the Loan Parties under the Credit Agreement as modified hereby (including with respect to the 2017 Incremental Term Loans) and the other Loan Documents (x) are entitled to the benefits of the guarantees and the security interests set forth or created in the Collateral Agreement and the other Loan Documents and (y) constitute Loan Obligations and (ii) notwithstanding the effectiveness of the terms hereof, the Collateral Agreement and the other Loan Documents are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects after giving effect to the extension of credit contemplated herein. Each Loan Party ratifies and confirms that all Liens granted, conveyed, or assigned to any Agent by such Person pursuant to each Loan Document to which it is a party remain in full force and effect, are not released or reduced, and continue to secure full payment and performance of the Loan Obligations as increased hereby.

SECTION 8. *Counterparts*. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Delivery of an executed counterpart to this Agreement by facsimile or electronic transmission shall be as effective as delivery of a manually signed original.

SECTION 9. *Miscellaneous*. This Agreement shall constitute a Loan Document for all purposes of the Credit Agreement. The Borrower shall pay all reasonable fees, costs and expenses of the Administrative Agent as agreed to between the parties incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby (in the case of any such fees and reasonable out-of-pocket expenses incurred in connection with this Agreement, subject to any agreed-upon limits contained in any letter agreement with the Administrative Agent or its affiliates entered into in connection with this Agreement). The execution, delivery and effectiveness of this Agreement shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CEOC, LLC, as Borrower

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

3535 LV CORP.
B I GAMING CORPORATION
BALLY'S MIDWEST CASINO, INC.
BALLY'S PARK PLACE LLC
BENCO LLC
BL DEVELOPMENT CORP.
BOARDWALK REGENCY LLC
CAESARS ENTERTAINMENT FC LLC
CAESARS MARKETING SERVICES LLC
CAESARS NEW JERSEY LLC
CAESARS PALACE LLC
CAESARS PALACE REALTY LLC
CAESARS RIVERBOAT CASINO, LLC
CAESARS TREX, INC.
CAESARS UNITED KINGDOM, INC.
CAESARS WORLD LLC
CAESARS WORLD MARKETING LLC
CAESARS WORLD MERCHANDISING LLC
CALIFORNIA CLEARING CORPORATION
CASINO COMPUTER PROGRAMMING, INC.
DESERT PALACE LLC
FLAMINGO-LAUGHLIN, INC.
GCI SPINCO LLC
GRAND CASINOS OF BILOXI, LLC
GRAND CASINOS OF MISSISSIPPI, LLC - GULFPORT
GRAND CASINOS, INC.
HARRAH SOUTH SHORE CORPORATION
HARRAH'S ARIZONA CORPORATION
HARRAH'S BOSSIER CITY INVESTMENT COMPANY, L.L.C.
HARRAH'S CHESTER DOWNS INVESTMENT COMPANY, LLC
HARRAH'S CHESTER DOWNS MANAGEMENT COMPANY, LLC
HARRAH'S ILLINOIS LLC
HARRAH'S INTERACTIVE INVESTMENT COMPANY

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

HARRAH'S INTERNATIONAL HOLDING COMPANY, INC.
HARRAH'S IOWA ARENA MANAGEMENT, LLC
HARRAH'S MANAGEMENT COMPANY
HARRAH'S NEW ORLEANS MANAGEMENT COMPANY LLC
HARRAH'S NORTH KANSAS CITY LLC
HARRAH'S OPERATING COMPANY MEMPHIS, LLC
HARVEYS BR MANAGEMENT COMPANY, INC.
HARVEYS IOWA MANAGEMENT COMPANY LLC
HARVEYS TAHOE MANAGEMENT COMPANY LLC
HBR REALTY COMPANY LLC
HCAL, LLC
HCR SERVICES COMPANY, INC.
HEI HOLDING COMPANY ONE, INC.
HEI HOLDING COMPANY TWO, INC.
HORSESHOE GAMING HOLDING, LLC
HORSESHOE GP, LLC
HORSESHOE HAMMOND, LLC
HTM HOLDING LLC
MARTIAL DEVELOPMENT CORP.
NEW ROBINSON PROPERTY GROUP LLC
OCEAN SHOWBOAT, INC.
PARBALL LLC
PLAYERS BLUEGRASS DOWNS LLC
ROBINSON PROPERTY GROUP LLC
ROMAN ENTERTAINMENT CORPORATION OF INDIANA
ROMAN HOLDING COMPANY OF INDIANA LLC
SHOWBOAT ATLANTIC CITY OPERATING COMPANY, LLC
SHOWBOAT HOLDING LLC
SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC

TUNICA ROADHOUSE LLC

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

190 FLAMINGO, LLC
AJP PARENT, LLC
CHRISTIAN COUNTY LAND ACQUISITION
COMPANY, LLC
HOLE IN THE WALL, LLC
KOVAL HOLDINGS COMPANY, LLC
PHW MANAGER, LLC
PLAYERS INTERNATIONAL, LLC
RENO CROSSROADS LLC
TRB FLAMINGO, LLC
WINNICK PARENT, LLC

By: CEOC, LLC, as sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

AJP HOLDINGS, LLC

By: AJP PARENT, LLC, as sole member

By: CEOC, LLC, as sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

CHESTER FACILITY HOLDING COMPANY, LLC
By: HARRAH'S CHESTER DOWNS INVESTMENT COMPANY, LLC, as sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

DURANTE HOLDINGS, LLC

By: AJP HOLDINGS, LLC, as sole member

By: AJP PARENT, LLC, as sole member

By: CEOC, LLC, as sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

HARRAH'S NC CASINO COMPANY, LLC

By: HARRAH'S MANAGEMENT COMPANY, as a managing member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

HARRAH'S NC CASINO COMPANY, LLC

By: CEOC, LLC, as a managing member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

HARRAH'S SHREVEPORT/BOSSIER CITY INVESTMENT COMPANY, LLC

By: HARRAH'S NEW ORLEANS MANAGEMENT COMPANY LLC, as sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

HORSESHOE ENTERTAINMENT

By: NEW GAMING CAPITAL PARTNERSHIP, A NEVADA LIMITED PARTNERSHIP, as general partner

By: HORSESHOE GP, LLC, as general partner

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

KOVAL INVESTMENT COMPANY, LLC

By: KOVAL HOLDINGS COMPANY, LLC, as sole member

By: CEOC, LLC, as sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

NEW GAMING CAPITAL PARTNERSHIP, A NEVADA LIMITED PARTNERSHIP

By: HORSESHOE GP, LLC, as general partner

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

PLAYERS HOLDING, LLC

By: PLAYERS INTERNATIONAL, LLC, as sole member

By: CEOC, LLC, as sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

WINNICK HOLDINGS, LLC

By: WINNICK PARENT, LLC, as sole member

By: CEOC, LLC, as sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

ADMINISTRATIVE AGENT

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as Administrative Agent

By: /s/ John Toronto
Name: John Toronto
Title: Authorized Signatory

By: /s/ Whitney Gaston
Name: Whitney Gaston
Title: Authorized Signatory

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH, as 2017 Incremental Term Lender

By: /s/ John Toronto
Name: John Toronto
Title: Authorized Signatory

By: /s/ Whitney Gaston
Name: Whitney Gaston
Title: Authorized Signatory

Exhibit 10.47

FIRST AMENDMENT TO LEASE (NON-CPLV)

THIS FIRST AMENDMENT TO LEASE (NON-CPLV) (this "**First Amendment**"), is made as of December 22, 2017, by and among the entities listed on Schedule A attached hereto (collectively, and together with their respective successors and assigns, "**Landlord**"), and CEOC, LLC, a Delaware limited liability company, and the entities listed on Schedule B attached hereto (collectively, and together with their respective successors and assigns, "**Tenant**").

RECITALS

A. Landlord and Tenant are parties to that certain LEASE (NON-CPLV) dated as of October 6, 2017 (the "**Lease**"). Capitalized terms used in this First Amendment and not otherwise defined herein shall have the meanings ascribed thereto in the Lease;

B. Pursuant to that certain Purchase and Sale Agreement dated as of November 29, 2017, Vegas Development LLC, a Delaware limited liability company ("**Seller**"), intends to sell and convey to Eastside Convention Center, LLC, a Delaware limited liability company ("**Buyer**"), and Buyer desires to purchase and acquire all of the equity in the owner of that certain parcel of real property and the buildings and other improvements, if any, constructed thereon, having the following Clark County Assessor Parcel Numbers: 162-16-410-060 through 162-16-410-089, inclusive, located in Clark County, Nevada (collectively, the "**Eastside Property**");

C. The Eastside Property is part of the "Land";

D. The Eastside Property is part of the "Las Vegas land assemblage";

E. Buyer intends to develop certain improvements on the Eastside Property and other portions of the "Las Vegas land assemblage";

F. As set forth in the minutes of the June 14-15, 2017 meeting, the Iowa Racing and Gaming Commission ("**IRGC**") unanimously approved the Lease as presented.

G. The Parties recently realized that Harveys BR Management Company, Inc. ("**Harveys BR Management**") was not identified as a party to the Lease when it was previously submitted to the Iowa Racing and Gaming Commission for approval in June, 2017.

H. The Parties now desire to amend the Lease to remove the Eastside Property from the "Land" and the "Las Vegas land assemblage", address certain scrivener's errors in a certain exhibit and schedule and such other items as more particularly described herein, and, out of an abundance of caution, confirm that the inclusion of Harveys BR Management is subject to approval by the IRGC and work together in good faith to obtain the approval.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the Parties do hereby stipulate, covenant and agree as follows:

1. Removal of Eastside Property.

(a) Exhibit B of the Lease is hereby deleted in its entirety and is replaced with **Exhibit B** attached hereto.

(b) Exhibit F of the Lease is hereby deleted in its entirety and is replaced with **Exhibit F** attached hereto, which for purposes of clarification removes from the legal descriptions of the "Las Vegas land assemblage" the Eastside Property.

2. Corrections

(a) Rows numbered 1 and 2 of Exhibit A of the Lease are hereby deleted in their entirety and are replaced with rows numbered 1 and 2 set forth on **Exhibit A** attached hereto.

(b) Schedule 1 of the Lease is hereby deleted in its entirety and is replaced with **Schedule 1** attached hereto.

(c) The definition of "Intercreditor Agreement" in the Lease is hereby deleted in its entirety and replaced with the following:

""Intercreditor Agreement": That certain Intercreditor Agreement, dated as of the date hereof, by and among Landlord, Credit Suisse AG, Cayman Islands Branch, as Credit Agreement Collateral Agent (as defined therein),

each additional Tenant Financing Collateral Agent (as defined therein) that becomes a party thereto pursuant to Section 9.6 thereof, Tenant and Wilmington Trust, National Association, as collateral agent for the First Lien Secured Parties, Wilmington Trust, as Authorized Representative for the Credit Agreement Secured Parties and UMB Bank, National Association, as Authorized Representative for the Initial Other First Lien Secured Parties and Wilmington Trust, National Association as Credit Agreement Agent, UMB Bank, National Association as Initial Other First Priority Lien Obligations Agent and UMB Bank, National Association, as trustee under the Second Priority Senior Secured Notes Indenture and as collateral agent under the Collateral Agreement (Second Lien) dated as of October 6, 2017, among the Issuers, certain other Grantors and the Trustee in respect of the Second Priority Senior Secured Notes Indenture, each as lender under the Landlord Financing Agreement (as defined therein), and any Fee Mortgagee that becomes a party thereto in accordance with Section 31.1 hereof."

3. Inclusion of Harveys BR Management as Party to the Lease.

The Parties hereby acknowledge and agree that the inclusion of Harveys BR Management as a party to the Lease is subject to the approval of the IRGC to the extent not previously approved by the IRGC's public meeting on June 15, 2017. The Parties agree to work together in good faith to obtain such approval at the IRGC's public meeting on January 5, 2018.

4. Amendment to Memorandum of Lease. In connection with this First Amendment, Landlord and Tenant will cause to be executed and delivered an amendment to that certain Memorandum of Lease dated as of October 6, 2017, and recorded in the Office of the County Recorder of Clark County, Nevada, on October 12, 2017, Instrument No. 20171012-0001186, in substantially the form as **Exhibit C**, attached hereto.

5. Amendment to Financing Statement. In connection with this First Amendment, Landlord authorizes any Tenant to file an amendment to that certain UCC Financing Statement filed on October 30, 2017, in the Clark County Real Estate Records, in which certain Landlord Parties were named as the "Secured Party" therein, which amendment shall remove the Eastside Property from the Collateral described in such financing statement.

6. Reaffirmation. Landlord and Tenant acknowledge and agree that the Lease, as amended herein, constitutes the entire agreement by and between Landlord and Tenant relating to the Leased Property, and supersedes any and all other agreements written or oral between the Parties hereto. Furthermore, except as modified herein, all other covenants and provisions of the Lease shall remain unmodified and in full force and effect.

7. Miscellaneous.

a. This First Amendment shall be construed according to and governed by the laws of the jurisdiction(s) which are specified by the Lease without regard to its conflicts of law principles. The Parties hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this First Amendment.

b. If any provision of this First Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this First Amendment will remain in full force and effect.

c. Neither this First Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, waiver, discharge or termination is sought.

d. The paragraph headings and captions contained in this First Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this First Amendment or any of the provisions or terms hereof.

e. This First Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

f. This First Amendment may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be duly executed by their duly authorized representatives, all as of the day, month and year first above written.

LANDLORD:

HORSESHOE COUNCIL BLUFFS LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

HARRAH'S COUNCIL BLUFFS LLC,
A Delaware Limited Liability company

By: /s/ John Payne
Name: John Payne
Title: President

HARRAH'S METROPOLIS LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

HORSESHOE SOUTHERN INDIANA LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

NEW HORSESHOE HAMMOND LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

HORSESHOE BOSSIER CITY PROP LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

HARRAH'S BOSSIER CITY LLC,
A Louisiana Limited Liability company

By: /s/ John Payne
Name: John Payne
Title: President

NEW HARRAH'S NORTH KANSAS CITY LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

GRAND BILOXI LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

HORSESHOE TUNICA LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

NEW TUNICA ROADHOUSE LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

CAESARS ATLANTIC CITY LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

BALLY'S ATLANTIC CITY LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

HARRAH'S LAKE TAHOE LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

HARVEY'S LAKE TAHOE LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

HARRAH'S RENO LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

PROPCO GULFPORT LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

VEGAS DEVELOPMENT LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

VEGAS OPERATING PROPERTY LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

MISCELLANEOUS LANDING LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

BLUEGRASS DOWNS PROPERTY OWNER LLC,
A Delaware Limited Liability Company

By: /s/ John Payne
Name: John Payne
Title: President

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

TENANT:

CEOC, LLC, a Delaware Limited Liability Company
HBR REALTY COMPANY LLC, a Nevada Limited Liability Company
HARVEYS IOWA MANAGEMENT COMPANY LLC, a Nevada Limited Liability Company
SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC, an Illinois Limited Liability Company
CAESARS RIVERBOAT CASINO, LLC, an Indiana Limited Liability Company
ROMAN HOLDING COMPANY OF INDIANA, LLC, an Indiana Limited Liability Company
HORSESHOE HAMMOND, LLC, an Indiana Limited Liability Company
HARRAH'S BOSSIER CITY INVESTMENT COMPANY, L.L.C., a Louisiana Limited Liability Company
HARRAH'S NORTH KANSAS CITY LLC, a Missouri Limited Liability Company
GRAND CASINOS OF BLIOXI, LLC, a Minnesota Limited Liability Company
ROBINSON PROPERTY GROUP LLC, a Mississippi Limited Liability Company
TUNICA ROADHOUSE LLC, a Delaware Limited Liability Company
BOARDWALK REGENCY LLC, a New Jersey Limited Liability Company
CAESARS NEW JERSEY LLC, a New Jersey Limited Liability Company
BALLY'S PARK PLACE LLC, a New Jersey Limited Liability Company
HARVEYS TAHOE MANAGEMENT COMPANY LLC, a Nevada Limited Liability Company
PLAYERS BLUEGRASS DOWNS LLC, a Kentucky Limited Liability Company
CASINO COMPUTER PROGRAMMING, INC., an Indiana Corporation
HARVEYS BR MANAGEMENT COMPANY, INC., a Nevada Corporation

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

HORSESHOE ENTERTAINMENT,
A Louisiana Limited Partnership

By: New Gaming Capital Partnership,
a Nevada Limited Partnership, its general partner

By: Horseshoe GP, LLC, a Nevada Limited Liability Company,
its general partner

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

HOLE IN THE WALL, LLC,
a Nevada Limited Liability Company

By: CEOC, LLC, a sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

[SIGNATURES END]

Exhibit 10.48

PURCHASE AND SALE AGREEMENT

by and between

HARRAH'S LAS VEGAS, LLC,
a Nevada limited liability company

as Seller

and

CLAUDINE PROPERTY OWNER LLC,
a Delaware limited liability company

as Buyer

Harrah's Las Vegas Hotel & Casino
3475 South Las Vegas Boulevard
Las Vegas, Nevada

Effective Date: November 29, 2017

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") made as of November 29, 2017 (the "Effective Date") by and between **HARRAH'S LAS VEGAS, LLC,** a Nevada limited liability company, having an office at One Caesars Palace Drive, Las Vegas, Nevada 89109 ("Seller"), and **CLAUDINE PROPERTY OWNER LLC**, a Delaware limited liability company ("Buyer"), having an office at 8329 W. Sunset Road, Suite 210, Las Vegas, Nevada 89113.

W I T N E S S E T H:

WHEREAS, Seller desires to sell and convey and Buyer desires to purchase and acquire all of the equity in the owner of that certain parcel of real property and the buildings and other improvements constructed thereon commonly known as Harrah's Las Vegas Hotel & Casino, having an address of 3475 South Las Vegas Boulevard, Las Vegas, Nevada, as more particularly bounded and described in Exhibit A annexed hereto and made a part hereof.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein the parties hereto do hereby agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

SECTION 1.1. Definitions. In addition to terms defined elsewhere in this Agreement, as used herein, the following terms shall have the following meanings:

"Affiliate" shall mean with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Alternative Financing" shall have the meaning given in Section 8.8(b).

"Amended and Restated ROFR" shall mean an amendment and restatement of that certain Right of First Refusal Agreement dated as of October 6, 2017, between CEC and VICI, in the form attached hereto as Exhibit H.

"Bright Line Commitment Provision" shall have meaning given in Section 8.8(b).

"Buildings" shall mean all buildings, structures and other improvements and fixtures located on the Land on the Effective Date, collectively.

"Business Day" shall mean any day other than Saturday, Sunday, any Federal holiday, or any holiday in the State in which the Property is located. If any period expires or action is to be taken on a day which is not a Business Day, the time frame for the same shall be extended until the next Business Day.

"Buyer Guarantor" shall mean VICI Properties 1 LLC, a Delaware limited liability company.

"Buyer Liquidated Damages Amount" shall have the meaning given in Section 9.2.

"Buyer's Warranties" shall mean, collectively, Buyer's representations and warranties set forth in Section 7.1.

"Casualty/Condemnation Proceeds" shall have the meaning given in Section 10.2.

"Casualty Notice Date" shall have the meaning given in Section 10.1.

"CEC" shall mean Caesars Entertainment Corporation, a Delaware corporation.

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§9601 *et seq*., as amended by SARA (Superfund Amendment and Reauthorization Act of 1986) and as the same may be further amended from time to time.

"Clark County Real Estate Records" shall mean the Office of the County Recorder of Clark County, Nevada.

"Closing" shall mean the closing of the Transaction.

"Closing Date" shall mean the second (2nd) day of the Closing Period, subject to extension pursuant to Section 6.1(b).

"Closing Documents" shall mean all documents executed and delivered by Buyer or Seller or their respective Affiliates as required by Section 6.2 and Section 6.3 or as otherwise executed and delivered by Buyer or Seller or their respective Affiliates as part of Closing.

"Closing Period" shall mean the period of two (2) consecutive Business Days commencing on December 21, 2017, subject to extension pursuant to Section 6.1(b).

"Commitment Letter" shall have the meaning given in the definition of "Debt Financing Sources."

"Contracts" shall mean all contracts and agreements, including brokerage agreements, licensing agreements, marketing agreements, design contracts, construction contracts, service and maintenance contracts and agreements, relating to the Property, together with any extensions, renewals, replacements or modifications of any of the foregoing; provided that the term "Contracts" does not include Leases.

"Control" shall mean possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, partnership interests or any other equity interests or by contract, and "Controlling" and "Controlled" shall have meanings correlative thereto.

"Debt Documents" shall have the meaning given in Section 8.8(a).

"Debt Financing" shall have the meaning given in the definition of "Debt Financing Sources."

"Debt Financing Sources" shall mean the persons that have committed to provide the debt financing (the "Debt Financing") to finance the Transaction pursuant to a commitment letter, dated as of the date hereof (the "Commitment Letter"), by and among VICI Properties Inc. and the commitment parties thereto, and lenders in respect of the Debt Financing, and any arranger, bookrunner or agent of or under the Debt Financing, their respective Affiliates and their and their Affiliates' respective officers, directors, incorporators, managers, employees, members, advisors, agents, partners, controlling parties, representatives, successors and assigns.

"Declaration" shall mean that certain Declaration of Covenants, Restrictions and Easements, dated as of August 10, 2011, by and among Harrah's Las Vegas, LLC, a Nevada limited liability company, Flamingo Las Vegas Operating Company, LLC, a Nevada limited liability company, 3535 LV Newco, LLC, a Delaware limited liability company, and Caesars Linq, LLC, a Delaware limited liability company, as amended by that certain First Amendment to the Declaration of Covenants, Restrictions and Easements, dated as of September 12, 2012, and as further amended by that certain Second Amendment to the Declaration of Covenants, Restrictions and Easements, dated as of October 11, 2013.

"Deed" shall have the meaning given in Section 6.2(a).

"Environmental Reports" shall mean that certain Phase I Environmental Site Assessment, prepared by EMG, dated as of November 27, 2017.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"Escrow Agent" shall mean Fidelity National Title Insurance Company, Attn: Frederic Glassman, E-Mail: fred.glassman@fnf.com, Fax: (212) 481-1325.

"Estoppel Certificate" shall mean an estoppel certificate in the form of Exhibit B hereto, delivered pursuant to the Declaration and made by Seller, Flamingo Las Vegas Operating Company, LLC, a Nevada limited liability company, 3535 LV Newco, LLC, a Delaware limited liability company, and Caesars Linq, LLC, a Delaware limited liability company.

"Financing Failure Event" shall have the meaning given in Section 8.8(a).

"Fixtures" shall mean all equipment, machinery, fixtures and other items of property, including all components thereof, that are now or hereafter (a) located in or on, or used in connection with, and (b) permanently affixed to or otherwise incorporated into the Land and/or the buildings and other improvements located on the Land. Notwithstanding the foregoing, Fixtures shall not include any Gaming Equipment.

"Gaming Authorities" shall mean, collectively, (i) the Nevada Gaming Commission, (ii) the Nevada State Gaming Control Board, (iii) the Clark County Liquor and Gaming Licensing Board, and (iv) any other governmental entity that holds regulatory, licensing or permit authority over gambling, gaming or casino activities conducted or proposed to be conducted within the State of Nevada.

"Gaming Equipment" shall mean any and all gaming devices (as defined in the Nevada Gaming Laws), gaming device parts inventory and other related gaming equipment and supplies used in connection with the operation of a casino, including, without limitation, slot machines (as defined in the Nevada Gaming Laws), gaming tables, cards, dice, chips, tokens, player tracking systems, cashless wagering systems (as defined in the Nevada Gaming Laws), electronic betting systems, mobile gaming systems (as defined in the Nevada Gaming Laws), interactive gaming systems (as defined in the Nevada Gaming Laws), inter-casino linked systems (as defined in the Nevada Gaming Laws), on-line slot metering systems (as defined in the Nevada Gaming Laws), and associated equipment (as defined in the Nevada Gaming Laws), together with all improvements and/or additions thereto.

"Gaming License(s)" shall mean any license, qualification, registration, accreditation, permit, approval, finding of suitability or other authorization that is both (a) issued by a state or other governmental regulatory agency or gaming regulatory body and (b) required to operate, carry on or conduct any gaming, gaming device, slot machine, video lottery terminal, table game, race book or sports pool on the Property or any portion thereof, or to operate a casino at the Property.

"Inspections" shall have the meaning given in Section 4.1.

"Intangible Property" shall mean, collectively, all intangible personal property of Seller, that in any way relates to the Property, including (i) any licenses, permits and other written authorizations in effect as of the Closing Date with respect to the Real Property, (ii) any guaranties and warranties in effect as of the Closing Date with respect to any portion of the Real Property or the Personal Property (collectively, "Warranties") and (iii) all rights in, to and under, and all physical embodiments of, any architectural, mechanical, electrical and structural plans, studies, drawings, specifications, surveys, renderings and other technical descriptions that relate to the Property; provided that the term "Intangible Property" shall not include any zoning or development rights that pertain solely to the Real Property (collectively, "Development Rights").

"Land" shall mean the real estate legally described in Exhibit A, together with all easements, development rights and other rights appurtenant to the Land or the buildings, structures or other improvements thereon, collectively.

"Laws" shall mean, collectively, all municipal, county, State or Federal statutes, codes, ordinances, laws, rules or regulations.

"Lease and Easement Assignment and Acceptance Agreement" shall have the meaning given in Section 6.2(c).

"Lease Assignment and Assumption Agreement" shall have the meaning given in Section 6.2(f).

"Leases" shall mean all leases, licenses and occupancy agreements of an interest in the Real Property and all amendments, modifications, extensions and other written agreements pertaining thereto but excluding (a) the Net Lease, (b) any arrangements for hotel guests or other lodgers to occupy sleeping quarters at the hotel on a transient basis and (c) any agreements or licenses for third parties to use any portion of the Property that do not create an interest in land and do not run with the land.

"Liabilities" shall mean, collectively, any and all conditions, losses, costs, damages, claims, liabilities, expenses, demands or obligations of any kind or nature whatsoever, including liabilities under the Americans with Disabilities Act, CERCLA and RCRA, any state or local counterparts thereof, and any regulations promulgated thereunder.

"Lien" shall mean any of the following to the extent it will be binding on Buyer or New Property Owner after the Closing: any charge, claim, condition, equitable interest, lien, option, pledge, security interest, right of first refusal, or restriction or encumbrance of any kind, including any restriction on use, voting, transfer, receipt of income, or exercise of any other attribute of ownership.

"Major Casualty/Condemnation" shall have the meaning given in Section 10.1.

"Material Adverse Effect" shall mean a material adverse effect on (a) the value of the Property, (b) Seller's authority and/or ability to convey title to the Property within the time or otherwise in accordance with the provisions of this Agreement and/or (c) the use and/or operation of the Property as same is being used and/or operated on the date hereof.

"Material Contracts" shall mean the Declaration.

"Membership Interest Assignment and Assumption Agreement" shall have the meaning given in Section 6.2(c).

"Net Lease" shall mean an amended and restated Lease dated as of the second day of the Closing Period between New Property Owner, as landlord, and Net Lease Tenant, as tenant, in the form of Exhibit C hereto.

"Net Lease Guarantor" shall mean (a) if the Proposed Merger Transaction is consummated prior to Closing, Caesars Growth Properties Holdings, LLC, a Delaware limited liability company (as the surviving entity of a merger with Seller Guarantor, and then renamed Caesars Resort Collection, LLC) shall be the "Net Lease Guarantor" and (b) if the Proposed Merger Transaction is not consummated prior to Closing, then Seller Guarantor shall be the "Net Lease Guarantor", in which case the "Guarantor" in Exhibit C and Exhibit D shall be Seller Guarantor.

"Net Lease Guaranty" shall mean a Guaranty of Lease dated as of the second day of the Closing Period by Net Lease Guarantor in favor of New Property Owner, in the form of Exhibit D hereto.

"Net Lease Tenant" shall mean HARRAH'S LAS VEGAS, LLC, a Nevada limited liability company.

"Nevada Gaming Laws" shall mean those laws pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming and, specifically, the Nevada Gaming Control Act, as codified in NRS Chapter 463, the regulations promulgated thereunder, and the Clark County Code, each as from time to time amended, modified or supplemented, including by succession of comparable successor statutes.

"New Property Owner" shall mean a Delaware limited liability company that is (a) duly formed by Seller no earlier than the day preceding the Closing Period pursuant to a certificate of formation and operating agreement reasonably acceptable to Buyer and (b) the sole managing member of which is Seller.

"Non-Party" shall have the meaning given in Section 3.1.

"Objection" shall have the meaning given in Section 3.1.

"Objection Notice" shall have the meaning given in Section 3.1.

"Ordinary Course" shall mean the course of day-to-day operations of the Property, in a manner which does not materially and adversely vary from the policies, practices and procedures in effect as of the Effective Date, and in all events consistent with the obligations of Net Lease Tenant under the Net Lease.

"Other Land Buyer" shall mean Eastside Convention Center, LLC, a Delaware limited liability company, which is an Affiliate of Seller.

"Other Land Property" shall mean the Property (as defined in the Other Land PSA).

"Other Land PSA" shall mean that certain Purchase and Sale Agreement dated as of the date hereof between Other Land Seller, as seller, and Other Land Buyer, as purchaser, with respect to certain land in Las Vegas, Nevada.

"Other Land Seller" shall mean Vegas Development LLC, a Delaware limited liability company, which is an Affiliate of Buyer.

"Owner's Title Policy" shall mean one (1) or more ALTA owner's title insurance policies in favor of New Property Owner issued by the Title Company in an aggregate amount equal to the Purchase Price, insuring that fee title to the Real Property is vested in New Property Owner subject only to the Permitted Exceptions, together with a non-imputation endorsement in favor of New Property Owner in the form of Exhibit E hereto.

"Permitted Exceptions" shall mean the following: (a) applicable zoning, building and land use Laws, (b) such state of facts as would be disclosed by an accurate land title survey or a physical inspection of the Property, provided same do not render title uninsurable, do not restrict the current use of the Property and do not have a material impact on the value of the Property, (c) the lien of real estate taxes, assessments and other governmental charges or fees not yet due and payable, (d) the rights of the tenants under the Leases as tenants only, (e) the rights of Net Lease Tenant under the Net Lease, (f) mechanics' and materialman's liens first arising after the date hereof that would be permitted to exist under Article XI of the Net Lease if the Net Lease were in effect, (g) inchoate mechanics' and materialman's liens that arise in the ordinary course of construction or improvement work at the Property and are not more than sixty (60) days past due, and (h) the title exceptions reflected on Exhibit F hereto (but excluding, in each case, any Required Removal Exceptions that are described in clause (i) or (ii) of the definition of Required Removal Exceptions).

"Person" shall mean any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

"Personal Property" shall mean all tangible personal property that is in any way related to the Real Property and that Seller owns or possesses, including any such property that is located on the Real Property and used in the ownership, operation and maintenance of the Real Property, including all books, records and files of Seller relating to the Real Property.

"Proceedings" shall have the meaning given in Section 11.14.

"Prohibited Person" shall have the meaning given in Section 7.1(c).

"Property" shall mean the Real Property; provided, that, for the avoidance of doubt, the term "Property" does not include Personal Property and does not include Intangible Property.

"PSA Buyer Guaranty" shall mean a Guaranty dated as of the Effective Date by Buyer Guarantor in favor of Seller.

"PSA Seller Guaranty" shall mean a Guaranty dated as of the Effective Date by Seller Guarantor in favor of Buyer.

"Purchase Price" shall have the meaning given in Article 2.

"RCRA" shall mean the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§6901 *et seq*., as the same may be amended from time to time.

"REA" shall mean that certain Shared Roadway And Reciprocal Easement Agreement, dated January 16, 1998, by and among Seller, Las Vegas Sands, Inc., a Nevada corporation, Venetian Casino Resorts, LLC, a Nevada limited liability company, and Interface Group Nevada, Inc., a Nevada corporation dba Sands Exposition and Convention Center.

"Real Property" shall mean the Land, all Buildings, the Development Rights and any, to the extent constituting rights and privileges in real property, rights and privileges pertaining thereto, collectively. For the avoidance of doubt, the Real Property includes Seller's ownership interest in adjoining roadways, alleyways, strips, gores and the like appurtenant to the real estate described above; all buildings, structures, Fixtures and improvements of every kind that are, as of the date hereof (subject to the other express provisions of this Agreement), located on or permanently affixed to the Land or on the improvements that are located thereon, including, but not limited to, alleyways and connecting tunnels, sidewalks, utility pipes, conduits and lines appurtenant to such buildings and structures.

"Remove" with respect to any exception to title shall mean that Seller, at its sole cost, removes such title exception of record and/or causes the Title Company to omit the same from the Owner's Title Policy at Closing; provided, however, that Seller shall only be permitted to cause the Title Company to omit from the Owner's Title Policy (without removing the same of record) the following title exceptions: mechanics' and materialman's liens for work, the aggregate amount of which is no greater than Two Hundred Fifty Thousand Dollars ($250,000.00).

"Required Removal Exceptions" shall mean, collectively, (i) all mortgages, deeds of trust, deeds to secure debt or other security documents recorded against or otherwise secured by the Property or any portion thereof and related UCC filings and assignment of leases and rents and other evidence of indebtedness secured by the Property; (ii) liens or other encumbrances or title matters intentionally created or consented to by Seller or its Affiliates after the date hereof other than the Net Lease (but not including unrecorded mechanics' or materialman's liens); and (iii) the following so long as they are (A) not Permitted Exceptions, (B) not caused by the acts or omissions of Buyer, and (C) not consented to by Buyer: (1) judgments against Seller or New Property Owner; and (2) liens or other encumbrances or matters to the extent any of them shall be in a readily determined monetary amount, but only (in the case of (iii)) if the cost to remove such liens or encumbrances does not exceed Twenty Million Dollars ($20,000,000.00).

"Seller Guarantor" shall mean Caesars Entertainment Resort Properties, LLC, a Delaware limited liability company.

"Seller's Knowledge" or words of similar import shall refer to the current actual knowledge (without any duty of investigation) of Matt Krystofiak and Mariya Bobo Lange.

"Seller Liquidated Damages Amount" shall have the meaning given in Section 9.1.

"Seller's NPO Warranties" shall mean, collectively, Seller's representations and warranties set forth in Sections 7.2(p) and (q).

"Seller's Warranties" shall mean, collectively, Seller's representations and warranties set forth in Section 7.2.

"Survival Period" shall have the meaning given in Section 7.3(a).

"Tenant" shall mean any tenant of the Property under a Lease.

"Tenant's Title Policy" shall mean one (1) or more ALTA leasehold owner's title insurance policies in favor of Net Lease Tenant issued by the Title Company in an aggregate amount determined by Seller in its reasonable discretion, insuring that leasehold title to the Real Property is vested in Net Lease Tenant subject only to exceptions not caused by the acts of Buyer.

"Title Commitment" shall mean the Title Commitment from the Title Company annexed to this Agreement as Exhibit I.

"Title Company" shall mean Fidelity National Title Insurance Company, Attn: Frederic Glassman, E-Mail: fred.glassman@fnf.com, Fax: (212) 481-1325 and such other nationally recognized title insurance company, if any, as Buyer shall elect to act as co-insurers with Fidelity.

"Transaction" shall mean the transactions contemplated by this Agreement and the Other Land PSA, collectively.

"Update" shall have the meaning given in Section 3.1.

"VICI" shall mean VICI Properties L.P., a Delaware limited partnership.

"VICI REIT" shall have the meaning given in Section 8.8(a).

SECTION 1.2. Terms Generally. Definitions in this Agreement apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. All references herein to Articles, Sections, Schedules and Exhibits shall be deemed to be references to Articles and Sections of, and Schedules and Exhibits to, this Agreement unless the context shall otherwise require. All references in this Agreement to "not to be unreasonably withheld" or correlative usage, mean "not to be unreasonably withheld, delayed or conditioned". Any accounting term used but not defined herein shall have the meaning assigned to it in accordance with GAAP. The words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation" unless such phrase already appears. The word "or" is not exclusive and is synonymous with "and/or" unless it is preceded by the word "either". The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision.

ARTICLE 2
SALE OF PROPERTY

Subject to and upon the terms and conditions of this Agreement and the Closing Documents, Seller agrees to sell and Buyer agrees to purchase all of the Membership Interests (as defined below) in New Property Owner, which New Property Owner will own the Property subject only to the Permitted Exceptions. In consideration therefor, Buyer shall pay to Seller One Billion One Hundred Thirty-Six Million Two Hundred Thousand and No/100 Dollars ($1,136,200,000.00) (the "Purchase Price"). The Purchase Price shall be paid as set forth in this Article 2. For the avoidance of doubt, Seller is not selling to Buyer, Buyer is not acquiring from Seller, and New Property Owner shall not own, directly or indirectly, any Personal Property or Intangible Property.

SECTION 2.1. Cash at Closing. On the Closing Date, Buyer shall deposit or cause to be deposited into escrow with the Escrow Agent an amount equal to the Purchase Price, in immediately available funds as more particularly set forth in Section 6.1. Such escrow shall be held and delivered by Escrow Agent in accordance with the provisions of such Section 6.1.

ARTICLE 3
TITLE MATTERS

SECTION 3.1. Title Objections; Required Removal Exceptions. Buyer shall have the right to have title updated, and shall provide to Seller any update to the Title Commitment (as applicable, an "Update") that Buyer obtains upon Buyer's receipt thereof. Buyer shall give Seller written notice (an "Objection Notice") of any exception to title to the Property in the Update that is not a Permitted Exception and to which Buyer objects (an "Objection"). Seller shall have no obligation to bring any action or proceeding, or to incur any expense or liability, to Remove an Objection. If Seller elects to attempt to remedy any Objection, then Seller shall notify Buyer in writing within two (2) Business Days after Seller receives the Objection Notice, in which case Seller will endeavor to remedy such Objection, but Seller will have no liability to Buyer if Seller is unable or fails to remedy such Objection (unless such objection is a Required Removal Exception). If Seller either is unable to convey title to the Property in accordance with the provisions of this Agreement, or elects not to remedy any Objection(s) which it may elect not to Remove, then Seller may so notify Buyer in writing within two (2) Business Days after Seller receives the Objection Notice referencing such Objection(s). If Buyer delivers an Objection Notice to Seller, and (a) Seller does not notify Buyer within such two (2) Business Day period that Seller will attempt to cure such Objection, or (b) Seller notifies Buyer within such two (2) Business Day period that Seller will not attempt to cure such Objection, then, Buyer shall have the right to elect, by written notice to Seller given not later than the second (2nd) Business Day after (a) the receipt by Buyer of notice from Seller that Seller will not cure such Objection or (b) the second (2nd) Business Day after Seller received such Objection Notice if Seller did not within such two (2) Business Day period elect to cure such Objection, either (x) to accept such title as Seller is able to convey, without any reduction of the Purchase Price or any credit or allowance on account thereof or any other claim against Seller (in which case the exception to which Buyer had raised an Objection and which Seller did not elect to cure shall be deemed to be a Permitted Exception), or (y) to terminate this Agreement. If Buyer delivers an Objection Notice to Seller, and Seller does not notify Buyer within such two (2) Business Day period that Seller will attempt to cure such Objection, then Seller shall be deemed to have elected not to remedy such Objection(s). The Closing shall be adjourned (but not beyond December 28, 2017) to permit such process to be completed, and if such process shall be ongoing as of 11:59 p.m. on December 28, 2017, then this Agreement will automatically terminate without either party having any liability (other than obligations that, pursuant to the express terms hereof, survive termination hereof (for the avoidance of doubt, Seller's failure to Remove any exception that is not a Required Removal Exception shall be neither a breach nor a default hereunder)) unless Buyer agrees to accept such title as Seller is able to convey, without any reduction of the Purchase Price or any credit or allowance on account thereof or any other claim against Seller. If Buyer elects to terminate this Agreement pursuant to the preceding clause (b), then this Agreement shall terminate and be deemed null, void and of no further force or effect. Notwithstanding anything to the contrary contained herein, Seller shall be required to Remove all Required Removal Exceptions at or prior to Closing.

ARTICLE 4
ACCESS; AS-IS SALE

SECTION 4.1. Buyer's Access to the Property.

(a) During the period between the Effective Date and the Closing Date, Buyer, at its cost, may conduct such surveys and non-invasive investigations and inspections of the Property (collectively "Inspections") as Buyer elects in its sole discretion and Seller, at reasonable times, shall provide reasonable access to the Property to Buyer and Buyer's consultants and other representatives for such purpose. Buyer's right to perform the Inspections shall be subject to and will not unreasonably interfere with or disturb the rights of tenants, guests and customers at the Property and the Inspections shall not unreasonably interfere with the Seller's business operations. Buyer and its agents, contractors and consultants shall comply with Seller's reasonable requests with respect to the Inspections to minimize such interference. Buyer will cause each of Buyer's consultants that will be performing such tests and inspections (other than purely visual inspections) to provide (as a condition to performing such Inspections) proof of commercial general liability insurance on an occurrence form with limits of not less than One Million Dollars ($1,000,000.00) per occurrence and Five Million Dollars ($5,000,000.00) aggregate limit bodily injury, death and property damage per occurrence shall be provided to Seller.

(b) Buyer hereby agrees to indemnify and hold harmless Seller from and against any loss that Seller shall incur as the result of the acts of Buyer or Buyer's representatives or consultants in conducting physical diligence with respect to the Property, or, in the case of physical damage to the Property resulting from such physical diligence, for the reasonable cost of repairing or restoring the Property to substantially its condition immediately prior to such damage (unless Buyer promptly shall cause such damage to be repaired or restored); provided, however, (i) the foregoing indemnity and agreement to hold Seller harmless shall not apply to, and Buyer shall not be liable or responsible for, (A) the discovery of any fact or circumstance not caused by Buyer or its representatives or consultants (except to the extent Buyer exacerbates such fact or circumstance), (B) any pre-existing condition (except to the extent Buyer exacerbates such pre-existing condition), or (C) the negligence or willful misconduct of Seller, any of Seller's Affiliates or any of their respective agents, employees, consultants or representatives and (ii) in no event shall Buyer be liable for any consequential, punitive or special damages; provided that, for the avoidance of doubt, such waiver of consequential, punitive and special damages shall not be deemed a waiver of damages that Seller is required to pay to a party other than Seller or an Affiliate of Seller in respect of consequential, punitive or special damages.

SECTION 4.2. As-Is Provision. Buyer acknowledges and agrees that:

(a) **SUBJECT TO THE EXPRESS REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER OR ANY AFFILIATE SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENTS TO BE DELIVERED BY SELLER OR ANY AFFILIATE TO BUYER AT CLOSING, BUYER AGREES THAT: (i) BUYER SHALL ACCEPT THE MEMBERSHIP INTERESTS AND THE PROPERTY IN THEIR PRESENT STATE AND CONDITION AND "AS-IS WITH ALL FAULTS"; (ii) SELLER SHALL NOT BE OBLIGATED TO DO ANY RESTORATION, REPAIRS OR OTHER WORK OF ANY KIND OR NATURE WHATSOEVER ON OR AFFECTING THE PROPERTY AND, SPECIFICALLY, BUT WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS SET FORTH IN THE NET LEASE, SELLER SHALL NOT BE RESPONSIBLE FOR ANY WORK ON OR IMPROVEMENT OF THE PROPERTY NECESSARY (x) TO CAUSE THE PROPERTY TO MEET ANY APPLICABLE HAZARDOUS WASTE LAWS, (y) TO REPAIR, RETROFIT OR SUPPORT ANY PORTION OF THE IMPROVEMENTS DUE TO THE SEISMIC OR STRUCTURAL INTEGRITY (OR ANY DEFICIENCIES THEREIN) OF THE IMPROVEMENTS, OR (z) TO CURE ANY VIOLATIONS; AND (iii) NO PATENT OR LATENT CONDITION AFFECTING THE PROPERTY IN ANY WAY, WHETHER OR NOT KNOWN OR DISCOVERABLE OR DISCOVERED AFTER THE CLOSING DATE, SHALL AFFECT BUYER'S OBLIGATION TO PURCHASE THE PROPERTY OR TO PERFORM ANY OTHER ACT OTHERWISE TO BE PERFORMED BY BUYER UNDER THIS AGREEMENT, NOR SHALL ANY SUCH CONDITION GIVE RISE TO ANY ACTION, PROCEEDING, CLAIM OR RIGHT OF DAMAGE OR RESCISSION AGAINST SELLER, EXCEPT AS OTHERWISE EXPRESSLY PROVIDED FOR IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENT.**

(b) **BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY CLOSING DOCUMENTS TO BE DELIVERED BY SELLER OR ANY AFFILIATE THEREOF TO BUYER AT CLOSING, NEITHER SELLER, NOR ANY OF ITS AFFILIATES, NOR ANY OF ITS OR THEIR RESPECTIVE SHAREHOLDERS, MEMBERS, PARTNERS, TRUSTEES, BENEFICIARIES, DIRECTORS, OFFICERS, MANAGERS, EMPLOYEES, ATTORNEYS, ACCOUNTANTS, CONTRACTORS, CONSULTANTS, AGENTS OR REPRESENTATIVES, NOR ANY PERSON PURPORTING TO REPRESENT ANY OF THE FOREGOING, HAVE MADE ANY REPRESENTATION, WARRANTY, GUARANTY, PROMISE, PROJECTION OR PREDICTION WHATSOEVER WITH RESPECT TO THE PROPERTY OR THE BUSINESS OPERATIONS, WRITTEN OR ORAL, EXPRESS OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY REPRESENTATION OR WARRANTY AS TO (I) THE CONDITION, SAFETY, QUANTITY, QUALITY, USE (PRESENT OR PROPOSED), OCCUPANCY OR OPERATION OF THE PROPERTY, (II) THE PAST, PRESENT OR FUTURE REVENUES OR EXPENSES WITH RESPECT TO THE PROPERTY OR THE BUSINESS OPERATIONS, (III) THE COMPLIANCE OF THE PROPERTY OR THE BUSINESS OPERATIONS WITH ANY ZONING REQUIREMENTS, BUILDING CODES OR OTHER APPLICABLE LAW, INCLUDING, WITHOUT LIMITATION, THE AMERICANS WITH DISABILITIES ACT OF 1990, (IV) THE ACCURACY OF ANY ENVIRONMENTAL REPORTS OR OTHER**

DATA OR INFORMATION SET FORTH IN ANY DOCUMENTATION OR OTHER INFORMATION PROVIDED TO BUYER WHICH WERE PREPARED FOR OR ON BEHALF OF SELLER, OR (V) ANY OTHER MATTER RELATING TO SELLER, THE PROPERTY OR THE BUSINESS.

ARTICLE 5
NO ADJUSTMENTS OR PRORATIONS; CLOSING COSTS

SECTION 5.1. No Adjustments or Prorations of Income or Expenses. Because New Property Owner, as landlord, and Net Lease Tenant, as tenant, will enter into the Net Lease during the Closing Period, as between Seller and Buyer there will be no adjustment or proration of income or expenses relating to the Property.

SECTION 5.2. Closing Costs. Closing costs shall be allocated between Buyer and Seller as follows:

(a) Buyer shall pay the following closing costs: (i) all premiums and charges of the Title Company for the Owner's Title Policy (other than in respect of a non-imputation endorsement, as set forth below), (ii) the cost of any surveys of the Property obtained by Buyer, and any updates thereto, (iii) fifty percent (50%) of (A) the cost of any non-imputation endorsement obtained by Buyer in connection with the Transaction and (B) any escrow charges imposed by the Escrow Agent and/or Title Company in connection with the Closing and (iv) all fees due its attorneys and all costs of Buyer's due diligence, including fees due its consultants.

(b) Seller shall pay the following closing costs: (i) all fees due its attorneys, (ii) all costs incurred by Seller in connection with the Removal of any Required Removal Exceptions or other title exceptions that Seller elects or is required to remove, (iii) all costs to issue Tenant's Title Policy, (iv) all fees associated with recording the Memorandum of Lease, and (v) fifty percent (50%) of (A) the cost of any non-imputation endorsement obtained by Buyer in connection with the Transaction and (B) any escrow charges imposed by the Escrow Agent and/or Title Company in connection with the Closing.

(c) Survival. The provisions of this Section 5.2 shall survive Closing and not be merged therein.

ARTICLE 6
CLOSING

SECTION 6.1. Closing Mechanics.

(a) The parties shall conduct an escrow Closing through the Escrow Agent as escrowee so that it will not be necessary for any party to attend Closing. The escrow Closing shall be conducted in accordance with an escrow arrangement, and pursuant to an escrow agreement, reasonably acceptable to Seller, Buyer and the Escrow Agent (the "Escrow Arrangement"). The Closing shall occur during the Closing Period in accordance with the provisions of subsection 6.1(b) hereof.

(b) On the first (1st) day of the Closing Period, Seller shall cause New Property Owner to be formed and then convey the Property to New Property Owner pursuant to the Deed, and New Property Owner and Seller will enter into a short form lease of the Property in the form of Exhibit U (the "Short Form of Lease"), the Lease and Easement Assignment and Acceptance Agreement, and the Lease Assignment and Assumption Agreement. On the Closing Date, provided all conditions precedent to Seller's obligations hereunder have been satisfied (or waived) in accordance with Section 6.5, Seller shall assign and transfer all of the Membership Interests to Buyer and provided all conditions precedent to Buyer's obligations hereunder have been satisfied (or waived) in accordance with Section 6.4, Buyer agrees to pay the Purchase Price to Seller, in each case, in accordance with the Escrow Arrangement and Seller and New Property Owner will enter into the Net Lease and the Memorandum of Lease, and Net Lease Guarantor shall execute and deliver the Net Lease Guaranty. Upon written notice from Seller to Buyer, or Buyer to Seller, as applicable, on or prior to the then scheduled Closing Period, each of Seller and Buyer shall be entitled to adjourn the then scheduled Closing Period for up to six (6) days in the aggregate, provided that in no event shall the Closing Date be adjourned beyond the December 28, 2017, and in no event will the Closing occur after December 28, 2017. Notwithstanding anything to the contrary contained herein, it is expressly agreed to by Seller and Buyer

that TIME IS OF THE ESSENCE with respect to Seller's and Buyer's respective obligations to consummate the Transaction on the Closing Date.

(c) The items to be delivered by Seller or Buyer in accordance with the terms of Sections 6.2 or 6.3 (other than those pursuant to subsections 6.2(a) through (c) and 6.2(g)) shall be delivered to Escrow Agent on the Closing Date.

SECTION 6.2. Seller's Closing Deliveries. During the Closing Period, Seller shall execute and deliver (or cause to be executed and delivered by its Affiliates), and, have acknowledged, as applicable, the following and make such payments as specified below (it being understood and agreed that the documents referenced in subsections 6.2(a) through (c), and 6.2(g) shall be executed, delivered and acknowledged (and, in the case of the Deed, be recorded in the Clark County Real Estate Records) on the first day of the Closing Period (with original fully-executed counterparts thereof delivered to Buyer on the Closing Date) and the other documents, materials and payments shall be executed, delivered, acknowledged and paid, as applicable on the Closing Date and, in the case of the Memorandum of Lease, be submitted for recording in the Clark County Real Estate Records):

(a) Deed. A deed for the Property in the form of Exhibit J attached hereto (the "Deed"), and the State of Nevada Declaration of Value, executed, acknowledged and delivered by Seller and New Property Owner, as applicable, conveying the Property to New Property Owner.

(b) Short Form Lease. The Short Form of Lease executed and delivered by Seller and New Property Owner.

(c) Lease and Easement Assignment and Acceptance Agreement. An assignment and acceptance of the Leases, the REA and certain other recorded easements and agreements in the form of Exhibit K-1 attached hereto (the "Lease and Easement Assignment and Acceptance Agreement"), executed and delivered by Seller and New Property Owner, pursuant to which Seller assigns all of its interest in the Leases and the REA to New Property Owner and New Property Owner accepts such assignment.

(d) Evidence of Deed Recordation Etc. Reasonable evidence of the formation of New Property Owner in Delaware, that New Property Owner is qualified to do business and is in good standing in the State of Nevada, and that the Deed was duly recorded in the Clark County Real Estate Records, and that the Lease and Easement Assignment and Acceptance Agreement, Net Lease, Lease Assignment and Assumption Agreement, Net Lease Guaranty and Memorandum of Lease have been fully executed and delivered (including such estoppels and reaffirmations from Seller and its Affiliates as Buyer shall reasonably require).

(e) Net Lease and Net Lease Guaranty. The Net Lease, executed and delivered by New Property Owner and Net Lease Tenant, and the Net Lease Guaranty, executed and delivered by Net Lease Guarantor.

(f) Membership Interest Assignment and Assumption Agreement. An assignment and assumption agreement with respect to all of the membership interests in New Property Owner (the "Membership Interests") in the form of Exhibit L attached hereto (the "Membership Interest Assignment and Assumption Agreement"), executed and delivered by Seller, pursuant to which Seller assigns and transfers all such membership interests to Buyer.

(g) Lease Assignment and Assumption Agreement. An assignment and assumption of the Leases in the form of Exhibit K-2 attached hereto (the "Lease Assignment and Assumption Agreement"), executed and delivered by New Property Owner and Net Lease Tenant, pursuant to which New Property Owner assigns all of its interest, if any, in the Leases to Net Lease Tenant and Net Lease Tenant assumes all obligations under the Leases.

(h) Notice to Tenants. One (1) original form letter in the form of Exhibit M attached hereto, executed by Seller, duplicate copies of which shall be delivered by Buyer after Closing to each Tenant.

(i) Non-Foreign Status Affidavit. A non-foreign status affidavit in the form of Exhibit N attached hereto, in compliance with Treasury Regulations Section 1.1445-2(b)(2) (the "FIRPTA Affidavit"), executed and delivered by Seller.

(j) Amended and Restated ROFR. The Amended and Restated ROFR, executed and delivered by CEC.

(k) Evidence of Authority. Delivery by Seller of documentation to establish to Buyer's and the Title Company's reasonable satisfaction the due authorization of Seller's, New Property Owner's, Net Lease Tenant's, Net Lease Guarantor's and CEC's consummation of the Transaction, including Seller's execution of this Agreement and Seller's, New Property Owner's, Net Lease Tenant's, Net Lease Guarantor's and CEC's execution of the Closing Documents required to be delivered by each such party.

(l) Title Affidavit, Non-Imputation Affidavit and Related Documents. An owner's affidavit in the form of Exhibit O-1 attached hereto, a non-imputation affidavit in the form of Exhibit O-2 attached hereto, and such other documents, certificates, indemnities and affidavits as may be otherwise agreed upon by Seller and Buyer in each of their reasonable discretions and/or reasonably and customarily required by the Title Company to consummate the Transaction, executed and delivered by Seller and New Property Owner, as applicable.

(m) Seller Costs. Seller shall cause costs required to be paid by Seller under the provisions of this Agreement to be debited against the proceeds to Seller on the Title Company's settlement statement.

(n) Memorandum of Lease. A memorandum of lease for the Net Lease in the form of Exhibit P attached hereto (the "Memorandum of Lease"), executed, acknowledged and delivered by New Property Owner and Net Lease Tenant.

(o) Updated List of Leases and Material Contracts. Updates of Schedule 7.2(i) and Schedule 7.2(j) attached hereto as of the Closing Date.

(p) Estoppel Certificate. The Estoppel Certificate, executed and delivered by Seller, Flamingo Las Vegas Operating Company, LLC, a Nevada limited liability company, 3535 LV Newco, LLC, a Delaware limited liability company, and Caesars Linq, LLC, a Delaware limited liability company.

(q) Joinder. Joinders to the Declaration, each delivered pursuant to Section 2.4 of the Declaration and in the form attached to the Declaration as Exhibit O, and executed and submitted for recording in the Clark County Real Estate Records, in the following order: first, by 3535 LV Newco, LLC, a Delaware limited liability company; and second, by New Property Owner.

(r) Certificate of Representations and Warranties. A certificate, dated as of the Closing Date, in substantially the form attached hereto as Exhibit Q, executed and delivered by Seller, stating that the representations and warranties of Seller contained in Section 7.2 hereof are true, correct and complete in all material respects as of each day of the Closing Period, except to the extent they expressly relate to an earlier date.

SECTION 6.3. Buyer's Closing Deliveries. On the Closing Date, Buyer shall execute and deliver (or cause to be executed and delivered by its Affiliates), and, have acknowledged, as applicable, the following and make such payments as specified below:

(a) Purchase Price. The Purchase Price, plus any other amounts required to be paid by Buyer at Closing hereunder.

(b) Membership Interest Assignment and Assumption Agreement. The Membership Interest Assignment and Assumption Agreement, executed and delivered by Buyer.

(c) Amended and Restated ROFR. The Amended and Restated ROFR, executed and delivered by VICI.

(d) Evidence of Authority. Delivery by Buyer of documentation to establish to Seller's reasonable satisfaction the due authorization of Buyer's and VICI's consummation of the Transaction, including Buyer's execution of this Agreement and Buyer's and VICI's execution of the Closing Documents required to be delivered by each such party.

(e) Certificate of Representations and Warranties. A certificate, dated as of the Closing Date, in substantially the form attached hereto as Exhibit R, executed and delivered by Buyer, stating that the representations and warranties of Buyer contained in Section 7.1 hereof are true, correct and complete in all material respects as of the Closing Date, except to the extent they expressly relate to an earlier date.

(f) Other Documents. Such other documents as may be reasonably required by the Title Company or may be agreed upon by Seller and Buyer in each of their reasonable discretions to consummate the Transaction.

SECTION 6.4. Conditions to Buyer's Obligations. Buyer's obligation to close the Transaction is conditioned on the satisfaction or waiver of all of the following on or prior to the Closing Date:

(a) Representations True. All Seller's Warranties shall be true and correct in all material respects on and as of each day of the Closing Period as if made on and as of each such date except to the extent that they expressly relate to an earlier date.

(b) Deed; Title Condition. The Deed shall have been duly recorded in the Clark County Real Estate Records, the New Property Owner shall own fee simple title (other than with respect to appurtenant interests constituting Real Property in which Seller does not hold fee simple title) to the Real Property, title to the Real Property shall be as provided in Section 3.1 and, assuming Buyer pays the premium in respect thereof, the Title Company shall irrevocably commit to issue the Owner's Title Policy to New Property Owner.

(c) Seller's Deliveries Complete. Seller shall have executed and delivered (or caused to be executed and delivered), and have acknowledged, as applicable, all of the documents and other items required pursuant to Section 6.2 and shall have performed all other material obligations to be performed by Seller at or during the Closing Period.

(d) Other Land PSA. The closing under the Other Land PSA shall be consummated concurrently with the Closing hereunder.

(e) No Legal Impediment. There shall not be in effect any law, or any injunction or order of any governmental or judicial authority of competent jurisdiction prohibiting, restraining, enjoining or otherwise preventing the consummation of the Transaction.

(f) No Involuntary Bankruptcy. A petition shall not have been filed against Seller or New Property Owner under the Federal Bankruptcy Code or any similar Laws.

SECTION 6.5. Conditions to Seller's Obligations. Seller's obligation to close the Transaction is conditioned on the satisfaction or waiver of all of the following on or during the Closing Period:

(a) Representations True. All Buyer's Warranties shall be true and correct in all material respects on and as of each day of the Closing Period, as if made on and as of each such date except to the extent they expressly relate to an earlier date.

(b) Buyer's Deliveries Complete. Buyer shall have timely delivered the funds required hereunder and all of the documents to be executed by Buyer set forth in Section 6.3 and shall have performed all other material obligations to be performed by Buyer at or prior to Closing.

(c) Other Land PSA. The closing under the Other Land PSA shall be consummated concurrently with the Closing hereunder.

(d) No Legal Impediment. There shall not be in effect any law, or any injunction or order of any governmental or judicial authority of competent jurisdiction prohibiting, restraining, enjoining or otherwise preventing the consummation of the Transaction.

(e) Memorandum of Lease / Tenant's Title Policy. The Memorandum of Lease shall have been submitted for recording in the Clark County Real Estate Records and, assuming that Seller pays the premium in respect thereof, the Title Company shall be irrevocably committed to issue the Tenant's Title Policy to Net Lease Tenant.

SECTION 6.6. Failure of Conditions Precedent. In the event any of the conditions set forth in this Article 6 are neither waived nor satisfied as of the applicable day of the Closing Period (subject to Seller's and Buyer's rights to extend the Closing Period pursuant to the terms of this Agreement) and the provisions of Article 9 do not apply, Seller or Buyer (as applicable) may terminate this Agreement by notice to the other party, and thereafter, neither party shall have any further rights or obligations hereunder except for obligations which expressly survive termination of this Agreement. If the Closing does not occur on or before December 28, 2017, this Agreement shall automatically terminate, other than those terms that, pursuant to the express terms hereof, survive termination hereof.

ARTICLE 7
REPRESENTATIONS AND WARRANTIES

SECTION 7.1. Buyer's Representations. Buyer represents and warrants to Seller as of the Effective Date and as of each date of the Closing Period, as follows:

(a) Buyer's Authorization; Non-Contravention. Buyer and each of its Affiliates that is executing any Closing Document, as applicable, (i) is duly organized (or formed), validly existing and in good standing under the Laws of its State of organization and, to the extent required by applicable Laws, the State in which the Property is located, (ii) is authorized to execute this Agreement and consummate the Transaction and fulfill all of its obligations hereunder and under all Closing Documents to be executed by Buyer and its Affiliates, as applicable, and such instruments, obligations and actions are valid and legally binding upon Buyer and its Affiliates, as applicable, enforceable in accordance with their respective terms. Except as set forth in Section 7.3(d), the execution and delivery of this Agreement and all Closing Documents to be executed by Buyer and its Affiliates, as applicable, and the performance of the obligations of Buyer and its Affiliates, as applicable, hereunder or thereunder will not (w) result in the violation of any Laws, or any provision of Buyer's or its Affiliates', as applicable, organizational documents, (x) conflict with any order of any court or governmental instrumentality binding upon Buyer, (y) conflict or be inconsistent with, or result in any default under, any contract, agreement or commitment to which Buyer or its Affiliates, as applicable, is bound, except to the extent that such conflict, inconsistency or default, as the case may be, would not reasonably be expected to have a Material Adverse Effect, or (z) require the approval, consent or action of, waiver or filing with, or notice to, any third party, including but not limited to, any governmental bodies, agencies or instrumentalities, except as have been obtained or will be obtained on or prior to the Closing Date, and (iii) no "Event of Default" exists under (and as defined in) that certain First Lien Credit Agreement, dated as of October 6, 2017 (as amended from time to time), among VICI Properties 1 LLC, as the borrower, the lenders party thereto from time to time and Wilmington Trust, National Association, as administrative agent; provided, however, that the representation and warranty made in this subsection (iii) is made only as of the Effective Date and shall not be remade as of each date of the Closing Period.

(b) Buyer's Financial Condition. No petition has been filed by or against Buyer under the Federal Bankruptcy Code or any similar Laws.

(c) OFAC; Patriot Act. Buyer hereby represents and warrants to Seller that Buyer is not, nor to its knowledge, any persons or entities holding any Controlling legal or beneficial interest whatsoever in it are, (i) the target of any sanctions program that is established by Executive Order of the President or published by the Office of Foreign Assets Control, U.S. Department of the Treasury ("OFAC"); (ii) designated by the President or OFAC pursuant to the Trading with the Enemy Act, 50 U.S.C. App. § 5, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06, the Patriot Act, Public Law 107-56, Executive Order 13224 (September 23, 2001) or any

Executive Order of the President issued pursuant to such statutes; or (iii) named on the following list that is published by OFAC: "List of Specially Designated Nationals and Blocked Persons" (collectively, "Prohibited Persons"). Buyer hereby represents and warrants to Seller that no funds tendered to Seller under the terms of this Agreement are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. Buyer will not knowingly engage in any transactions or dealings, or knowingly be otherwise associated with, any Prohibited Persons in connection with the Property.

SECTION 7.2. Seller's Representations. Seller represents and warrants to Buyer, as of the Effective Date and as of each day of the Closing Period as set forth below, as follows:

(a) Seller's Authorization; Non-Contravention. Seller and each of its Affiliates that is executing any Closing Document, as applicable, (i) is duly organized (or formed), validly existing and in good standing under the Laws of its State of organization and, to the extent required by applicable Laws, the State in which the Property is located, and (ii) is authorized to execute this Agreement and consummate the Transaction, and fulfill all of its obligations hereunder and under all Closing Documents to be executed by Seller and its Affiliates, as applicable, and such instruments, obligations and actions are valid and legally binding upon Seller and its Affiliates, as applicable, enforceable in accordance with their respective terms. The execution and delivery of this Agreement and all Closing Documents to be executed by Seller and its Affiliates, as applicable, and the performance of the obligations of Seller and its Affiliates, as applicable, hereunder or thereunder will not (w) result in the violation of any Laws, or any provision of Seller's or its Affiliates', as applicable, organizational documents, (x) conflict with any order of any court or governmental instrumentality binding upon Seller, (y) except with respect to Net Lease Guarantor prior to the Closing, subject to Section 7.3(d) hereof, conflict or be inconsistent with, or result in any default under, any contract, agreement or commitment to which Seller or its Affiliates, as applicable, is bound, except to the extent that such conflict, inconsistency or default, as the case may be, would not reasonably be expected to have a Material Adverse Effect, or (z) subject to Section 7.3(d) hereof, require the approval, consent or action of, waiver or filing with, or notice to, any third party, including but not limited to, any governmental bodies, agencies or instrumentalities, except as have been obtained or will be obtained on or prior to the Closing Period.

(b) New Property Owner's Authorization; Non-Contravention. After the formation of the New Property Owner on the first day of the Closing Period and through the Closing Date, (i) New Property Owner shall be duly organized (or formed), validly existing and in good standing under the Laws of its State of organization and, to the extent required by applicable Laws, the State in which the Property is located, and (ii) New Property Owner shall be authorized to consummate the Transaction, and fulfill all of its obligations hereunder and under all Closing Documents to be executed by New Property Owner and such instruments, obligations and actions shall be valid and legally binding upon New Property Owner, enforceable in accordance with their respective terms. After the formation of the New Property Owner on the first day of the Closing Period and through the Closing Date, the execution and delivery of all Closing Documents to be executed by New Property Owner and the performance of the obligations of New Property Owner thereunder shall not (w) result in the violation of any Laws, or any provision of New Property Owner's organizational documents, (x) conflict with any order of any court or governmental instrumentality binding upon New Property Owner, (y) subject to Section 7.3(d) hereof, conflict or be inconsistent with, or result in any default under, any contract, agreement or commitment to which New Property Owner is bound, except to the extent that such conflict, inconsistency or default, as the case may be, would not reasonably be expected to have a Material Adverse Effect, or (z) subject to Section 7.3(d) hereof, require the approval, consent or action of, waiver or filing with, or notice to, any third party, including but not limited to, any governmental bodies, agencies or instrumentalities, except as have been obtained or will be obtained on or prior to the Closing Period.

(c) Bankruptcy. As of the Effective Date, no petition has been filed by Seller, nor has Seller received written notice of any petition filed against Seller under the Federal Bankruptcy Code or any similar Laws. As of each day of the Closing Period, no petition has been filed by New Property Owner under the Federal Bankruptcy Code or any similar Laws.

(d) OFAC; Patriot Act. Seller hereby represents and warrants to Buyer that Seller is not, nor to its knowledge, any persons or entities holding any Controlling legal or beneficial interest whatsoever in it are Prohibited Persons. Seller hereby represents and warrants to Buyer that no funds tendered to Buyer under the terms

of this Agreement are or will be directly or indirectly derived from activities that may contravene U.S. federal, state or international laws and regulations, including anti-money laundering laws. Seller will not knowingly engage in any transactions or dealings, or knowingly be otherwise associated with, any Prohibited Persons in connection with the Property.

(e) Environmental Laws. Except as disclosed in the Environmental Reports, Seller has complied and Seller and the Property are now complying with all Environmental Laws (as defined in the Net Lease), except to the extent the failure to so comply would not reasonably be expected to have a Material Adverse Effect.

(f) Real Property. The Real Property comprises all of the real property used in the operation of the property commonly known as "Harrah's Las Vegas Hotel & Casino".

(g) Litigation. Except as set forth in Schedule 7.2(g) with respect to certain litigation against Seller, which litigation does not affect the Property or New Property Owner, there is no action, suit, arbitration, unsatisfied order or judgment, governmental investigation or proceeding that is pending, or to Seller's knowledge threatened in writing, against Seller, New Property Owner, the Property or the Membership Interests (other than, in the case of Seller, New Property Owner and the Property, claims for personal injury, property damage, worker's compensation or employment practices liability for which Seller's insurance carrier has not disclaimed liability and in which the amounts claimed do not exceed the applicable insurance policy limits).

(h) Compliance with Laws. Subject to the provisions of Section 7.2(e) with respect to Environmental Laws, the Property, and Seller's operations at the Property, are in compliance with all applicable Laws, except to the extent the failure to so comply would not reasonably be expected to have a Material Adverse Effect.

(i) Leases. The Leases which demise space at the Property are listed on Schedule 7.2(i), which is true, accurate and complete in all material respects as of the date set forth thereon, and except as set forth thereon, such Leases have not been amended or modified, and to Seller's Knowledge, there is no material default under any such Lease except as set forth in Section 7.3(d). There are no separate agreements between Seller or New Property Owner and any party to any Lease with respect to the use or occupancy of the Property other than as specified on Schedule 7.2(i). Such Schedule shall be appropriately adjusted to reflect leasing matters in accordance with Section 7.3(e) hereof. Seller has furnished to Buyer true, correct and complete copies of all Leases, in all material respects, all of which are in full force and effect.

(j) Contracts. The Material Contracts in effect with respect to the Property are set forth on Schedule 7.2(j), which is true, accurate and complete in all material respects as of the date set forth thereon, and except as set forth thereon, such Material Contracts have not been amended or modified, and to Seller's Knowledge, there is no default under any such Material Contract, except for the Declaration of Covenants, Restrictions and Easements listed as item one on Schedule 7.2(j), which default is the result of the failure to obtain a joinder as required thereunder. Seller has furnished to Buyer true, correct and complete copies of all Material Contracts, all of which are in full force and effect.

(k) Union Agreement; Employees. As of the Closing Date, (a) New Property Owner does not have any employees, (b) neither Seller nor any Affiliate thereof has any employees, who will have any right to employment by, or to Seller's knowledge, claim against, New Property Owner, (c) neither Seller nor any affiliate thereof is a party to or bound by any collective bargaining agreement or other agreement with any labor organization that gives rise to any claims against New Property Owner and (d) there are no outstanding claims against Seller under any collective bargaining agreement or other agreement with a labor organization to which Seller is a party which relates to New Property Owner.

(l) Taxes. Seller has timely filed with the appropriate taxing authorities all tax returns that it has been required to file with respect to the Property. All such tax returns are true, correct, and complete in all material respects. All taxes (including any interest or penalties thereon) owed by Seller with respect to the Property have been paid prior to delinquency.

(m) Financial Information. The financial information attached as Exhibit T hereto (the "Financial Information") (other than projections with respect to future periods included therein) (i) was derived from the books and records of Seller and has been prepared, or derived from information prepared on a basis consistent with prior periods, and (ii) fairly presents in all material respects the results of operations of the Seller and the Property as of their respective dates and for the respective periods presented, subject to normal year-end adjustments. Since September 30, 2017, there has been no material adverse change in the condition of the Property or in the property, business, operations or financial condition of Seller. The projections contained in the Financial Information were prepared by Seller based on assumptions that are to its knowledge reasonable and customary.

(n) ERISA. Seller is not, and is not acting on behalf of (i) an "employee benefit plan" as defined in Section 3(3) of ERISA, that is subject to Title I of ERISA, (ii) a "plan" as defined in and subject to Section 4975 of the Internal Revenue Code, or (iii) an entity deemed to hold "plan asset" of any of the foregoing within the meaning of 29 C.F.R. Section 2510.3 101, as modified by Section 3(42) of ERISA. None of the transactions contemplated by this Agreement are in violation of any state statutes applicable to Seller regulating investments of, and fiduciary obligations with respect to, governmental plans similar to the provisions of Section 406 of ERISA or Section 4975 of the Internal Revenue Code.

(o) Condemnation. As of the Effective Date, no condemnation or eminent domain proceeding in which Seller has received written notice is pending with respect to the Property, and to Seller's Knowledge, no such proceeding is threatened, or contemplated, in writing.

(p) Membership Interests. As of the Closing Date, (i) immediately prior to assignment thereof to Buyer, Seller is the lawful owner of the Membership Interests, free and clear of all Liens; (ii) the Membership Interests constitute all of the membership interests of New Property Owner; (iii) Seller is the sole member of New Property Owner; (iv) New Property Owner has no manager (other than New Property Owner); (v) the Membership Interests have been duly authorized and validly issued and have not been issued in violation of any purchase or call option, right of first refusal, subscription right, preemptive right or any other rights; (vi) Seller will transfer good, valid and marketable title to the Membership Interests to Buyer, free and clear of all Liens; and (vii) Seller has furnished to Buyer true, correct and complete copies of the certificate of formation and operating agreement of New Property Owner.

(q) New Property Owner. As of the Closing Date, (i) New Property Owner was created solely for the purpose of and has not engaged in any activity or business other than owning the Property; (ii) the only asset of New Property Owner is the Property (and, for the avoidance of doubt, New Property Owner has no direct or indirect subsidiaries and does not own any interests in any other entity); and (iii) New Property Owner has no liabilities (contingent or otherwise) other than its liabilities as landlord under the Net Lease and those liabilities that arise solely as a result of New Property Owner's ownership of the Property, in its capacity as owner thereof (such as real estate taxes and any liabilities under the Declaration and/or REA).

SECTION 7.3. General Provisions.

(a) Survival of Seller's Warranties and Buyer's Warranties. Seller's Warranties and Buyer's Warranties shall survive Closing and not be merged therein for a period of two hundred seventy (270) days (such period, the "Survival Period"); provided that Seller's NPO Warranties shall survive Closing without limitation of time; provided further that the Survival Period will be extended for so long as any claim of breach of any such representation or warranty notice of which was provided to Seller or Buyer, as applicable, within the period of two hundred seventy (270) days referenced above shall be outstanding.

(b) Seller's aggregate liability to Buyer with respect to any and all such breaches of Seller's representations or warranties set forth in this Agreement (other than Seller's NPO Warranties), shall not exceed Five Percent (5%) of the Purchase Price and Buyer hereby waives any damages, costs and expenses in respect of such breaches in excess of said amount.

(c) Survival. The provisions of this Section 7.3 shall survive Closing (and not be merged therein) or any earlier termination of this Agreement.

(d) Exceptions to Representations and Warranties. Notwithstanding anything to the contrary in this Agreement, (a) Seller has advised Buyer that one or more of the Leases and easements listed on Schedule 7.3(d) may require consent to the assignment of such Lease or easement; (b) Seller shall use commercially reasonable efforts to obtain such consents on or prior to the Closing Date; and (c) the failure to obtain such consents shall not be a default by Seller under this Agreement or a breach of Seller's representations or warranties hereunder; provided, however, that in no event shall this Section 7.3(d) vitiate any of the Net Lease Tenant's responsibilities under the Net Lease, including, without limitation, the indemnification provisions set forth therein or the Net Lease Guarantor's obligations under the Net Lease Guaranty.

(e) Update of Representations and Warranties. Prior to the Closing, Seller shall have the right to amend and otherwise modify the representations and warranties made by Seller by written notice thereof to Buyer to reflect any change in facts or circumstances first occurring after the Effective Date not resulting from a breach or default by Seller or its Affiliates under this Agreement.

ARTICLE 8
COVENANTS

SECTION 8.1. Contracts and Leases. Between the Effective Date and the Closing, Seller shall not enter into any new Contract or Lease or extend, renew, replace or otherwise modify or terminate or cancel any Contract or Lease, except to the extent that Seller, solely in its capacity as tenant under the Net Lease, would be permitted to do the same under the terms of the Net Lease if the Net Lease were in effect.

SECTION 8.2. Operation of Property. Between the Effective Date and the Closing, Seller (a) shall (and shall cause New Property Owner on the first day of the Closing Period to) operate the Property in the Ordinary Course and shall cause the existing certificate of occupancy for the Real Property to remain in effect through Closing and (b) shall not demolish or alter, improve or otherwise physically change the Buildings, in whole or in part, or construct any additional buildings, structures or other improvements on the Land, except (in the case of (a) or (b)) to the extent that Net Lease Tenant would be permitted to do the same under the terms of the Net Lease if the Net Lease were in effect.

SECTION 8.3. Intentionally Omitted.

SECTION 8.4. Brokers. Seller and Buyer expressly represent that there has been no broker or any other party representing Seller or Buyer as broker with respect to the Transaction and with respect to this Agreement. Seller agrees to hold Buyer harmless and indemnify Buyer from and against any and all Liabilities (including reasonable attorneys' fees, expenses and disbursements) suffered or incurred by Buyer as a result of any claims by any party claiming to have represented Seller as broker in connection with the Transaction. Buyer agrees to hold Seller harmless and indemnify Seller from and against any and all Liabilities (including reasonable attorneys' fees, expenses and disbursements) suffered or incurred by Seller as a result of any claims by any party claiming to have represented Buyer as broker in connection with the Transaction. The provisions of this Section 8.4 shall survive Closing (and not be merged therein) or the earlier termination of this Agreement.

SECTION 8.5. Transfer Taxes. Seller and Buyer each hereby covenant and agree that in the event any transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest) are incurred in connection with this Agreement and the other Closing Documents (including any real property transfer tax and any other similar tax), all such taxes or fees shall be borne and paid fifty percent (50%) by Seller and fifty percent (50%) by Buyer. Seller and Buyer will cooperate to timely file all necessary tax returns or other documents with respect to such taxes or fees, the provisions of this Section 8.5 shall survive Closing (and not be merged therein).

SECTION 8.6. Publicity. Seller and Buyer agree that any press release or other public statement with respect to the Transaction or this Agreement shall be mutually approved by the other (which approval shall not be unreasonably withheld, conditioned or delayed), except to the extent required by applicable gaming, securities or other Laws or by obligations pursuant to any listing agreement or rules of any securities exchange or in connection with corporate transactions or financings that Seller or Buyer may undertake; provided, that the disclosing party

shall use commercially reasonable efforts to provide prior notice to and consult with the non-disclosing party. The provisions of this Section 8.6 shall survive Closing (and not be merged therein) or the earlier termination of this Agreement.

SECTION 8.7. Confidentiality. Seller and Buyer agree that they continue to be bound by the Mutual Non-Disclosure Agreement, dated October 20, 2017, between CEC and VICI (the "Confidentiality Agreement"). Notwithstanding the foregoing and for the avoidance of doubt, each of Seller and Buyer may disclose such information to the extent required by applicable gaming, securities or other Laws or by obligations pursuant to any listing agreement or rules of any securities exchange and to financing sources and as otherwise contemplated by the Confidentiality Agreement, and Section 8.6 above. The provisions of this Section 8.7 shall survive Closing (and not be merged therein) or earlier termination of this Agreement.

SECTION 8.8. Financing.

(a) Buyer shall use its reasonable best efforts to take, or cause to be taken, all actions and do, or cause to be done, as promptly as practicable, all things necessary, proper or advisable to arrange and obtain the Debt Financing substantially on the terms and conditions (including the "market flex" provisions) described in the Commitment Letter. To such end, Buyer shall use reasonable best efforts to, and/or cause its Affiliates to use their respective reasonable best efforts to, (a) maintain in effect the Commitment Letter, (b) satisfy, or cause to be satisfied, on a timely basis all conditions to funding in the Commitment Letter and each definitive agreement executed by Buyer or its Affiliates with respect thereto (collectively, with the Commitment Letter and including any related fee letter(s), the "Debt Documents") to the extent applicable to Buyer and/or its Affiliates, (c) as promptly as practicable negotiate, execute and deliver, or cause to be executed and delivered, definitive agreements with respect to the Debt Financing on substantially the terms and conditions contemplated by the Commitment Letter (including any related "market flex" provisions) and, if executed prior to the Closing Date, deliver to Seller a copy of any material definitive agreement promptly following such execution, (d) timely prepare, or cause to be prepared, the necessary marketing materials with respect to the Debt Financing, (e) consummate, or cause to be consummated, the Debt Financing at or prior to the time the Closing should occur pursuant to Section 2.1 and Section 6.1 and (f) enforce, or cause to be enforced, the rights of Buyer and its Affiliates under the Debt Documents. Buyer shall promptly notify Seller in writing if Buyer acquires actual knowledge of (1) of any breach, default, termination or repudiation by any party to any Debt Document, (2) that any portion of the Debt Financing contemplated by the Commitment Letter will not be available and (3) of any expiration or termination of any Debt Document (each, a "Financing Failure Event"). As soon as reasonably practicable, Buyer shall provide any information in Buyer's possession that is reasonably requested by Seller relating to any Financing Failure Event, provided, that in no event will Buyer be under any obligation to disclose any information that is subject to applicable legal privileges (including the attorney-client privilege) or binding obligation of confidentiality to a third party. Notwithstanding anything to the contrary contained herein, Buyer shall cause VICI Properties Inc., a Maryland corporation ("VICI REIT") to not modify, amend, waive or terminate in any respect the Common Stock Purchase Agreement, dated as of the date hereof, between VICI REIT and each purchaser identified therein

(b) Without limiting the provisions of Section 8.8(a), Buyer shall keep Seller reasonably informed, promptly upon request, in reasonable detail, of the status of its efforts to arrange the Debt Financing and provide to Seller executed copies of the Debt Documents (provided, that, any fee letters, engagement letters or other agreements that, in accordance with customary practice, are confidential by their terms, to the extent the provisions in question do not affect the conditionality or amount of the Debt Financing, may be redacted so as not to disclose such terms that are so confidential); provided, that in no event will Buyer be under any obligation to disclose any information that is subject to any applicable legal privileges (including the attorney-client privilege). If Buyer obtains actual knowledge that any portion of the Debt Financing has become unavailable substantially on the terms and conditions contemplated by the Commitment Letter (after taking into account "market flex" terms), Buyer shall promptly notify Seller, and Buyer shall use commercially reasonable efforts to arrange to obtain alternative financing, including from alternative sources, in an amount sufficient to pay the Purchase Price as provided herein and consummate the transactions contemplated by this Agreement and on terms not materially less favorable (after giving effect to any "market flex"), taken as a whole, to Buyer (as reasonably determined by Buyer) and with lenders reasonably satisfactory to Buyer ("Alternative Financing") as promptly as practicable following the occurrence of such event. The provisions of this Section 8.8 shall be applicable to the Alternative Financing, and, for

the purposes of this Agreement, all references to the "Debt Financing" shall be deemed to include such Alternative Financing and all references to the "Commitment Letter" and "Debt Documents" shall include the applicable documents for the Alternative Financing. Buyer shall deliver to Seller true, correct and complete copies of all material agreements entered into with any such alternative source in connection with the Alternative Financing promptly following the execution thereof. Buyer (1) shall use its reasonable best efforts, and shall cause its Affiliates to use their respective reasonable best efforts, to comply in all material respects with each Debt Document and (2) shall, and shall cause its Affiliates to, not, without the prior written consent of Seller, enter into any amendment or modification to, or agree to any termination, rescission or withdrawal of, or any material waiver of any provision or remedy under, any Debt Document that (individually or in the aggregate with any other amendments, modifications or waivers) could reasonably be expected to (w) adversely affect the ability of Buyer and/or its Affiliates to enforce their respective material rights against other parties to the Commitment Letter or the Debt Documents as so amended, replaced, supplemented or otherwise modified, relative to the ability of Buyer and/or its Affiliates to enforce their respective material rights against such other parties to the Commitment Letter as in effect on the date hereof under the Debt Documents, (x) reduce the aggregate amount of the Debt Financing under the Debt Documents, (y) impose any new or additional condition, or otherwise amend, modify or expand any condition, to the receipt of any portion of the Debt Financing, or (z) result in any delay to closing of the Debt Financing or the Transaction in any such case beyond the Closing Date; provided, that, Buyer may replace or amend the Commitment Letter to add lenders, lead arrangers, bookrunners, syndication agents or similar entities that have not executed the Commitment Letter as of the date hereof in accordance with the terms thereof (clause "(2)" of this sentence is referred to as the "Bright Line Commitment Provision"). For the avoidance of doubt, closing of the Debt Financing is not a condition precedent to Seller's obligations hereunder. Notwithstanding anything to the contrary set forth in this Agreement, Buyer shall not be required to actually obtain any or all of the Debt Financing to the extent Buyer uses other funds to pay the Purchase Price hereunder. For the avoidance of doubt, this Section 8.8 shall not survive Closing.

ARTICLE 9
DEFAULTS

SECTION 9.1. Seller's Remedies for Buyer Defaults. Prior to entering into this transaction, Buyer and Seller have discussed the fact that substantial damages will be suffered by Seller if Buyer shall default in its obligation to purchase the Property under this Agreement when required hereunder or the Other Land Seller shall default in its obligation to sell the Other Land Property under the Other Land PSA when required thereunder; accordingly, the parties agree that a reasonable estimate of Seller's damages in such event is the amount of Forty-Five Million and No/100 Dollars ($45,000,000.00) (the "Seller Liquidated Damages Amount"). If (a) Buyer defaults in its obligation to consummate the Closing as and when required under this Agreement or (b) Other Land Seller defaults in its obligation to consummate the Closing (as defined in the Other Land PSA) as and when required under the Other Land PSA, then, in each case, Seller shall have the right to elect, as its sole and exclusive remedy (except as set forth below with respect to any breach of the covenants of Buyer set forth in Section 8.8 hereof), to (x) terminate this Agreement by written notice to Buyer in which case the Other Land PSA will automatically terminate and Buyer shall pay the Seller Liquidated Damages Amount to Seller, and thereafter, the parties shall have no further rights or obligations hereunder except for other obligations which expressly survive the termination of this Agreement, or (y) waive the default or breach and proceed to close the Transaction. On the Effective Date, Buyer Guarantor shall execute and deliver the PSA Buyer Guaranty with respect to Other Land Seller's obligations under Section 7.3 of the Other Land PSA and Buyer's obligations under Section 9.1 of this Agreement. Notwithstanding anything to the contrary set forth in this Agreement, and for the avoidance of doubt, (x) if Buyer shall breach the Bright Line Commitment Provision, then, in lieu of the Seller Liquidated Damages Amount, Buyer shall be responsible for the actual damages incurred by Seller as a result of such breach of the Bright Line Commitment Provision and (y) if Buyer shall breach any covenant in Section 8.8 other than the Bright Line Commitment Provision and such breach shall continue for two (2) Business Days after notice thereof from Seller to Buyer, then, in lieu of the Seller Liquidated Damages Amount, Seller may seek to enforce specific performance of such covenant.

SECTION 9.2. Buyer's Remedies for Seller Defaults. Prior to entering into this transaction, Buyer and Seller have discussed the fact that substantial damages will be suffered by Buyer if Seller shall default in its obligation to sell the Property under this Agreement when required hereunder or the Other Land Buyer shall default

in its obligation to purchase the Other Land Property under the Other Land PSA when required thereunder; accordingly, the parties agree that a reasonable estimate of Buyer's damages in such event is the amount of Forty-Five Million and No/100 Dollars ($45,000,000.00) (the "Buyer Liquidated Damages Amount"). If (a) Seller defaults in its obligation to consummate the Closing as and when required under this Agreement or (b) Other Land Buyer defaults in its obligation to consummate the Closing (as defined in the Other Land PSA) as and when required under the Other Land PSA, then, in each case, Buyer shall have the right to elect, as its sole and exclusive remedy, to (x) terminate this Agreement by written notice to Seller in which case the Other Land PSA will automatically terminate and Seller shall pay the Buyer Liquidated Damages Amount to Buyer, and thereafter, the parties shall have no further rights or obligations hereunder except for other obligations which expressly survive the termination of this Agreement, or (y) waive the default or breach and proceed to close the Transaction. On the Effective Date, Seller Guarantor shall execute and deliver the PSA Seller Guaranty with respect to Seller's obligations under Section 7.3 and Section 9.2 of this Agreement. Notwithstanding anything to the contrary set forth in this Agreement, if Seller shall fail to consummate the Proposed Merger Transaction by December 28, 2017 (except where such failure results from Seller's breach of the provisions of Section 11.21), then Buyer shall have no right to be paid the Buyer Liquidated Damages Amount and Buyer shall have the right to elect, as its sole and exclusive remedy, to terminate this Agreement by written notice to Seller in which case the Other Land PSA will automatically terminate and the parties shall have no further rights or obligations hereunder except for other obligations which expressly survive the termination of this Agreement.

ARTICLE 10

CASUALTY/CONDEMNATION

SECTION 10.1. Right to Terminate. If, after the Effective Date, (a) any portion of the Property is taken by condemnation or eminent domain (or is the subject of a pending taking), or (b) any portion of the Property is damaged or destroyed, Seller shall notify Buyer in writing of such fact promptly after obtaining knowledge thereof. If the Property is the subject of a Major Casualty/Condemnation that occurs after the Effective Date, Buyer shall have the right to terminate this Agreement by giving written notice to Seller no later than the date (the "Casualty Notice Date") that is the earlier of (a) December 28, 2017 or (b) five (5) Business Days after Seller notifies Buyer of such Major Casualty/Condemnation; provided that the commencement of the Closing Period shall be extended (but not beyond December 27, 2017), if necessary, to provide sufficient time for Buyer and Seller to close. The failure by Buyer to terminate this Agreement by the Casualty Notice Date shall be deemed an election not to terminate this Agreement. If this Agreement is terminated pursuant to this Section 10.1, and, thereafter, the parties shall have no further rights or obligations hereunder except for obligations which expressly survive the termination of this Agreement. For the purposes of this Agreement, "Major Casualty/Condemnation" shall mean (i) any casualty, condemnation proceedings, or eminent domain proceedings if the portion of the Property that is the subject of such casualty or such condemnation or eminent domain proceedings has a value in excess of seven and one half percent (7.5%) of the Purchase Price, as reasonably determined by a third party contractor or architect selected by Seller and reasonably acceptable to Buyer, or (ii) any uninsured casualty which Seller does not agree (as set forth as a written modification of the Net Lease reasonably acceptable to Seller and Buyer executed and delivered on the Closing Date and guaranteed pursuant to the Net Lease Guaranty), in its sole and absolute discretion, to repair or restore in a manner acceptable to Buyer.

SECTION 10.2. Allocation of Proceeds and Awards. If, after the Effective Date, any portion of the Property is taken by condemnation or eminent domain (or is the subject of a pending taking), or any portion of the Property is damaged or destroyed and this Agreement is not terminated as permitted pursuant to the terms of Section 10.1, then this Agreement shall remain in full force and effect, and the parties hereto shall consummate the Closing upon the terms set forth herein. Any awards or proceeds received from the condemning authority or Seller's insurance company, as the case may be (the "Casualty/Condemnation Proceeds") shall be paid in accordance with the terms of the Lease as if the Lease were in effect as of the date that such Casualty/Condemnation Proceeds are made available, and any claims in respect to any such awards or proceeds and the related insurance policies shall be assigned to New Property Owner in accordance with the terms of the Lease as if the Lease were in effect as of the date that such Casualty/Condemnation Proceeds are made available, and in all events the Purchase Price shall not be adjusted as a result of any such casualty or condemnation; provided, that nothing in this paragraph is intended to vitiate Buyer's right to terminate this Agreement in accordance with the terms of Section 10.1 in connection with a

Major Casualty/Condemnation. Notwithstanding anything to the contrary contained herein, in the event a Major Casualty/Condemnation shall have occurred prior to the closing and the parties elect to close in accordance with the terms of this Agreement, then the parties will have their respective rights and obligations with respect to such Major Casualty/Condemnation (and any Casualty/Condemnation Proceeds) that they would have under the terms of the Lease as if the Lease were in effect as of the date that such Major Casualty/Condemnation occurred.

SECTION 10.3. Insurance. Seller shall (and, with respect to each day of the Closing Period, Seller shall cause New Property Owner to) maintain the property insurance coverage currently in effect for the Property, or comparable coverage, through the Closing Date.

SECTION 10.4. Waiver. The provisions of this Article 10 supersede the provisions of any applicable Laws with respect to the subject matter of this Article 10.

ARTICLE 11
MISCELLANEOUS

SECTION 11.1. Buyer's Assignment. Other than in connection with an assignment pursuant to Section 11.16 hereof, Buyer shall not assign this Agreement or its rights hereunder (other than to an entity that is directly or indirectly wholly-owned and controlled by VICI) without the prior written consent of Seller, which consent Seller may grant or withhold in its sole and absolute discretion.

SECTION 11.2. Survival/Merger. Except for the provisions of this Agreement which are explicitly stated to survive the Closing and any document executed in connection herewith, none of the terms of this Agreement shall survive the Closing.

SECTION 11.3. Integration; Waiver. This Agreement embodies and constitutes the entire understanding between the parties with respect to the Transaction and all prior agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument. No waiver by either party hereto of any failure or refusal by the other party to comply with its obligations hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply. The last sentence of this Section 11.3, the last sentence of Section 11.4, the last sentence of Section 11.6, Section 11.15, Section 11.16, and Section 11.20 of this Agreement may not be amended or modified in whole or in part in a manner that adversely affects the rights of the Debt Financing Sources thereunder without the prior written consent of the requisite commitment parties having consent over amendments to this Agreement pursuant to the Commitment Letter.

SECTION 11.4. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of Nevada, without regard to the principles of conflicts of laws. Notwithstanding anything herein to the contrary, the parties hereto agree that any action of any kind or any nature (whether based upon contract, tort or otherwise) involving any Debt Financing Sources that is any way related to this Agreement or any of the transactions related hereto, including any action or dispute involving any Debt Financing Sources arising out of or relating in any way to the Debt Financing or the Transaction or any document relating to the Debt Financing shall (except as otherwise expressly provided in the Commitment Letter with respect to matters to be governed and construed in accordance with Nevada law) be governed by, and construed in accordance with, the Laws of the State of New York, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of the Laws of any jurisdiction other than the State of New York.

SECTION 11.5. Captions Not Binding; Exhibits. The captions in this Agreement are inserted for reference only and in no way limit the scope or intent of this Agreement or of any of the provisions hereof. All Exhibits attached hereto shall be incorporated by reference as if set out herein in full.

SECTION 11.6. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. The last sentence of Section 11.3, the last sentence of Section 11.4, the last sentence of this Section 11.6, Section 11.15, Section 11.16 , and Section 11.20 of this Agreement will inure to the benefit of the Debt Financing Sources all of whom are intended to be third-party beneficiaries thereof.

SECTION 11.7. Severability. If any term or provision of this Agreement or the application thereof to any persons or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

SECTION 11.8. Notices. Any notices or other communications under this Agreement shall be in writing and shall be given by (a) personal delivery, (b) e-mail transmission (with a copy delivered by one of the other methods provided in this Section 11.8) or (c) a reputable overnight courier service, fees prepaid, addressed as follows:

IF TO BUYER:

Claudine Property Owner LLC
c/o VICI Properties Inc.
8329 W. Sunset Road, Suite 210
Las Vegas, Nevada 89113
Attention: John Payne, President & CEO
Telephone #: 504-291-2567
E-mail: jpayne@viciproperties.com

COPY TO:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036
Attention: James P. Godman
Telephone #: 212-715-9466
E-mail: jgodman@kramerlevin.com

IF TO SELLER:

Harrah's Las Vegas, LLC
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attention: General Counsel
E-mail: corplaw@caesars.com

Any party may designate another addressee for notices hereunder by a notice given pursuant to this Section 11.8. A notice sent in compliance with the provisions of this Section 11.8 shall be deemed given on the date of receipt, with failure to accept delivery to constitute receipt for such purpose. The parties agree that the attorney for such party specified above shall have the authority to deliver notices on such party's behalf to the other party.

SECTION 11.9. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be an original and all of which counterparts taken together shall constitute one and the same agreement. Signatures to this Agreement transmitted by electronic means shall be valid and effective to bind the

party so signing. Each party agrees to promptly deliver an execution original to this Agreement with its actual signature to the other party, but a failure to do so shall not affect the enforceability of this Agreement.

SECTION 11.10. No Recordation. Seller and Buyer each agrees that neither this Agreement nor any memorandum or notice hereof shall be recorded. For the avoidance of doubt, Buyer may file a notice of pendency or similar instrument against the Property in connection with an action for specific performance hereunder.

SECTION 11.11. Additional Agreements; Further Assurances. Each of the parties hereto shall execute and deliver such documents as the other party shall reasonably request in order to consummate and make effective the Transaction, so long as the execution and delivery of such documents shall not result in any additional Liability or cost to the executing party.

SECTION 11.12. Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement, any modification hereof or any of the Closing Documents.

SECTION 11.13. Prevailing Party. If any action or proceeding is brought to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to recover from the other party, in addition to all other damages, all costs and expenses of such action or proceeding, including but not limited to reasonable, actual attorneys' fees, witness fees' and court costs as determined by a court of competent jurisdiction in a final, non-appealable decision. The phrase "prevailing party" as used in this Section shall include a party who receives substantially the relief desired whether by dismissal, summary judgment or otherwise.

SECTION 11.14. JURISDICTION. WITH RESPECT TO ANY SUIT, ACTION OR PROCEEDINGS RELATING TO THE TRANSACTION, THIS AGREEMENT, THE PROPERTY OR THE RELATIONSHIP OF BUYER AND SELLER HEREUNDER ("PROCEEDINGS") EACH PARTY IRREVOCABLY (a) SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE COUNTY OF CLARK, STATE OF NEVADA AND THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEVADA SITTING IN LAS VEGAS, NEVADA AND (b) WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY PROCEEDINGS BROUGHT IN ANY SUCH COURT, WAIVES ANY CLAIM THAT SUCH PROCEEDINGS HAVE BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO SUCH PROCEEDINGS, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER SUCH PARTY. THE PROVISIONS OF THIS SECTION 11.14 SHALL SURVIVE THE CLOSING (AND NOT BE MERGED THEREIN) OR ANY EARLIER TERMINATION OF THIS AGREEMENT.

SECTION 11.15. Exclusive Venue. Notwithstanding anything in Section 11.14 to the contrary, each of the parties hereto hereby agrees that it shall not bring or support any action of any kind or description, whether in law or in equity, whether in contract or in tort or otherwise, against any Debt Financing Source in any way relating to this Agreement, the Debt Financing or the Transaction, including any dispute arising out of or relating in any way to the Commitment Letter or the performance thereof, in any forum other than the United States District Court for the Southern District of New York (and the appellate courts thereof) or any New York state court sitting in the Borough of Manhattan in the City of New York.

SECTION 11.16. WAIVER OF JURY TRIAL. EACH PARTY HEREBY WAIVES TRIAL BY JURY IN ANY PROCEEDINGS BROUGHT BY THE OTHER PARTY IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE TRANSACTION, THIS AGREEMENT, THE COMMITMENT LETTER OR THE PERFORMANCE THEREOF, THE PROPERTY OR THE RELATIONSHIP OF BUYER AND SELLER HEREUNDER. THE PROVISIONS OF THIS SECTION 11.16 SHALL SURVIVE THE CLOSING (AND NOT BE MERGED THEREIN) OR ANY EARLIER TERMINATION OF THIS AGREEMENT.

SECTION 11.17. Tax Free Exchange. Seller and Buyer each hereby reserve the right to include this transaction as part of one (1) or more tax deferred exchange transactions pursuant to Code Section 1031 and

comparable provisions of applicable state law, at no out-of-pocket cost, expense, risk or liability to the other party hereto. Seller and Buyer agree to cooperate with the other party hereto, and to execute any and all documents (including without limitation Code Section 1031 exchange documents) reasonably necessary in connection therewith; provided, however, that the closing of the transaction for the conveyance of the Property shall not be contingent upon, and shall not be subject to, the completion of such exchange, nor shall such affect the Closing Date hereunder. Buyer and Seller shall be obligated to close title to the Property on or before the Closing Date whether or not Buyer or Seller, as applicable, shall have consummated an intended Code Section 1031 tax deferred exchange transaction.

SECTION 11.18. Net Lease and Net Lease Guaranty. If the Closing shall occur, notwithstanding any provision to the contrary contained in this Agreement or any of the Closing Documents, nothing contained herein or therein shall limit the obligations of the Net Lease Tenant under the Net Lease or Net Lease Guarantor under the Net Lease Guaranty. The provisions of this Section 11.18 shall survive the Closing.

SECTION 11.19. Termination of Other Land PSA. If, at any time on or prior to the Closing Date, the Other Land PSA is terminated, this Agreement shall automatically terminate; provided that such termination shall not relieve either party hereto for liability hereunder that pursuant to the express terms hereof survives termination hereof.

SECTION 11.20. No Recourse to Debt Financing Sources. Notwithstanding anything to the contrary contained herein or otherwise, no Debt Financing Source of any party, or any former, current or future direct or indirect stockholder, equity holder, controlling person, director, officer, employee, general or limited partner, member, manager, agent or Affiliate of any Debt Financing Source (each, a "Non-Party") shall have any liability for any obligations or liabilities of the parties or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, the Transaction or in respect of any representations made or alleged to be made in connection herewith. Without limiting the rights of any party hereto against the other parties hereto, in no event shall any party hereto or any of its Affiliates seek to enforce this Agreement against, make any claims for breach of this Agreement against, or seek to recover monetary damages from, any Non-Party, in connection with this Agreement or the Debt Financing, whether at law or equity, in contract, in tort or otherwise (it being understood that nothing in this Section 11.20 shall limit the rights of Buyer against the Debt Financing Sources under the Commitment Letter).

SECTION 11.21. Formation of Net Lease Guarantor Seller Guarantor intends to merge with and into Caesars Growth Properties Holding, LLC prior to the Closing Date (the "Proposed Merger Transaction"); however approval of the Louisiana Gaming Control Board is required to consummate the Initial Tenant's Financing (as defined in the Net Lease) that will be available to Caesars Growth Properties Holding, LLC following the consummation of the Proposed Merger Transaction. Seller shall cause Seller Guarantor and Net Lease Guarantor to use their respective reasonable best efforts to obtain such approval and to cause the Proposed Merger Transaction and Tenant's Initial Financing to be consummated promptly upon the receipt of such regulatory approvals (and, if such regulatory approvals have been obtained, in all events prior to the Closing Date) (it being understood that Seller shall not be required to consummate the Proposed Merger Transaction unless such approvals are obtained). Within three Business Days after the consummation of the Proposed Merger Transaction, Seller shall cause Net Lease Guarantor to assume Seller Guarantor's obligations under the PSA Seller Guaranty pursuant to documentation reasonably acceptable to Seller and Buyer. Seller and Buyer acknowledge and agree that if Seller does not obtain such regulatory approvals at the hearing of the Louisiana Gaming Control Board scheduled for December 21, 2017, Seller and Buyer will nevertheless use good faith efforts to consummate the Transaction, provided, that, Buyer acknowledges and agrees that Seller shall have sole discretion in making the determination whether Seller and its Affiliates may consummate the Transaction if the Proposed Merger Transaction is not consummated. Notwithstanding the foregoing, Seller shall have no obligation to cause any of its Affiliates to restructure any of their holdings or to obtain different financing in an effort to obtain such regulatory approval.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed to be effective as of the day and year first above written.

SELLER:

HARRAH'S LAS VEGAS, LLC,
a Nevada limited liability company

By: /s/ Eric Hession_____
Name: Eric Hession
Title: Treasurer

BUYER:

CLAUDINE PROPERTY OWNER LLC, a Delaware limited liability company

By: /s/ John Payne_____
Name: John Payne
Title: President and Secretary

Exhibit 10.49

GUARANTY

This **GUARANTY OF LEASE** (this "**Guaranty**"), is made and entered into as of the ____22_____ day of December, 2017 by and between Caesars Resort Collection, LLC, a Delaware limited liability company ("**Guarantor**"), and Claudine Propco LLC, a Delaware limited liability company ("**Landlord**").

RECITALS

A. Landlord and Harrah's Las Vegas LLC, a Nevada limited liability company ("**Tenant**") have entered into that certain Lease dated of even date herewith (as may be amended, restated, supplemented, waived or otherwise modified from time to time, the "**Lease**"). All capitalized terms used and not otherwise defined herein shall have the same meanings given such terms in the Lease.

B. Guarantor is an affiliate of Tenant, will derive substantial benefits from the Lease and acknowledges and agrees that this Guaranty is given in accordance with the requirements of the Lease and that Landlord would not have been willing to enter into the Lease unless Guarantor was willing to execute and deliver this Guaranty.

AGREEMENTS

NOW, **THEREFORE**, in consideration of Landlord entering into the Lease with Tenant, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

(1) Guaranty. In consideration of the benefit derived or to be derived by it therefrom, as to the Lease, Guarantor hereby unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, the prompt, faithful and complete payment and performance in full in cash of all monetary obligations of Tenant under the Lease of any nature, including, without limitation, Rent, Additional Charges and all other sums payable by Tenant under the Lease (including, without limitation, during any Transition Period), all indemnification obligations, insurance obligations and all monetary obligations relating to the requirements to operate, rebuild, restore or replace any facilities or improvements now or hereafter located on the Leased Property covered by the Lease, including, without limitation, Tenant's obligation to expend the Required Capital Expenditures in accordance with the Lease (collectively, the "**Obligations**"), in each case including (a) amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code (as defined below) or similar laws and (b) any late charges and interest provided for under the Lease (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, whether or not a claim for such interest is allowed or allowable in such proceeding). In the event of the failure of Tenant to pay any of the Obligations when due or within any applicable cure period under the Lease, Guarantor shall forthwith pay all Obligations and pay all costs of collection or enforcement and other damages that may result from the non-performance thereof by Tenant, in each case to the full extent provided under the Lease. As to the Obligations, Guarantor's liability under this Guaranty is without limit except as provided in Section 12 hereof. Guarantor agrees that its guarantee provided herein constitutes a guarantee of payment when due and not of collection.

(2) Survival of Obligations. The obligations of Guarantor under this Guaranty shall not be released, diminished, impaired, reduced or adversely affected and shall survive and continue in full force and effect notwithstanding:

a. any amendment, modification, or extension of the Lease pursuant to its terms;

b. any compromise, release, consent, extension, indulgence or other action or inaction in respect of any terms of the Lease or any other guarantor;

c. any substitution or release, in whole or in part, of any security for this Guaranty which Landlord may hold at any time;

d. any exercise or non-exercise by Landlord of any right, power or remedy under or in respect of the Lease or any security held by Landlord with respect thereto, or any waiver of any such right, power or remedy;

e. any change in the existence, structure or ownership of, or any bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship affecting, Tenant, Landlord or Guarantor or their respective successors or assigns or any of their respective Affiliates or any of their respective assets, or any actual

or attempted rejection, assumption, assignment, separation, severance, or recharacterization of the Lease or any portion thereof, or any discharge of liability thereunder, in connection with any such proceeding or otherwise;

f. any limitation of Tenant's liability under the Lease or any limitation of Tenant's liability thereunder which may now or hereafter be imposed by any statute, regulation or rule of law, or any illegality, irregularity, invalidity or unenforceability, in whole or in part, of the Lease or any term thereof;

g. subject to Section 13 hereof, any sale, lease, or transfer of all or any part of any interest in the Facility or any or all of the assets of Tenant to any other Person;

h. any act or omission by Landlord with respect to any security instrument or any failure to file, record or otherwise perfect the same;

i. any extensions of time for performance under the Lease;

j. the release of Tenant from performance or observation of any of the agreements, covenants, terms or conditions contained in the Lease by operation of law or otherwise;

k. the fact that Tenant may or may not be personally liable, in whole or in part, under the terms of the Lease to pay any money judgment;

l. the failure to give Guarantor any notice of acceptance, default or otherwise;

m. any other guaranty now or hereafter executed by Guarantor or anyone else in connection with the Lease;

n. any rights, powers or privileges Landlord may now or hereafter have against any other Person;

o. except as provided in Section 13 below, any assignment of the Lease, or any subletting or subsubletting of, or any other occupancy arrangements in respect of, all or any part of the Facility;

p. any other defenses, other than a defense of payment or performance in full, as the case may be, of the Obligations;

q. the existence of any claim, setoff, counterclaim, defense or other rights that may be at any time be available to, or asserted by, Guarantor or Tenant against Landlord, whether in connection with the Lease, the Obligations or otherwise, except to the extent of any such rights expressly provided to Tenant under the Lease;

r. any law or statute that may operate to cap, limit, or otherwise restrict the claims of a lessor of real property, including, but not limited to, Section 502(b)(6) of the Bankruptcy Code;

s. the invalidity, illegality or unenforceability of all or any part of the Obligations, or any document or agreement executed in connection with the Obligations (including the Lease) for any reason whatsoever;

t. the unenforceability (for any reason whatsoever) of this Guaranty, including, without limitation, as a result of rejection in any bankruptcy, insolvency, dissolution or other proceeding; or

u. any other circumstances, whether or not Guarantor had notice or knowledge thereof.

(3) Primary Liability. The liability of Guarantor with respect to the Obligations shall be an absolute, direct, immediate, continuing and unconditional guaranty of payment and performance and not of collection, may not be revoked by Guarantor and shall continue to be effective with respect to all of the Obligations notwithstanding any attempted revocation by Guarantor and shall not be conditional or contingent upon the genuineness, validity, regularity or enforceability of the Lease or any other documents or instruments relating to the Obligations, including any Person's lack of authority or lawful right to enter into such document on such Person's behalf, or the pursuit by Landlord of any remedies Landlord may have. Without limitation of the foregoing, Landlord may proceed against Guarantor: (a) prior to or in lieu of proceeding against Tenant, its assets, any security deposit, or any other guarantor; and (b) prior to or in lieu of pursuing any other rights or remedies available to Landlord. All rights and remedies afforded to Landlord by reason of this Guaranty or by law are separate, independent and cumulative, and the exercise of any rights or remedies shall not in any way limit, restrict or prejudice the exercise of any other rights or remedies.

In the event of any default under the Lease, a separate action or actions may be brought and prosecuted against Guarantor whether or not Tenant is joined therein or a separate action or actions are brought against Tenant. Landlord may maintain successive actions for other defaults. Landlord's rights hereunder shall not be exhausted by its exercise of any of its rights or remedies or by

any such action or by any number of successive actions until and unless all indebtedness and Obligations the payment and performance of which are hereby guaranteed have been paid and fully performed.

(4) Obligations Not Affected. In such manner, upon such terms and at such times as Landlord in its sole discretion deems necessary or expedient, and without notice to Guarantor, Landlord may: (a) amend, alter, compromise, accelerate, extend or change the time or manner for the payment or the performance of any Obligation hereby guaranteed; (b) extend, amend or terminate the Lease; or (c) release Tenant by consent to any assignment (or otherwise) as to all or any portion of the Obligations hereby guaranteed, in each case pursuant to the terms of the Lease. Any exercise or non-exercise by Landlord of any right hereby given Landlord, dealing by Landlord with Guarantor or any other guarantor, Tenant or any other Person, or change, impairment, release or suspension of any right or remedy of Landlord against any Person including Tenant and any other guarantor will not affect any of the Obligations of Guarantor hereunder or give Guarantor any recourse or offset against Landlord.

(5) Waiver. With respect to the Lease, Guarantor hereby waives and relinquishes all rights and remedies accorded by applicable law to sureties and/or guarantors or any other accommodation parties, under any statutory provisions, common law or any other provision of law, custom or practice, and agrees not to assert or take advantage of any such rights or remedies including, but not limited to:

a. any right to require Landlord to proceed against Tenant or any other Person or to proceed against or exhaust any security held by Landlord at any time or to pursue any other remedy in Landlord's power before proceeding against Guarantor or to require that Landlord cause a marshaling of Tenant's assets or the assets, if any, given as collateral for this Guaranty or to proceed against Tenant and/or any collateral, including collateral, if any, given to secure Guarantor's obligation under this Guaranty, held by Landlord at any time or in any particular order;

b. any defense that may arise by reason of the incapacity or lack of authority of any other Person;

c. notice of the existence, creation or incurring of any new or additional indebtedness or obligation or of any action or non-action on the part of Tenant, Landlord, any creditor of Tenant or Guarantor or on the part of any other Person whomsoever under this or any other instrument in connection with any obligation or evidence of indebtedness held by Landlord or in connection with any obligation hereby guaranteed;

d. any defense based upon an election of remedies by Landlord which destroys or otherwise impairs the subrogation rights of Guarantor or the right of Guarantor to proceed against Tenant for reimbursement, or both;

e. any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal;

f. any duty on the part of Landlord to disclose to Guarantor any facts Landlord may now or hereafter know about Tenant, regardless of whether Landlord has reason to believe that any such facts materially increase the risk beyond that which Guarantor intends to assume or has reason to believe that such facts are unknown to Guarantor or has a reasonable opportunity to communicate such facts to Guarantor, it being understood and agreed that Guarantor is fully responsible for being and keeping informed of the financial condition of Tenant and of all circumstances bearing on the risk of non-payment or non-performance of any Obligations or indebtedness hereby guaranteed;

g. any defense arising because of Landlord's election, in any proceeding instituted under the Federal Bankruptcy Reform Act of 1978 (11 U.S.C. § 101, et seq.), as amended, reformed or modified from time to time and any rules or regulations issued from time to time thereunder (the "**Bankruptcy Code**") of the application of Section 1111(b)(2) of the Bankruptcy Code;

h. any defense based on any borrowing or grant of a security interest under Section 364 of the federal Bankruptcy Code; and

i. all rights and remedies accorded by applicable law to guarantors, including without limitation, any extension of time conferred by any law now or hereafter in effect and any requirement or notice of acceptance of this Guaranty or any other notice to which the undersigned may now or hereafter be entitled to the extent such waiver of notice is permitted by applicable law.

(6) Information. Guarantor assumes all responsibility for being and keeping itself informed of the financial condition and assets of Tenant, and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that Guarantor assumes and incurs hereunder and agrees that Landlord will not have any duty to advise Guarantor of information regarding such circumstances or risks.

(7) No Subrogation. Until all Obligations of Tenant under the Lease have been satisfied and discharged in full, Guarantor shall have no right of subrogation and waives any right to enforce any remedy which Guarantor now has or may hereafter have against Tenant or any of Tenant's assets (including any such remedy of Landlord) and any benefit of, and any right to participate in, any security now or hereafter held by Landlord with respect to the Lease.

(8) Agreement to Comply with terms of Lease. Guarantor hereby agrees (a) to comply with all terms of the Lease applicable to it hereunder in respect of the Obligations, (b) that it shall take no action, and that it shall not omit to take any action, which action or omission, as applicable, would cause a breach of the terms of the Lease and (c) that it shall not commence an involuntary proceeding or file an involuntary petition in any court of competent jurisdiction seeking (i) relief in respect of Tenant or any of its Subsidiaries, or of a substantial part of the property or assets of Tenant or any of its Subsidiaries, under the Bankruptcy Code, or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Tenant or any of its Subsidiaries or for a substantial part of the property or assets of Tenant or any of its Subsidiaries.

(9) Agreement to Pay; Contribution; Subordination; Claims in Bankruptcy. Without limitation of any other right of Landlord at law or in equity, upon the failure of Tenant to pay any Obligation when and as the same shall become due, Guarantor hereby promises to and will forthwith pay, or cause to be paid, to Landlord in cash the amount of such unpaid Obligation. Upon payment by Guarantor of any sums to Landlord as provided above, all rights of Guarantor against Tenant arising as a result thereof by way of subrogation, contribution, reimbursement, indemnity or otherwise shall be subject to the limitations set forth in this Section 9. If for any reason whatsoever Tenant now or hereafter becomes indebted to Guarantor or any Affiliate of Guarantor, such indebtedness and all interest thereon shall at all times be subordinate to Tenant's obligation to Landlord to pay as and when due in accordance with the terms of the Lease the guaranteed Obligations, it being understood that Guarantor and each Affiliate of Guarantor shall be permitted to receive payments from Tenant on account of such obligations except during the continuance of a Tenant Event of Default under the Lease relating to failure to pay amounts due under the Lease. During any time in which a Tenant Event of Default relating to failure to pay amounts due under the Lease has occurred and is continuing under the Lease (and provided that Guarantor has received written notice thereof), Guarantor agrees to make no claim for such indebtedness that does not recite that such claim is expressly subordinate to Landlord's rights and remedies under the Lease. Furthermore, in the event of receivership, bankruptcy, reorganization, arrangement, debtor's relief, or other insolvency proceedings involving Tenant as debtor, Guarantor hereby assigns to Landlord any right it may have to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable to Guarantor with respect to debts and liabilities owing by Tenant to Guarantor up to the amounts owed to Landlord hereunder.

(10) Application of Payments. With respect to the Lease, and with or without notice to Guarantor, Landlord, in Landlord's sole discretion and at any time and from time to time and in such manner and upon such terms as Landlord deems appropriate, may (a) apply any or all payments or recoveries following the occurrence and during the continuance of a Tenant Event of Default from Tenant or from any other guarantor under any other instrument or realized from any security, in such manner and order of priority as Landlord may determine, to any indebtedness or other obligation of Tenant with respect to the Lease and whether or not such indebtedness or other obligation is guaranteed hereby or is otherwise secured, and (b) refund to Tenant any payment received by Landlord under the Lease.

(11) Guaranty Default. Upon the failure of Guarantor to pay the amounts required to be paid hereunder when due following the occurrence and during the continuance of a Tenant Event of Default under the Lease, Landlord shall have the right to bring such actions at law or inequity, including appropriate injunctive relief, as it deems appropriate to compel compliance, payment or deposit, and among other remedies to recover its reasonable attorneys' fees in any proceeding, including any appeal therefrom and any post judgment proceedings.

(12) Maximum Liability. Guarantor and, by its acceptance of the guarantees provided herein, Landlord, hereby confirms that it is the intention of all such Persons that the guarantees provided herein and the obligations of Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of the United States Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to the guarantees provided herein and the obligations of Guarantor hereunder. To effectuate the foregoing intention, Landlord hereby irrevocably agrees that the obligations of Guarantor under this Guaranty shall be limited to the maximum amount as will result in such obligations not constituting a fraudulent transfer or conveyance.

(13) Release. Guarantor shall automatically be released from its obligations hereunder (other than with respect to the Guaranty Termination Obligations (as defined below)) (the date upon which a release as described in this Section 13 occurs is referred to in this Guaranty as the "**Guaranty Release Date**") upon the occurrence of any one of the following: (i) upon the consummation of a Lease Foreclosure Transaction in compliance in all respects with Section 22.2(ii) of the Lease, including,

without limitation, satisfaction of the requirements contained in clauses (1) through (4) of said Section 22.2(ii), including, without limitation, satisfaction of the Tenant Transferee Requirement and delivery of the replacement Guaranty as and to the extent provided therein, (ii) upon the consummation of a transaction as described in and in compliance in all respects with Section 22.2(vii) of the Lease, and, without limitation, delivery of an assumption of this Guaranty by the applicable transferee as described in such clause (vii) in a form reasonably satisfactory to Landlord, and (iii) upon the consummation of a transaction as described in and in compliance in all respects with Section 22.2(viii) of the Lease. "**Guaranty Termination Obligations**" means, collectively, the aggregate amount of any outstanding Obligations that are due and payable as of the Guaranty Release Date.

(14) Representations and Warranties. Guarantor represents and warrants that as of the date hereof:

a. As of the date of this Agreement Guarantor (i) is a limited liability company duly formed, validly existing, and in good standing under the laws of the state of Delaware; (ii) is duly qualified to do business and is in good standing under the laws of each jurisdiction where the conduct of its business requires such qualification; and (iii) is in compliance with all Legal Requirements except, in the case of clauses (ii) and (iii), where the failure to do so would not reasonably be expected to have a materially adverse effect on Guarantor's ability to pay the Obligations or perform its other obligations in accordance with the terms hereof.

b. The execution, delivery, and performance of this Guaranty (i) are within Guarantor's limited liability company powers, (ii) have been duly authorized by all necessary or proper limited liability company action, (iii) are not in contravention of any provision of Guarantor's certificate of formation or other governing instruments, (iv) will not violate any law or regulations, or any order or decree of any court or governmental instrumentality except for any such violation that would not reasonably be expected to have a material adverse effect on Guarantor's ability to pay the Obligations or perform its other obligations in accordance with the terms hereof, (v) will not conflict with or result in the breach of, or constitute a default under, any indenture, mortgage, deed of trust, lease, agreement, or other instrument to which Guarantor is a party or by which Guarantor or any of its property is bound , except as would not reasonably be expected to have an adverse effect on Guarantor's ability to perform its obligations hereunder, and (vi) do not require the consent or approval of any governmental body, agency, authority, or any other person except those already obtained, except as would not reasonably be expected to have an adverse effect on Lease Guarantor's ability to perform its obligations hereunder. This Lease Guaranty is duly executed and delivered on behalf of Lease Guarantor and constitutes a legal, valid, and binding obligation of Lease Guarantor, enforceable against Lease Guarantor in accordance with its terms (subject to any applicable principles of equity and bankruptcy, insolvency and other laws generally affecting creditors' rights).

c. Guarantor owns, directly or indirectly, one hundred percent (100%) of the membership interests in Tenant and by entering into the Lease, Landlord will be conferring a direct and substantial economic benefit on Guarantor.

(15) [Reserved].

(16) Notices. Any notice, request, demand, consent, approval or other communication required or permitted to be given by either party hereunder to the other party shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or express courier service, by email transmission or by an overnight express service to the following address:

To Guarantor: Caesars Resort Collection, LLC
One Caesars Palace Drive
Las Vegas, NV 89109
Attention: General Counsel
Email: corplaw@caesars.com

To Landlord: Claudine Propco LLC
8329 West Sunset Road, Suite 210
Las Vegas, NV 89113
Attention: General Counsel
Email: corplaw@viciproperties.com

or to such other address as either party hereto may hereafter designate. Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, Notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by email shall be deemed given only upon an independent, non-automated confirmation from the recipient acknowledging receipt.

(17) Licensing Event. If there shall occur a Licensing Event with respect to either party hereto, then such party shall notify the other party, as promptly as practicable after becoming aware of such Licensing Event (but in no event later than twenty (20) days after becoming aware of such Licensing Event). In such event, the notifying party shall and shall cause any applicable Affiliates to use commercially reasonable efforts to resolve such Licensing Event within the time period required by the applicable Gaming Authorities by submitting to investigation by the relevant Gaming Authorities and cooperating with any reasonable requests made by such Gaming Authorities (including filing requested forms and delivering information to the Gaming Authorities). If the notifying party cannot otherwise resolve the Licensing Event within the time period required by the applicable Gaming Authorities and any aspect of such Licensing Event is attributable to any Person(s) other than the notifying party, then the notifying party shall disassociate with the applicable Persons to resolve the Licensing Event.

(18) Miscellaneous.

a. No term, condition or provision of this Guaranty may be waived except by an express written instrument to that effect signed by Landlord and Guarantor. No waiver of any term, condition or provision of this Guaranty will be deemed a waiver of any other term, condition or provision, irrespective of similarity, or constitute a continuing waiver of the same term, condition or provision, unless otherwise expressly provided. No term, condition or provision of this Guaranty may be amended or modified with respect to Guarantor except by an express written instrument to that effect signed by Landlord.

b. If any one or more of the terms, conditions or provisions contained in this Guaranty is found in a final award or judgment rendered by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining terms, conditions and provisions of this Guaranty shall not in any way be affected or impaired thereby, and this Guaranty shall be interpreted and construed as if the invalid, illegal, or unenforceable term, condition or provision had never been contained in this Guaranty.

c. THIS GUARANTY WAS NEGOTIATED IN THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY. ACCORDINGLY, IN ALL RESPECTS THIS GUARANTY (AND ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OR CONFLICTS OF LAW) AND ANY APPLICABLE LAWS OF THE UNITED STATES OF AMERICA, ALL CLAIMS, DEMANDS, CONTROVERSIES, DISPUTES, ACTIONS OR CAUSES OF ACTION OF ANY NATURE OR CHARACTER ARISING OUT OF OR IN CONNECTION WITH, OR RELATED TO, THIS GUARANTY, WHETHER LEGAL OR EQUITABLE, KNOWN OR UNKNOWN, CONTINGENT OR OTHERWISE, SHALL BE RESOLVED IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF NEW YORK AND ANY APPELLATE COURTS THERETO, OR IF FEDERAL JURISDICTION IS LACKING, THEN IN NEW YORK STATE SUPREME COURT, NEW YORK COUNTY (COMMERCIAL DIVISION) AND ANY APPELLATE COURTS THERETO. THE PARTIES AGREE THAT SERVICE OF PROCESS MAY BE EFFECTED UPON IT UNDER ANY METHOD PERMISSIBLE UNDER THE LAWS OF THE STATE OF NEW YORK. THIS PROVISION SHALL SURVIVE AND BE BINDING UPON THE PARTIES AFTER THE LEASE IS NO LONGER IN EFFECT

d. EACH OF GUARANTOR AND LANDLORD ACKNOWLEDGES THAT IT HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS TO TRIAL BY JURY UNDER THE CONSTITUTION OF THE UNITED STATES, THE STATE OF NEW YORK AND THE OTHER STATES IN WHICH THE Facility IS LOCATED. EACH OF GUARANTOR AND LANDLORD HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (i) ARISING UNDER THIS GUARANTY (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR (ii) IN ANY MANNER CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF LANDLORD AND GUARANTOR WITH RESPECT TO THIS LEASE (OR ANY AGREEMENT FORMED PURSUANT TO THE TERMS HEREOF) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH; OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE

WHETHER NOW EXISTING OR HEREINAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; EACH OF GUARANTOR AND LANDLORD HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY, AND THAT EITHER PARTY MAY FILE A COPY OF THIS SECTION WITH ANY COURT AS CONCLUSIVE EVIDENCE OF THE CONSENT OF EACH SUCH PARTY TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY..

e. In the event of any suit, action, arbitration or other proceeding to interpret this Guaranty, or to determine or enforce any right or obligation created hereby, the prevailing party in the action shall recover such party's reasonable costs and expenses incurred in connection therewith, including, but not limited to, reasonable attorneys' fees and costs of appeal, post judgment enforcement proceedings (if any) and bankruptcy proceedings (if any). Any court, arbitrator or panel of arbitrators shall, in entering any judgment or making any award in any such suit, action, arbitration or other proceeding, in addition to any and all other relief awarded to such prevailing party, include in such judgment or award such party's reasonable costs and expenses as provided in this Section 18(e).

f. Guarantor (i) represents that it has been represented and advised by counsel in connection with the execution of this Guaranty; (ii) acknowledges receipt of a copy of the Lease; and (iii) further represents that Guarantor has been advised by counsel with respect thereto. This Guaranty shall be construed and interpreted in accordance with the plain meaning of its language, and not for or against Guarantor or Landlord, and as a whole, giving effect to all of the terms, conditions and provisions hereof.

g. Except as provided in any other written agreement now or at any time hereafter in force between Landlord and Guarantor, this Guaranty shall constitute the entire agreement of Guarantor with Landlord with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof will be binding upon Landlord or Guarantor unless expressed herein.

h. All stipulations, obligations, liabilities and undertakings under this Guaranty shall be binding upon Guarantor and its successors and assigns and shall inure to the benefit of Landlord and to the benefit of Landlord's successors and assigns.

i. Whenever the singular shall be used hereunder, it shall be deemed to include the plural (and vice-versa) and reference to one gender shall be construed to include all other genders, including neuter, whenever the context of this Guaranty so requires. Section captions or headings used in this Guaranty are for convenience and reference only, and shall not affect the construction thereof.

j. This Guaranty may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument.

k. All words in this Guaranty shall be deemed to include any number or gender as the context or sense of this Guaranty requires. The words "will," "shall," and "must" in this Agreement indicate a mandatory obligation. The use of the words "include," "includes," and "including" followed by one (1) or more examples is intended to be illustrative and is not a limitation on the scope of the description or term for which the examples are provided. The words "day" and "days" refer to calendar days unless otherwise stated. The words "hereof", "hereto" and "herein" refer to this Guaranty, and are not limited to the section, paragraph or clause in which such words are used.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Guaranty has been executed by Guarantor and Landlord as of the date first written above.

GUARANTOR:

CAESARS RESORT COLLECTION, LLC,
a Delaware limited liability company

By: /s/ Eric Hession_____
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

[Signatures continue on following page]

LANDLORD:

Claudine Propco LLC,
a Delaware limited liability company

By: /s/ John Payne_____
Name: John Payne
Title: President

Exhibit 10.50

AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AGREEMENT

AMENDED AND RESTATED RIGHT OF FIRST REFUSAL AGREEMENT (this "Agreement") is entered into as of December 22, 2017 (the "Effective Date"), by and between CAESARS ENTERTAINMENT CORPORATION, a Delaware corporation ("CEC"), and VICI PROPERTIES L.P., a Delaware limited partnership ("Propco").

RECITALS:

A. Certain Subsidiaries of Propco (individually or collectively, as the context may require, "Propco Landlord") and certain Subsidiaries of CEC (individually or collectively, as the context may require, "CEC Tenant") have entered into (i) that certain Lease (CPLV), dated as of the date hereof (the "CPLV Lease"), pursuant to which Propco Landlord leases to CEC Tenant certain real property as more particularly described therein (the "CPLV Leased Property"), (ii) that certain Lease (Non-CPLV), dated as of the date hereof (the "Non-CPLV Lease"), pursuant to which Propco Landlord leases to CEC Tenant certain real property as more particularly described therein (the "Non-CPLV Leased Property"), and (iii) that certain Lease (Joliet), dated as of the date hereof (the "Joliet Lease", and, collectively with the CPLV Lease and the Non-CPLV Lease, the "Leases"), pursuant to which Propco Landlord leases to CEC Tenant certain real property as more particularly described therein (the "Joliet Leased Property", and, collectively with the CPLV Leased Property and the Non-CPLV Leased Property, the "Leased Property").

B. CEC and Propco have entered into that certain Right of First Refusal Agreement dated as of October 6, 2017 (the "Original Agreement") pursuant to which they granted to each other certain rights of first refusal with respect to certain opportunities to acquire, operate or develop (as applicable) real property in addition to the Leased Property, in accordance with the terms, conditions and procedures set forth in this Agreement. CEC and Propco now desire to amend and restate the Original Agreement as set forth herein.

AGREEMENT:

NOW, THEREFORE, in consideration of Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CEC and Propco hereby agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

"Acquisition Opportunity" means an acquisition of any existing facility that constitutes a Gaming Facility at the time such opportunity is being considered for acquisition.

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, Controls, is Controlled by or is under common Control with such Person. In no event shall CEC or any of its Affiliates, on the one hand, or PropCo or any of its Affiliates, on the other hand, be deemed to be an Affiliate of the other party as a result of this Agreement, the Leases or the MLSAs and/or as a result of any consolidation for accounting purposes by CEC (or its Subsidiaries) or Propco (or its Affiliates) of the other such party or the other such party's Affiliates.

"Alternate CEC ROFR Terms" shall have the meaning set forth in Section 2(d) hereof.

"Alternate Propco ROFR Terms" shall have the meaning set forth in Section 3(d) hereof.

"Applicable Law" means all (a) statutes, laws, rules, regulations, ordinances, codes or other legal requirements of any federal, state or local governmental authority, board of fire underwriters and similar quasi-governmental authority, including, without limitation, any legal requirements under any Gaming Laws, and (b) judgments, injunctions, orders or other similar requirements of any court, administrative agency or other legal adjudicatory authority.

"Arbitration Panel" shall have the meaning set forth in Section 4 hereof.

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

"CEC Election Period" means a period of thirty (30) days following CEC's receipt of the applicable CEC Opportunity Package.

"CEC Licensing Event" means: (a) either (1) a communication (whether oral or in writing) by or from any Gaming Authority to Propco or any of its Affiliates or other action by any Gaming Authority that indicates that such Gaming Authority may find that, or (2) a determination by Propco, in its sole but reasonable discretion and pursuant to customary internal processes that, the association of any member of the CEC Subject Group with Propco or any of its Affiliates is likely to, (i) result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any registration, application or license or any other rights or entitlements held or required to be held by Propco or any of its Affiliates under any Gaming Law, or (ii) violate any Gaming Law to which Propco or any of its Affiliates is subject; or (b) any member of the CEC Subject Group is required to be licensed, registered, qualified or found suitable under any Gaming Law, and such Person is not or does not remain so licensed, registered, qualified or found suitable within any applicable timeframes required by the applicable Gaming Authority, or, after becoming so licensed, registered, qualified or found suitable, fails to remain so. For purposes of this definition, an "Affiliate" of Propco includes any Person for which Propco or its Affiliate is providing management services.

"CEC Opportunity Package" shall have the meaning set forth in Section 2(b) hereof.

"CEC Opportunity Transaction" means any transaction or series of related transactions pursuant to which Propco or any of its Affiliates proposes to acquire (fee or leasehold), operate or develop any ROFR Property; excluding, however, any Excluded CEC Opportunity.

"CEC Panel Member" shall have the meaning set forth in Section 4(b).

"CEC Related Party" shall mean, collectively or individually, as the context may require, CEC, any holding company that directly or indirectly owns one hundred percent (100%) of the equity interests of CEC, and any Subsidiaries of CEC (including, without limitation, CEC Tenant).

"CEC ROFR" shall have the meaning set forth in Section 2(c) hereof.

"CEC ROFR Discussion Period" shall have the meaning set forth in Section 2(e) hereof.

"CEC Subject Group" means CEC, CEC's Affiliates and its and their principals, direct or indirect shareholders, officers, directors, agents, employees and other related Persons (including in the case of any trusts or similar Persons, the direct or indirect beneficiaries of such trust or similar Persons), excluding Propco and its Affiliates.

"Change of Control" means, with respect to any party, the occurrence of any of the following:

(a) the direct or indirect sale, exchange or other transfer (other than by way of merger, consolidation or amalgamation), in one or a series of related transactions, of all or substantially all the assets of such party and its Subsidiaries, taken as a whole, to one or more Persons;

(b) an officer of such party becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), proxy, vote, written notice or otherwise) of the consummation of any transaction or series of related transactions (including, without limitation, any merger, consolidation or amalgamation), the result of which is that any "person" or "group" (as used in Section 13(d)(3) of the Exchange Act or any successor provision) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act or any successor provision), directly or indirectly, of more than 50% of the Voting Stock of such party or other Voting Stock into which such party's Voting Stock is reclassified, consolidated, exchanged or changed, measured by voting power rather than number of securities or other ownership interests; or

(c) the occurrence of a "change of control", "change in control" (or similar definition) as defined in any indenture, credit agreement or similar debt instrument under which such party is an issuer, a borrower or other obligor, in each case representing outstanding indebtedness in excess of $100,000,000; or

(d) such party consolidates with, or merges or amalgamates with or into, any Person (or any Person consolidates with, or merges or amalgamates with or into, such party), in any such event pursuant to a transaction in which any of such party's outstanding Voting Stock or any of the Voting Stock of such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where such party's Voting Stock outstanding immediately prior to such transaction constitutes, or is converted into or exchanged for, a majority of the outstanding Voting Stock of the surviving Person or any direct or indirect Parent Entity of the surviving Person immediately

after giving effect to such transaction measured by voting power rather than number of securities or other ownership interests.

For purposes of the foregoing definition: (x) a party shall include any Parent Entity of such party; and (y) "Voting Stock" shall mean the securities or other ownership interests of any class or classes having general voting power under ordinary circumstances, in the absence of contingencies, to elect the directors, managers or trustees (or other similar governing body) of a Person.

Notwithstanding the foregoing: (A) the transfer of assets between or among a party's wholly owned subsidiaries and such party shall not itself constitute a Change of Control; (B) the term "Change of Control" shall not include a merger, consolidation or amalgamation of such party with, or the sale, assignment, conveyance, transfer or other disposition of all or substantially all of such party's assets to, an Affiliate of such party (1) incorporated or organized solely for the purpose of reincorporating such party in another jurisdiction, and (2) the owners of which and the number and type of securities or other ownership interests in such party, measured by voting power and number of securities or other ownership interests, owned by each of them immediately before and immediately following such transaction, are materially unchanged; (C) a "person" or "group" shall not be deemed to have beneficial ownership of securities subject to a stock or asset purchase agreement, merger agreement or similar agreement (or voting or option or similar agreement related thereto) prior to the consummation of the transactions contemplated by such agreement; (D) the Restructuring Transactions, as defined in the Propco Indenture and any transactions related thereto shall not constitute a Change of Control; and (E) a transaction will not be deemed to involve a Change of Control in respect of a party if (1) such party becomes a direct or indirect wholly owned subsidiary of a holding company, and (2) the direct or indirect owners of such holding company immediately following that transaction are the same as the owners of such party immediately prior to that transaction and the number and type of securities or other ownership interests owned by each such direct and indirect holder immediately following such transaction are materially unchanged from the number and type of securities or other ownership interests owned by such direct and indirect holder in such party immediately prior to that transaction.

"Control" (including the correlative meanings of the terms "Controlled by" and "under common Control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership of voting securities, partnership interests, other equity interests or otherwise.

"Development Opportunity" means an acquisition or development of (i) undeveloped real property or (ii) any existing facility that does not constitute a Gaming Facility at the time such opportunity is being considered for acquisition or development, and, in each case, with respect to which the plan for such acquisition or development is to develop a Gaming Facility at such facility.

"EBITDAR" means, for any applicable period, the consolidated net income or loss of a Person on a consolidated basis for such period, determined in accordance with GAAP, provided, however, that without duplication and in each case to the extent included in calculating net income (calculated in accordance with GAAP): (i) income tax expense shall be excluded; (ii) interest expense shall be excluded; (iii) depreciation and amortization expense shall be excluded; (iv) amortization of intangible assets shall be excluded; (v) write-downs and reserves for non-recurring restructuring-related items (net of recoveries) shall be excluded; (vi) reorganization items shall be excluded; (vii) any impairment charges or asset write-offs, non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP and related interpretations, and non-cash charges for deferred tax asset valuation allowances, shall be excluded; (viii) any effect of a change in accounting principles or policies shall be excluded; (ix) any non-cash costs or expense incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement shall be excluded; (x) any nonrecurring gains or losses (less all fees and expenses relating thereto) shall be excluded; (xi) rent expense shall be excluded; and (xii) the impact of any deferred proceeds resulting from failed sale accounting shall be excluded. In connection with any EBITDAR calculation made pursuant to this Agreement or any determination or calculation made pursuant to this Agreement for which EBITDAR is a necessary component of such determination or calculation, (i) promptly following request therefor, CEC shall provide Propco with all supporting documentation and backup information with respect thereto as may be reasonably requested by Propco, (ii) such calculation shall be as reasonably agreed upon between Propco and CEC, and (iii) if Propco and CEC do not agree within twenty (20) days of either party seeking to commence discussions, the same may be determined by arbitration in accordance with Section 4 hereof.

"Excluded CEC Opportunity" means (i) subject to Section 2(a) hereof, any transaction pursuant to which Propco or any Propco Related Party proposes to acquire, operate or develop any Gaming Facility that is subject to a pre-existing lease, management agreement or other contractual restriction at the time such Gaming Facility is being considered for

acquisition, operation or development by Propco (or a Propco Related Party) (i.e., excluding any such lease, management agreement or other contractual restriction entered into in contemplation of the applicable transaction involving Propco (or a Propco Related Party), unless entered into at a time when the applicable facility did not qualify as a Gaming Facility) and which pre-existing lease, management agreement or other contractual restriction (x) was entered into on arms'-length terms and (y) would not be terminated upon or prior to such acquisition, operation or development, (ii) any transaction for which the opco/propco structure contemplated by this Agreement would be prohibited by applicable law, rule or regulation (including zoning regulations and/or any applicable use restrictions or easements or encumbrances) or which would require governmental consent, approval, license or authorization (unless such consent, approval, license or authorization has been received or is anticipated to be received prior to the consummation of such transaction), provided that the applicable parties shall use reasonable, good faith efforts to obtain any such consent, approval, license or authorization, (iii) any transaction in which the seller of a Gaming Facility has structured such sale to be subject to the leasing of such Gaming Facility back to such seller of such Gaming Facility (or its Affiliate), (iv) any transaction that consists of owning or acquiring, directly or indirectly, an interest in a Gaming Facility or in an entity that will acquire or develop a Gaming Facility, if the entity that directly owns or leases such Gaming Facility upon consummation of such transaction will not constitute Propco or a Subsidiary of Propco or any Propco Related Party, (v) any transaction in which Propco or any Propco Related Party proposes to acquire a then-existing Gaming Facility from Propco or any Propco Related Party and (vi) any transaction with respect to any Gaming Facility set forth on **Schedule 1** attached hereto.

"Excluded Propco Opportunity" means (i) subject to Section 3(a) hereof, any transaction pursuant to which CEC or any CEC Related Party proposes to acquire or develop any Gaming Facility that is subject to a pre-existing lease, management agreement or other contractual restriction at the time such Gaming Facility is being considered for acquisition or development by CEC (or a CEC Related Party) (i.e., excluding any such lease, management agreement or other contractual restriction entered into in contemplation of the applicable transaction involving CEC (or a CEC Related Party), unless entered into at a time when the applicable facility did not qualify as a Gaming Facility) and which pre-existing lease, management agreement or other contractual restriction (x) was entered into on arms'-length terms and (y) would not be terminated upon or prior to such acquisition or development, (ii) any transaction for which the opco/propco structure contemplated by this Agreement would be prohibited by applicable law, rule or regulation (including zoning regulations and/or any applicable use restrictions or easements or encumbrances) or which would require governmental consent, approval, license or authorization (unless such consent, approval, license or authorization has been received or is anticipated to be received prior to the consummation of such transaction), provided that the applicable parties shall use reasonable, good faith efforts to obtain any such consent, approval, license or authorization, (iii) any transaction that does not consist of owning or acquiring, directly or indirectly, a fee or leasehold interest in respect of the real property interests in any Gaming Facility or Development Opportunity, (iv) any transaction that consists of owning or acquiring, directly or indirectly, an interest in a Gaming Facility or in an entity that will acquire or develop a Gaming Facility, if the entity that directly owns or leases such Gaming Facility upon consummation of such transaction will not constitute CEC or a Subsidiary of CEC or of any CEC Related Party, (v) any transaction in which one or more third parties will own or acquire, directly or indirectly, in the aggregate, a beneficial economic interest of at least thirty percent (30%) in a Gaming Facility, and such third parties constituting at least such economic interest are unable, or make a bona fide, good faith refusal, to enter into the propco/opco structure contemplated by this Agreement, provided that CEC shall use commercially reasonable, good faith efforts to obtain such third parties' approval of such propco/opco structure, (vi) any transaction in which CEC or any CEC Related Party proposes to acquire a then-existing Gaming Facility from CEC or any CEC Related Party, and (vii) any transaction with respect to any Gaming Facility set forth on **Schedule 1** attached hereto.

"Excluded Sale Leaseback Opportunity" means, (i) any transaction for which the opco/propco structure contemplated by this Agreement would be prohibited by applicable law, rule or regulation (including zoning regulations and/or any applicable use restrictions or easements or encumbrances) or which would require governmental consent, approval, license or authorization (unless such consent, approval, license or authorization has been received or is anticipated to be received prior to the consummation of such transaction), provided that the applicable parties shall use reasonable, good faith efforts to obtain any such consent, approval, license or authorization, (ii) any sale leaseback transaction where, after giving effect thereto, one or more third parties will own or acquire, directly or indirectly, in the aggregate, a beneficial economic interest of at least thirty percent (30%) in the tenant under such sale leaseback transaction, and such third parties constituting at least such economic interest are unable, or make a bona fide, good faith refusal, to provide Propco with the opportunity contemplated by this Agreement, provided that CEC shall use commercially reasonable, good faith efforts to obtain such third parties' approval to grant Propco such opportunity and (iii) any transaction in which CEC or any CEC Related Party proposes to enter into a sale leaseback transaction with CEC or any CEC Related Party.

"Existing EBITDAR Coverage Ratio" means, for any Existing Test Period, the ratio of (x) the aggregate EBITDAR of CEC Tenant during such Existing Test Period to the extent derived from the Leased Property to (y) the

aggregate base and variable rent (i.e., excluding additional rent such as pass-throughs of expenses) payable by CEC Tenant under the Leases during such Existing Test Period (provided that, to the extent the term of the Leases commenced after the beginning of such Existing Test Period, the aggregate rent for such Existing Test Period shall be annualized for purposes of calculating the Existing EBITDAR Coverage Ratio).

"Existing Test Period" means, for any date of determination, the period of the twelve (12) most recently ended consecutive calendar months prior to such date of determination for which financial statements are available.

"Extraordinary Items" means gains or losses related to events and transactions that both: (a) possess a high degree of abnormality and are of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the applicable entity, taking into account the environment in which such entity operates; and (b) are of a type that would not reasonably be expected to recur in the foreseeable future, taking into account the environment in which the applicable entity operates.

"GAAP" means generally accepted accounting principles consistently applied in the preparation of financial statements, as in effect from time to time (except with respect to any financial ratio defined or described herein or the components thereof, for which purposes GAAP shall refer to such principles as in effect as of the date hereof).

"Gaming Activities" means the conduct of gaming and gambling activities, race books and sports pools, or the use of gaming devices, equipment and supplies in the operation of a casino, simulcasting facility, card club or other enterprise, including, without limitation, slot machines, gaming tables, cards, dice, gaming chips, player tracking systems, cashless wagering systems, mobile gaming systems, poker tournaments, inter-casino linked systems and related and associated equipment, supplies and systems.

"Gaming Laws" means any Applicable Law regulating or otherwise pertaining to Gaming Activities or related activities.

"Gaming Authority" or "Gaming Authorities" means, individually or in the aggregate, as the context may require, any foreign, federal, state or local governmental entity or authority, or any department, commission, board, bureau, agency, court or instrumentality thereof, regulating Gaming Activities or related activities.

"Gaming Facility" or "Gaming Facilities" means, together or individually, as the context may require, one or more commercial facilities, together with any adjoining hotel, entertainment venue and/or other facilities, with respect to which (in the aggregate for such facility and any such adjoining facilities) operations of Gaming Activities constitute (i) at least twenty-five percent (25%) of the gross revenue generated (or projected to be generated, as applicable) by such facilities during the Gaming Facility Test Period, or (ii) at least twenty-five percent (25%) of the square footage of the building(s) constituting such facilities (and, with respect to any to-be-developed facilities, such determination shall be made based on the most recent plans and specifications). With respect to a portfolio of assets, the determination of whether such assets satisfy the requirements to qualify as Gaming Facilities shall be made on a portfolio-level basis (i.e., either all such assets shall constitute Gaming Facilities or none of such assets shall constitute Gaming Facilities), based on the aggregate gross revenue and/or aggregate square footage of the assets in the portfolio taken as a whole.

"Gaming Facility Test Period" means (i) with respect to a facility that has been in operation for at least one (1) full fiscal year as of the applicable date of determination, the most recent three (3) full fiscal years for which gross revenue information is available, or, if such facility has not been in operation for three (3) full fiscal years as of the applicable date of determination, the period consisting of all full fiscal years since such facility commenced operation, or (ii) with respect to a to-be-developed facility or a facility that has been in operation for less than one (1) full fiscal year as of the applicable date of determination, the first three (3) full fiscal years following the date of determination (as projected by the most recent plans and specifications, with due regard being given to projected plans and specifications provided by any third party seller in connection with the transaction giving rise to the rights and obligations under this Agreement), excluding any initial period during which such facility would be in development or construction and would not yet have substantially commenced operations.

"Land Assemblage Qualifying Development" means one or more buildings and/or other improvements that are built on the Designated Land (as defined in the Put-Call Agreement) to the extent that both of the following conditions are satisfied: (i) neither CEC nor an Affiliate of CEC, as of the time in question, built the Eastside Convention Center (as defined in the Put-Call Agreement) in a manner that satisfies clauses (1), (2) and (3) of the Put-Call Convention Center Conditions (as defined in the Put-Call Agreement) and (ii) such buildings and/or other improvements on the Designated Land (as defined in the Put-Call Agreement) are income-producing.

"Manager" means the Manager under the MLSAs from time to time or such other Affiliate of CEC as may be designated by CEC to serve as manager of a ROFR Property as contemplated hereby.

"MLSA" and "MLSAs" mean, collectively or individually, as the context may require, (i) that certain Management and Lease Support Agreement (Non-CPLV), dated as of the date hereof, by and among CEC, Non-CPLV Manager, LLC, Affiliates of CEC Tenant and Affiliates of Propco Landlord, as amended, restated or otherwise modified from time to time, (ii) that certain Management and Lease Support Agreement (CPLV), dated as of the date hereof, by and among CEC, CPLV Manager, LLC, Affiliates of CPLV Manager, LLC, Affiliates of CEC Tenant and Affiliates of Propco Landlord, as amended, restated or otherwise modified from time to time, and (iii) that certain Management and Lease Support Agreement (Joliet), dated as of the date hereof, by and among CEC, Joliet Manager, LLC, Affiliates of Manager, Harrah's Joliet Landco LLC and Des Plaines Development Limited Partnership, as amended, restated or otherwise modified from time to time.

"Parent Entity" means, with respect to any Person, any corporation, association, limited partnership, limited liability company or other entity which at the time of determination (a) owns or controls, directly or indirectly, more than 50% of the total voting power of shares of capital stock (without regard to the occurrence of any contingency) entitled to vote in the election of directors, managers or trustees of such Person, (b) owns or controls, directly or indirectly, more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, of such Person, whether in the form of membership, general, special or limited partnership interests or otherwise, or (c) is the controlling general partner of, or otherwise controls, such entity.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, association, joint stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other form of entity.

"Propco Election Period" means a period of thirty (30) days following Propco's receipt of the applicable Propco Opportunity Package.

"Propco Indenture" means that certain First-Priority Senior Secured Floating Rate Notes due 2022 Indenture dated as of the date hereof, among VICI Properties 1 LLC, VICI FC Inc., a Delaware corporation, the Subsidiary Guarantors (as defined therein) party thereto from time to time, and UMB Bank, National Association, as trustee.

"Propco Licensing Event" means: (a) either (1) a communication (whether oral or in writing) by or from any Gaming Authority to CEC or any of its Affiliates or other action by any Gaming Authority that indicates that such Gaming Authority may find that, or (2) a determination by CEC, in its sole but reasonable discretion and pursuant to customary internal processes that, the association of any member of the Propco Subject Group with CEC or any of its Affiliates is likely to (i) result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any registration, application or license or any other rights or entitlements held or required to be held by CEC or any of its Affiliates under any Gaming Law, or (ii) violate any Gaming Law to which CEC or any of its Affiliates is subject; or (b) any member of the Propco Subject Group is required to be licensed, registered, qualified or found suitable under any Gaming Law, and such Person is not or does not remain so licensed, registered, qualified or found suitable within any applicable timeframes required by the applicable Gaming Authority, or, after becoming so licensed, registered, qualified or found suitable, fails to remain so. For purposes of this definition, an "Affiliate" of CEC includes any Person for which CEC or its Affiliate is providing management services.

"Propco Opportunity Package" shall have the meaning set forth in Section 3(b) hereof.

"Propco Opportunity Transaction" means any transaction or series of related transactions pursuant to which CEC or any of its Subsidiaries proposes to (i) acquire (fee or leasehold) or develop any ROFR Property; excluding, however, any Excluded Propco Opportunity, (ii) enter into a sale leaseback transaction with respect to one or more of the Gaming Facilities contemplated to be acquired by CEC or its Affiliates pursuant to the acquisition of Centaur Holdings, LLC; excluding, however, any Excluded Sale Leaseback Opportunity; provided, that in the case of this clause (ii), Section 3(f) shall not apply, or (iii) prior to the seventh (7^{th}) anniversary of the Effective Date, enter into a sale leaseback transaction with respect to a Land Assemblage Qualifying Development, excluding any Excluded Sale Leaseback Opportunity; provided, that in the case of this clause (iii), Section 3(f) shall not apply.

"Propco Panel Member" shall have the meaning set forth in Section 4(b).

"Propco Related Party" shall mean, collectively or individually, as the context may require, Propco, the REIT, any holding company that directly or indirectly owns one hundred percent (100%) of the equity interests of the REIT, and any Subsidiaries of Propco or the REIT.

"Propco ROFR" shall have the meaning set forth in Section 3(c) hereof.

"Propco ROFR Discussion Period" shall have the meaning set forth in Section 3(e) hereof.

"Propco Subject Group" means Propco, Propco's Affiliates and its and their principals, direct or indirect shareholders, officers, directors, agents, employees and other related Persons (including in the case of any trusts or similar Persons, the direct or indirect beneficiaries of such trust or similar Persons), excluding CEC and its Affiliates.

"Put-Call Agreement" means that certain Put-Call Right Agreement dated as of December 22, 2017, by and among Claudine Propco LLC, a Delaware limited liability company that is a subsidiary of Propco, and 3535 LV Newco, LLC, a Delaware limited liability company, as the same may be amended, supplemented or replaced from time to time.

"REIT" means VICI Properties Inc., a Maryland corporation, which is the direct or indirect parent company of Propco as of the date hereof.

"ROFR EBITDAR Coverage Ratio" means, for any ROFR Test Period, the ratio of (x) the projected EBITDAR of the tenant under the applicable ROFR Lease during such ROFR Test Period expected to be derived from the ROFR Property, to (y) the aggregate base and, if applicable, variable rent (i.e., excluding additional rent such as pass-throughs of expenses) payable by such tenant under such ROFR Lease during such ROFR Test Period.

"ROFR Lease" means a lease pursuant to which an Affiliate of Propco, as landlord, leases a ROFR Property to an Affiliate of CEC, as tenant. Consistent with the terms of the CEC ROFR or the Propco ROFR (as applicable), a ROFR Lease may be documented as a new lease agreement reflecting the terms contemplated by this Agreement, or as an amendment to one of the Leases under which the ROFR Property will be included as an additional facility under such Lease on the terms contemplated by this Agreement.

"ROFR Lease Rent" means an amount of base and, if applicable, variable rent (i.e., excluding additional charges and other additional rent such as pass-throughs of expenses) to be paid under the applicable ROFR Lease in respect of the ROFR Property that initially would cause the ROFR EBITDAR Coverage Ratio to be equal to the Existing EBITDAR Coverage Ratio.

"ROFR Management Agreement" means a management agreement with customary rights and obligations for management agreements of this type (and in any event at a standard of quality and care not less in any material respect than the standard of quality and care under the MLSAs) pursuant to which CEC or a Manager would manage the ROFR Property, which may, consistent with the terms of the CEC ROFR or the Propco ROFR (as applicable), be documented as a new management agreement or as an amendment to an MLSA.

"ROFR Property" means any existing or to-be-developed (as applicable) Gaming Facility located in the United States but outside the Gaming Enterprise District of Clark County, Nevada.

"ROFR Test Period" means, with respect to any ROFR Lease, the first year of the term of such ROFR Lease (excluding any initial period of time during which the ROFR Property is in development or construction and has not yet commenced operations and excluding any "ramp-up" period after the commencement of operations of such ROFR Property for the duration agreed to be excluded, if any, for such ROFR Property in such ROFR Lease).

"Subsidiary" shall mean, with respect to any Person (herein referred to as the "parent"), any corporation, limited liability company, partnership, association or other business entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or more than 50% of the general partnership interests or managing membership interests are, at the time any determination is being made, directly or indirectly, owned, Controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled by the parent or one or more Subsidiaries of the parent or by the parent and one or more Subsidiaries of the parent.

"Third Panel Member" shall have the meaning set forth in Section 4(b).

2. Right of First Refusal in Favor of CEC.

(a) From and after the Effective Date, subject to 2(f) below, Propco shall not, and shall cause the Propco Related Parties not to, consummate any CEC Opportunity Transaction, without first providing to CEC an opportunity to cause Affiliates of CEC to lease and the Manager to manage the applicable ROFR Property (with such ROFR Property to be owned by Affiliates of Propco), in accordance with the procedures set forth in this Section 2.

(b) Prior to Propco or any Propco Related Party consummating any CEC Opportunity Transaction (or, if Section 2(f) below is applicable, as soon as reasonably possible thereafter), Propco shall deliver to CEC a package of information describing the CEC Opportunity Transaction and the terms upon which Affiliates of CEC would lease and the Manager would manage such ROFR Property (the "CEC Opportunity Package"), including, without limitation, the following (subject to execution of a customary non-disclosure agreement): (i) basic information identifying the ROFR Property, such as the name and location of the applicable Gaming Facility; (ii) the material acquisition terms, including, without limitation, the purchase price and the expected closing date of the CEC Opportunity Transaction; (iii) for any Acquisition Opportunity, three (3) years of audited (to the extent reasonably available to Propco; otherwise unaudited) financial statements of the ROFR Property or of the seller of the ROFR Property, as applicable, and for any Development Opportunity, three (3) years of financial projections for the ROFR Property (excluding any initial period during which the ROFR Property is in development or construction and has not yet commenced operations); (iv) for any Development Opportunity, a reasonably-detailed description of the proposed development project, including, without limitation, the business plan, scope of work, a development budget and a development timeline; (v) a description of the regulatory framework applicable to such ROFR Property, including the amount and timing of any licensing fees and gaming taxes with respect thereto; (vi) a term sheet setting forth proposed terms of a ROFR Lease and ROFR Management Agreement for the ROFR Property, which term sheet shall include, without limitation, Propco's good faith determination of the initial ROFR Lease Rent, Propco's proposal for ROFR Lease Rent adjustments thereafter (including allocations of fixed and variable rent if applicable), and the other items set forth on **Exhibit A** attached hereto; and (vii) a detailed explanation of the computation of the ROFR Lease Rent proposed in such term sheet. Promptly upon CEC's reasonable request therefor, Propco shall provide to CEC additional information related to the CEC Opportunity Transaction, to the extent such information is reasonably available to Propco.

(c) CEC may elect, in its sole and absolute discretion, to exercise its right to cause its Affiliates to lease and the Manager to manage the applicable ROFR Property (such ROFR Property to be owned by Affiliates of Propco), in accordance with the terms set forth in the CEC Opportunity Package (the "CEC ROFR"), which CEC ROFR shall be exercisable by written notice thereof from CEC to Propco prior to the expiration of the CEC Election Period. If CEC does not so exercise the CEC ROFR prior to the expiration of the CEC Election Period, then CEC shall be deemed to have waived the CEC ROFR with respect to the applicable CEC Opportunity Transaction only.

(d) If CEC waives (or is deemed to have waived) the CEC ROFR with respect to a CEC Opportunity Transaction, then Propco (or the applicable Propco Related Party) shall be free to consummate the CEC Opportunity Transaction without CEC's (or its Affiliates') involvement, upon terms not materially more favorable to the applicable counterparty (if any) than those presented to CEC in the CEC Opportunity Package. If at any time following CEC's waiver (or deemed waiver) of such CEC Opportunity Transaction, Propco (or the applicable Propco Related Party) desires to consummate such CEC Opportunity Transaction upon terms that are materially more favorable to the applicable counterparty than those presented to CEC in the CEC Opportunity Package (the "Alternate CEC ROFR Terms"), then the provisions of this Section 2 shall be reinstated with respect to such CEC Opportunity Transaction, and Propco shall be required to deliver to CEC a new CEC Opportunity Package (except that such CEC Opportunity Package shall reflect the Alternate CEC ROFR Terms in lieu of the ROFR Lease Rent and other CEC ROFR terms initially offered to CEC in the CEC Opportunity Package) and otherwise comply once again with the procedures set forth herein prior to consummating such CEC Opportunity Transaction, except that the CEC Election Period will be twenty (20) days in lieu of thirty (30) days.

(e) If CEC exercises the CEC ROFR with respect to a CEC Opportunity Transaction, then Propco (or the applicable Propco Related Party) shall have the right to proceed with the CEC Opportunity Transaction and shall structure the CEC Opportunity Transaction in a manner that allows the ROFR Property to be owned by an Affiliate of Propco and leased to Affiliates of CEC and managed by the Manager. CEC and Propco shall use good faith, commercially reasonable efforts, for a period of forty-five (45) days following the date on which CEC exercises the CEC ROFR (the "CEC ROFR Discussion Period"), to negotiate and enter into a ROFR Lease and ROFR Management Agreement for the applicable ROFR Property. The ROFR Lease and ROFR Management Agreement shall provide for the following: (i) the initial rent shall be equal to the then applicable ROFR Lease Rent; and (ii) such other terms and conditions consistent with the terms of the CEC ROFR and otherwise as CEC and Propco may agree. If, despite the good faith, commercially reasonable efforts of Propco and CEC, the parties are unable to reach agreement on the terms and conditions of the ROFR Lease and ROFR Management Agreement prior to the expiration of the CEC ROFR Discussion Period, then, upon the expiration of the CEC ROFR Discussion Period, either (1) the terms and conditions of the ROFR Lease and ROFR Management Agreement shall be established pursuant to arbitration in accordance with

the procedures set forth in Section 4 hereof (other than the specific terms of the CEC ROFR, which shall be as set forth in the CEC Opportunity Package and shall not be subject to arbitration), or (2) solely with the written consent of CEC (which may be granted or withheld in CEC's sole and absolute discretion), Propco (or the applicable Propco Related Party) shall be free to consummate the CEC Opportunity Transaction without CEC's (or its Affiliates') involvement, in accordance with, and subject to the conditions of, Section 2(d) hereof. The CEC ROFR Discussion Period shall be extended, but not to exceed an extension of one hundred twenty (120) days, as reasonably necessary solely to allow CEC and its Affiliates (as applicable) to obtain all applicable licenses, qualifications or approvals from all Gaming Authorities necessary for CEC and its Affiliates (as applicable) to lease and manage the ROFR Property. If, on or prior to the expiration of the CEC ROFR Discussion Period, CEC and its Affiliates (as applicable) are unable to obtain all such necessary licenses, qualifications and approvals, then Propco (or the applicable Propco Related Party) shall be free to consummate the CEC Opportunity Transaction without CEC's (or its Affiliates') involvement.

(f) Notwithstanding the foregoing, if the timeframe to consummate a CEC Opportunity Transaction is expedited as a result of a competitive bidding process or other bona fide third-party requirements such that adherence to the right of first refusal procedures in the timeframes set forth under this Section 2 would result in a reasonable likelihood that Propco (or the applicable Propco Related Party) would not be able to execute the CEC Opportunity Transaction (as determined by Propco in good faith), then Propco (or the applicable Propco Related Party) may proceed to consummate such CEC Opportunity Transaction without CEC's (or its Affiliates') involvement; provided, however, that (i) subject to Propco's ability to structure the initial transaction in the manner provided in the following clause (ii), as soon as reasonably possible following Propco's (or the applicable Propco Related Party's) consummation of such CEC Opportunity Transaction, Propco shall provide to CEC an opportunity to cause Affiliates of CEC to lease and the Manager to manage the applicable ROFR Property (with such ROFR Property to be owned by Affiliates of Propco) in accordance with the terms of this Section 2, and (ii) Propco shall use commercially reasonable efforts to structure such initial transaction in a manner that would facilitate CEC's exercise of such rights following consummation of such transaction; provided further however, that for the avoidance of doubt, if such initial transaction cannot after the use of commercially reasonable efforts be structured in such a manner without resulting in an adverse effect on such transaction or Propco (other than an adverse effect that is immaterial), Propco shall not be required to provide to CEC an opportunity to lease and the Manager to manage the applicable ROFR Property in accordance with the terms of this Section 2.

3. Right of First Refusal in Favor of Propco.

(a) From and after the Effective Date, subject to Section 3(f) below, CEC shall not, and shall cause the CEC Related Parties not to, consummate any Propco Opportunity Transaction, without first providing to Propco an opportunity to cause Affiliates of Propco to own the applicable ROFR Property and cause such ROFR Property to be leased to Affiliates of CEC and managed by the Manager, in accordance with the procedures set forth in this Section 3.

(b) Prior to CEC or any CEC Related Party consummating any Propco Opportunity Transaction (or, if Section 3(f) below is applicable, as soon as possible thereafter), CEC shall deliver to Propco a package of information describing the Propco Opportunity Transaction and the terms upon which Affiliates of CEC would lease and the Manager would manage such ROFR Property (the "Propco Opportunity Package"), including, without limitation, the following (subject to execution of a customary non-disclosure agreement): (i) basic information identifying the ROFR Property, such as the name and location of the applicable Gaming Facility; (ii) the material acquisition terms, including, without limitation, the purchase price and the expected closing date of the Propco Opportunity Transaction; (iii) for any Acquisition Opportunity, three (3) years of audited (to the extent reasonably available to CEC; otherwise unaudited) financial statements of the ROFR Property or the seller of the ROFR Property, as applicable, and for any Development Opportunity, three (3) years of financial projections for the ROFR Property (excluding any initial period during which the ROFR Property is in development or construction and has not yet commenced operations); (iv) for any Development Opportunity, a reasonably-detailed description of the proposed development project, including, without limitation, the business plan, scope of work, a development budget and a development timeline; (v) a description of the regulatory framework applicable to such ROFR Property, including the amount and timing of any licensing fees and gaming taxes with respect thereto; (vi) a term sheet setting forth proposed terms of a ROFR Lease and ROFR Management Agreement for the ROFR Property, which term sheet shall include, without limitation, CEC's good faith determination of the initial ROFR Lease Rent, CEC's proposal for ROFR Lease Rent adjustments thereafter (including allocations of fixed and variable rent if applicable), and the other items set forth on **Exhibit A** attached hereto; and (vii) a detailed explanation of the computation of the ROFR Lease Rent proposed in such term sheet. Promptly upon Propco's reasonable request therefor, CEC shall provide to Propco additional information related to the Propco Opportunity Transaction, to the extent such information is reasonably available to CEC.

(c) Propco may elect, in its sole and absolute discretion, to exercise its right to cause its Affiliate to own the applicable ROFR Property and cause such ROFR Property to be leased to Affiliates of CEC and managed by the Manager in accordance with the terms set forth in the Propco Opportunity Package (the "Propco ROFR"), which Propco ROFR shall be exercisable by written notice thereof from Propco to CEC prior to the expiration of the Propco Election Period. If Propco does

not so exercise the Propco ROFR prior to the expiration of the Propco Election Period, then Propco shall be deemed to have waived the Propco ROFR with respect to the applicable Propco Opportunity Transaction only.

(d) If Propco waives (or is deemed to have waived) the Propco ROFR with respect to a Propco Opportunity Transaction, then CEC (or the applicable CEC Related Party) shall be free to consummate the Propco Opportunity Transaction without Propco's (or its Affiliates') involvement, and, if applicable, upon terms not materially more favorable to the applicable counterparty (if any) than those presented to Propco in the Propco Opportunity Package. If at any time following Propco's waiver (or deemed waiver) of such Propco Opportunity Transaction, CEC (or the applicable CEC Related Party) desires to consummate such Propco Opportunity Transaction with a counterparty upon terms that are materially more favorable to the applicable counterparty than those presented to Propco in the Propco Opportunity Package (the "Alternate Propco ROFR Terms"), then the provisions of this Section 3 shall be reinstated with respect to such Propco Opportunity Transaction, and CEC shall be required to deliver to Propco a new Propco Opportunity Package (except that such Propco Opportunity Package shall reflect the Alternate Propco ROFR Terms in lieu of the ROFR Lease Rent and other Propco ROFR terms initially offered to Propco in the Propco Opportunity Package) and otherwise comply once again with the procedures set forth herein prior to consummating such Propco Opportunity Transaction, except that the Propco Election Period will be twenty (20) days in lieu of thirty (30) days.

(e) If Propco exercises the Propco ROFR with respect to a Propco Opportunity Transaction, then CEC (or the applicable CEC Related Party) shall have the right to proceed with the Propco Opportunity Transaction and shall structure the Propco Opportunity Transaction in a manner that allows the ROFR Property to be owned by an Affiliate of Propco and leased to Affiliates of CEC and managed by the Manager. CEC and Propco shall use good faith, commercially reasonable efforts, for a period of forty-five (45) days following the date on which Propco exercises the Propco ROFR (the "Propco ROFR Discussion Period"), to negotiate and enter into a ROFR Lease and ROFR Management Agreement for the applicable ROFR Property. The ROFR Lease and ROFR Management Agreement shall provide for the following: (i) the initial rent shall be equal to the applicable ROFR Lease Rent; and (ii) such other terms and conditions consistent with the terms of the Propco ROFR and otherwise as CEC and Propco may agree. If, despite the good faith, commercially reasonable efforts of Propco and CEC, the parties are unable to reach agreement on the terms and conditions of the ROFR Lease and ROFR Management Agreement prior to the expiration of the Propco ROFR Discussion Period, then, upon the expiration of the Propco ROFR Discussion Period, either (1) the terms and conditions of the ROFR Lease and ROFR Management Agreement shall be established pursuant to arbitration in accordance with the procedures set forth in Section 4 hereof (other than the specific terms of the Propco ROFR, which shall be as set forth in the Propco Opportunity Package and shall not be subject to arbitration), or (2) solely with the written consent of Propco (which may be granted or withheld in Propco's sole and absolute discretion), CEC (or the applicable CEC Related Party) shall be free to consummate the Propco Opportunity Transaction without Propco's (or its Affiliates') involvement, in accordance with, and subject to the conditions of, Section 3(d) hereof. The Propco ROFR Discussion Period shall be extended, but not to exceed an extension of one hundred twenty (120) days, as reasonably necessary solely to allow Propco and its Affiliates (as applicable) to obtain all applicable licenses, qualifications or approvals from all Gaming Authorities necessary for Propco and its Affiliates (as applicable) to own the ROFR Property. If, on or prior to the expiration of the Propco ROFR Discussion Period, Propco and its Affiliates (as applicable) are unable to obtain all such necessary licenses, qualifications and approvals, then CEC (or the applicable CEC Related Party) shall be free to consummate the Propco Opportunity Transaction without Propco's (or its Affiliates') involvement.

(f) Notwithstanding the foregoing, if the timeframe to consummate a Propco Opportunity Transaction is expedited as a result of a competitive bidding process or other bona fide third-party requirements such that adherence to the right of first refusal procedures in the timeframes set forth under this Section 3 would result in a reasonable likelihood that CEC (or the applicable CEC Related Party) would not be able to execute the Propco Opportunity Transaction (as determined by CEC in good faith), then CEC (or the applicable CEC Related Party) may proceed to consummate such Propco Opportunity Transaction without Propco's (or its Affiliates') involvement; provided, however, that (i) subject to CEC's ability to structure the initial transaction in the manner provided in the following clause (ii), as soon as reasonably possible following CEC's (or the applicable CEC Related Party's) consummation of such Propco Opportunity Transaction, CEC shall provide to Propco an opportunity to cause Affiliates of Propco to own the applicable ROFR Property and cause such ROFR Property to be leased to Affiliates of CEC and managed by the Manager in accordance with the terms of this Section 3, and (ii) CEC shall use commercially reasonable efforts to structure such initial transaction in a manner that would facilitate Propco's exercise of such rights following consummation of such transaction; provided further however, that for the avoidance of doubt, if such initial transaction cannot after the use of commercially reasonable efforts be structured in such a manner without resulting in an adverse effect on such transaction or CEC (other than an adverse effect that is immaterial), CEC shall not be required to provide to Propco an opportunity to own the applicable ROFR Property in accordance with the terms of this Section 3.

4. Arbitration.

(a) Any dispute regarding establishing (but not interpreting) the terms and conditions of a ROFR Lease or ROFR Management Agreement shall be submitted to and determined by an arbitration panel comprised of three members (the

"Arbitration Panel"). No more than one panel member may be with the same firm, and no panel member may have an economic interest in the outcome of the arbitration. In addition, each panel member shall have at least twenty (20) years of experience as an arbitrator and at least ten (10) years of experience in a profession that directly relates to the ownership, operation, financing or leasing of Gaming Facilities.

(b) The Arbitration Panel shall be selected as set forth in this Section 4(b). Within five (5) Business Days after the expiration of the CEC ROFR Discussion Period or the Propco ROFR Discussion Period (as applicable), CEC shall select and identify to Propco a panel member meeting the criteria of the above paragraph (the "CEC Panel Member") and Propco shall select and identify to CEC a panel member meeting the criteria of the above paragraph (the "Propco Panel Member"). If a party fails to timely select its respective panel member, the other party may notify such party in writing of such failure, and if such party fails to select its respective panel member within three (3) Business Days after receipt of such notice, then such other party may select and identify to such party such panel member on such party's behalf. Within five (5) Business Days after the selection of the CEC Panel Member and the Propco Panel Member, the CEC Panel Member and the Propco Panel Member shall jointly select a third panel member meeting the criteria of the above paragraph (the "Third Panel Member"). If the CEC Panel Member and the Propco Panel Member fail to timely select the Third Panel Member and such failure continues for more than three (3) Business Days after written notice of such failure is delivered to the CEC Panel Member and Propco Panel Member by either CEC or Propco, then CEC and Propco shall cause the Third Panel Member to be appointed by the managing officer of the American Arbitration Association.

(c) Within ten (10) Business Days after the selection of the Arbitration Panel, CEC and Propco each shall submit to the Arbitration Panel a written statement identifying its summary of the issues. Either of CEC or Propco may also request an evidentiary hearing on the merits in addition to the submission of written statements, such request to be made in writing within such ten (10) Business Day period. The Arbitration Panel shall determine the appropriate terms and conditions of the ROFR Lease or ROFR Management Agreement in accordance with this Agreement and otherwise based on the Arbitration Panel's determination of fair market terms relative to the applicable ROFR Property. The Arbitration Panel shall make its decision within twenty (20) days after the later of (i) the submission of such written statements, and (ii) the conclusion of any evidentiary hearing on the merits (if any). The Arbitration Panel shall reach its decision by majority vote and shall communicate its decision by written notice to CEC and Propco.

(d) The decision by the Arbitration Panel shall be final, binding and conclusive and shall be non-appealable and enforceable in any court having jurisdiction. All hearings and proceedings held by the Arbitration Panel shall take place in New York, New York.

(e) The resolution procedure described herein shall be governed by the Commercial Rules of the American Arbitration Association and the Procedures for Large, Complex, Commercial Disputes in effect as of the date hereof.

(f) CEC and Propco shall bear equally the fees, costs and expenses of the Arbitration Panel in conducting any arbitration described in this Section 4.

5. Miscellaneous.

(a) Notices. Any notice, request or other communication to be given by any party hereunder shall be in writing and shall be sent by registered or certified mail, postage prepaid and return receipt requested, by hand delivery or express courier service, by email transmission or by an overnight express service to the following address or to such other address as either party may hereafter designate:

To CEC: Caesars Entertainment Corporation
One Caesars Palace Drive
Las Vegas, NV 89109
Attention: General Counsel
Email: corplaw@caesars.com

To Propco: VICI Properties LP
8329 West Sunset Road, Suite 210
Las Vegas, NV 89113
Attention: General Counsel
Email: corplaw@viciproperties.com

Notice shall be deemed to have been given on the date of delivery if such delivery is made on a Business Day, or if not, on the first Business Day after delivery. If delivery is refused, notice shall be deemed to have been given on the date delivery was first attempted. Notice sent by email shall be deemed given only upon an independent, non-automated confirmation from the recipient acknowledging receipt.

(b) Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of CEC and Propco and their respective successors and assigns. Neither CEC nor Propco shall have the right to assign its rights or obligations under this Agreement without the prior written consent of the other such party.

(c) Entire Agreement; Amendment. This Agreement and the exhibits hereto constitute the entire and final agreement of the parties with respect to the subject matter hereof, and may not be changed or modified except by an agreement in writing signed by the parties. CEC and Propco hereby agree that all prior or contemporaneous oral understandings, agreements or negotiations relative to the subject matter hereof are merged into and revoked by this Agreement. This Agreement amends, restates and supersedes the Original Agreement in all respects.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby. This Agreement is the product of joint drafting by the parties and shall not be construed against either party as the drafter hereof.

(e) Venue. With respect to any action relating to this Agreement, CEC and Propco irrevocably submit to the exclusive jurisdiction of the courts of the State of New York sitting in the borough of Manhattan and the United States District Court having jurisdiction over New York County, New York, and CEC and Propco each waives: (a) any objection to the laying of venue of any suit or action brought in any such court; (b) any claim that such suit or action has been brought in an inconvenient forum; (c) any claim that the enforcement of this Section is unreasonable, unduly oppressive, and/or unconscionable; and (d) the right to claim that such court lacks jurisdiction over that party.

(f) Waiver of Jury Trial. EACH PARTY HERETO, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT.

(g) Severability. If any term or provision of this Agreement or any application thereof shall be held invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision shall not be affected thereby.

(h) Third-Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and is not enforceable by any other persons.

(i) Time of Essence. TIME IS OF THE ESSENCE OF THIS AGREEMENT AND EACH PROVISION HEREOF IN WHICH TIME OF PERFORMANCE IS ESTABLISHED.

(j) Further Assurances. The parties agree to promptly sign all documents reasonably requested to give effect to the provisions of this Agreement. In addition, Propco agrees to, at CEC's sole cost and expense, reasonably cooperate with all applicable gaming authorities in connection with the administration of their regulatory jurisdiction over CEC and its subsidiaries, if any, including the provision of such documents and other information as may be requested by such gaming authorities relating to CEC or any of its subsidiaries, if any, or to this Agreement and which are within Propco's control to obtain and provide.

(k) Counterparts; Originals. This Agreement may be executed in any number of counterparts, each of which shall be a valid and binding original, but all of which together shall constitute one and the same instrument. Facsimile or digital copies of this Agreement, including the signature page hereof, shall be deemed originals for all purposes.

(l) Termination. This Agreement shall automatically terminate and be of no further force or effect from and after the earliest of such time as (i) the MLSAs have been terminated or have expired in accordance with the express terms thereof, (ii) the MLSAs have been terminated by or with the written consent of Propco Landlord, (iii) CEC or a Subsidiary of CEC is no longer responsible for the management of any of the Leased Property pursuant to the written consent of Propco Landlord, or (iv) a Change of Control occurs with respect to either CEC or Propco.

(m) Licensing Events; Termination.

(i) If there shall occur a Propco Licensing Event and any aspect of such Propco Licensing Event is attributable to a member of the Propco Subject Group, then CEC shall notify Propco as promptly as practicable after becoming aware of such Propco Licensing Event (but in no event later than twenty (20) days after becoming aware of such Propco Licensing Event). In such event, Propco shall, and shall use commercially reasonable efforts to cause the other members of the Propco Subject Group to, use commercially reasonable efforts to assist CEC and its Affiliates in resolving such Propco Licensing Event within the time period required by the applicable Gaming Authorities by submitting to investigation by the relevant Gaming Authorities and cooperating with any reasonable requests made by such Gaming Authorities (including filing requested forms and delivering information to the Gaming Authorities). If, despite these efforts, such Propco Licensing Event cannot be resolved to the satisfaction of the applicable Gaming Authorities within the time period required by such Gaming Authorities, CEC shall have the right, at its election in its sole discretion, either to (i) terminate this Agreement or (ii) cause this agreement to temporarily cease to be in force or effect, until such time, if any, as the Propco Licensing Event is resolved to the satisfaction of the applicable Gaming Authorities and CEC in its sole discretion, upon no less than ninety (90) days' written notice thereof to Propco following a Propco Licensing Event which is not cured within the period required by the applicable Gaming Authorities (or such lesser time as required by any applicable Gaming Authority).

(ii) If there shall occur a CEC Licensing Event and any aspect of such CEC Licensing Event is attributable to a member of the CEC Subject Group, then Propco shall notify CEC as promptly as practicable after becoming aware of such CEC Licensing Event (but in no event later than twenty (20) days after becoming aware of such CEC Licensing Event). In such event, CEC shall and shall use commercially reasonable efforts to cause the other members of the CEC Subject Group to use commercially reasonable efforts to assist Propco and its Affiliates in resolving such CEC Licensing Event within the time period required by the applicable Gaming Authorities by submitting to investigation by the relevant Gaming Authorities and cooperating with any reasonable requests made by such Gaming Authorities (including filing requested forms and delivering information to the Gaming Authorities). If, despite these efforts, such CEC Licensing Event cannot be resolved to the satisfaction of the applicable Gaming Authorities within the time period required by such Gaming Authorities, Propco shall have the right, at its election in its sole discretion, either to (i) terminate this Agreement or (ii) cause this agreement to temporarily cease to be in force or effect, until such time, if any, as the CEC Licensing Event is resolved to the satisfaction of the applicable Gaming Authorities and Propco in its sole discretion, upon no less than ninety (90) days' written notice thereof to CEC following a CEC Licensing Event which is not cured within the period required by the applicable Gaming Authorities (or such lesser time as required by any applicable Gaming Authority).

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, CEC and Propco have executed this Right of First Refusal Agreement as of the date first set forth above.

CEC:

CAESARS ENTERTAINMENT CORPORATION,
a Delaware corporation

By: /s/ Eric Hession
Name: Eric Hession
Title: Chief Financial Officer and Treasurer

[Signatures continue on next page]

PROPCO:

VICI Properties L.P.,
a Delaware limited partnership

By: VICI Properties GP LLC,
a Delaware limited liability company,
its general partner

By: /s/ John Payne
Name: John Payne
Title: President

Exhibit 10.64

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of _____ by and between Caesars Entertainment Corporation, a Delaware corporation (the "Company"), and _____ ("Indemnitee"). This Agreement supersedes and replaces any and all previous Agreements between the Company and Indemnitee covering the subject matter of this Agreement.

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors, officers or other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that, in order to attract and retain qualified individuals, the Company will attempt to maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself. The Certificate of Incorporation of the Company, as amended (and as may be further amended from time to time, the "Certificate") requires indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (the "DGCL"). The Certificate and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate and the By-laws of the Company, as amended (and as may be further amended from time ti time, the "By-laws") and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

WHEREAS, Indemnitee does not regard the protection available under the Company's Certificate, By-laws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he or she be so indemnified;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director of the Company and/or, at the request of the Company, as a director, officer, agent or fiduciary of another corporation, partnership, joint venture, trust employee benefit plan or other enterprise. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no

obligation under this Agreement to continue Indemnitee in such position. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as director of the Company.

Section 2. Definitions. As used in this Agreement:

(a) References to "agent" shall mean any person who is or was a director, officer, or employee of the Company or a Subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability company, joint venture, trust or other Enterprise at the request of, for the convenience of, or to represent the interests of the Company or a Subsidiary of the Company.

(b) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities, other than affiliates of TPG Capital, LP or Apollo Global Management, LLC;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(b), the following terms shall have the following meanings:

(X) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended from time to time.

(Y) "Person" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(Z) "Beneficial Owner" shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) "Corporate Status" describes the status of a person who is or was a director, officer, employee or agent of the Company or of any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

(d) "Disinterested Director" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "Enterprise" shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

(f) "Expenses" shall include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 14(d) only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee's counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "Independent Counsel" means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(h) The term "Proceeding" shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative legislative, or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him or of any action on his part while acting as director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(i) Reference to "other enterprise" shall include employee benefit plans; references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner "not opposed to the best interests of the Company" as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not

opposed to the best interests of the Company and, in the case of a criminal proceeding had no reasonable cause to believe that his or her conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Company's Certificate of Incorporation, its Bylaws, vote of its stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, he or she shall be indemnified against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(b) For purposes of Section 8(a), the meaning of the phrase "to the fullest extent permitted by applicable law" shall include, but not be limited to:

i. to the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(c) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based, equity or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act, the rules of any securities exchange on which the Company's securities are listed or otherwise applicable law (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) except as provided in Section 14(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

Section 10. Advances of Expenses. In accordance with the pre-existing requirement of Section 1 of Article VII of the By-laws of the Company, and notwithstanding any provision of this Agreement to the contrary, the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

Section 11. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such action, suit or proceeding. The omission by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

Section 12. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to the Section 11(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in the specific case: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Board, by the stockholders of the Company; and, if it is so

determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is

called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others. The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(e), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6 or 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3, 4 or 8 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted

by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company if Indemnitee is wholly successful on the underlying claims; if Indemnittee is not wholly successful on the underlying claims, then such indemnification and advancement shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's Certificate, the Company's By-laws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's Certificate, the Company's By-laws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim or of the commencement of a proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) The Company hereby agrees that the Company is the full indemnitor of first resort under this Agreement and under any other indemnification agreement providing advancement or indemnification rights to Indemnitee.

(d) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise, *except with respect to* any personal umbrella insurance policy maintained by or for the benefit of Indemnitee.

(f) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 16. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company, and/or, at the request of the Company, as a director, officer, agent or fiduciary of another corporation, partnership, joint venture, trust employee benefit plan or other enterprise or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate, the By-laws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

Section 19. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. Notice by Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

Section 21. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company at One Caesars Palace Drive, Las Vegas, NV 89109, Attention; Corporate Secretary; Facsimile: (702) 494-4323. or to any other address as may have been furnished to Indemnitee by the Company.

Section 22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

Section 23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 14(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably Corporation Service Company, 2711 Centerville Road, Suite 400 Wilmington, DE 19808, as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Miscellaneous. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[Signature Page Follows]

SIGNATURE PAGE TO INDEMNIFICATION AGREEMENT

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

CAESARS ENTERTAINMENT CORPORATION	INDEMNITEE
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Exhibit 14

CAESARS
ENTERTAINMENT

Code of Business Conduct and Ethics

FEBRUARY 2018

Table of Contents

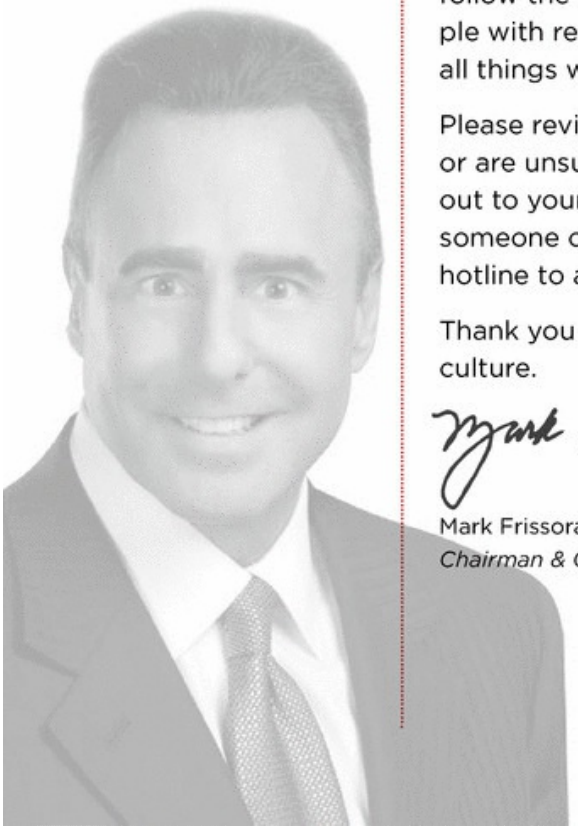
We work in one of the most highly regulated and closely watched industries on earth.And we are the leader in that industry. Our very name means leader.Working at Caesars Entertainment means to expect nothing less than the very best behavior from ourselves and from one another.

We are the stewards of Caesars Entertainment's reputation. To help guide our actions, we have adopted this Code of Business Conduct and Ethics. This Code sets clear expectations for each of us in conducting Caesars Entertainment's business consistent with the highest standards of ethics and responsibility.

This Code applies to all of our directors, officers and employees and demands that each of us do the right thing – follow the law, treat customers, co-workers and other people with respect and demonstrate honesty and integrity in all things we do.

Please review this Code carefully. If you have any questions or are unsure how to handle an issue, reach out. Reach out to your manager or to our Chief Compliance Officer or someone on that team. We also have a confidential, toll-free hotline to ask questions or report potential violations.

Thank you for your commitment to our company and our culture.



Mark Frissora
Chairman & CEO

General Standards

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of Caesars Entertainment Corporation (with its affiliates and subsidiaries, "Caesars Entertainment" or the "Company") consistent with the highest standards of business ethics.

Here is what we expect of everyone:

- honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely and understandable disclosure in reports and documents that Caesars Entertainment files with, or submits to, the United States Securities and Exchange Commission (the "SEC"), and in other public communications made by Caesars Entertainment;
- compliance with all applicable laws, rules and regulations;
- prompt internal reporting to an appropriate person or persons identified in this Code of violations of the Code; and
- accountability for adherence to this Code.

What Does "Applicable Laws" Mean?

Follow the rules. Remember, US laws apply to you regardless of where you work. We operate in five countries and must follow the local law as well as US law.

Conflicts of Interest

All directors, officers and employees must fully disclose any situations, including situations involving immediate family members, that reasonably could be expected to give rise to a conflict of interest or the appearance of one. Conflicts should be disclosed to your immediate supervisor or the General Counsel or someone on his team.

All directors, officers and employees must fully disclose any situation that reasonably could be expected to give rise to a conflict of interest or the appearance of one.

What is a conflict of interest?

A conflict of interest exists when your private interest, or the private interest of one of your family members, interferes, or appears to interfere, in any way with the interests of the Company as a whole. The following are examples of situations (applicable to both you and your family member) that may present a conflict of interest:

- employment by, service as a director of or the provision of any services to a company that is one of the Company's material customers, suppliers or competitors, or a company whose interests could reasonably be expected to conflict with the Company's interests;
- receipt of personal benefits or favors (other than nominal benefits or favors) as a result of your position with the Company;
- a significant financial interest (ownership or otherwise) in any company that is one of the Company's material customers, suppliers or competitors; and
- any loan or guarantee of personal obligations from, or any other financial transaction with, any company that is one of the Company's material customers, suppliers or competitors (other than loans from commercial lending institutions in the ordinary course of business).

Corporate Opportunities

Employees of the Company owe a duty to the Company to advance its legitimate interests when the opportunity arises.

Employees are prohibited from taking (or directing to a third party) a business opportunity discovered through the use of the Company's property, information or position.

Employees are prohibited from taking (or directing to a third party) a business opportunity discovered through the use of the Company's property, information or position. In general, employees may not use corporate property, information or position for personal gain or compete with the Company, but ownership of a financial interest in a competitor that is not a significant financial interest is not considered to be competing with the Company.

Any employee that discovers a business opportunity that is in one of the Company's lines of business must first present the business opportunity to the General Counsel, or his designee, before pursuing the activity in his individual capacity. If the General Counsel, or his designee, as the case may be, waives the Company's right to pursue the opportunity, then you may do so in your individual capacity.

Confidentiality

In the course of the Company's business, directors, officers and employees may gain confidential information, including non-public information, that might be of use to competitors or harmful to the Company or its customers, if disclosed. You should maintain the confidentiality of information entrusted to you by the Company or its customers, except when disclosure is authorized or legally mandated.

Caesars Entertainment does not tolerate any form of harassment or bullying in any of our workplaces.

Harassment and Bullying

Harassment is an action, conduct or behavior that is viewed as unwelcome, humiliating, intimidating or offensive by the recipient. Bullying is repeated verbal, physical, social or psychological abuse by a person or group of people at work. *Caesars Entertainment does not tolerate any form of harassment or bullying in any of our workplaces.*

You must never engage in actions or behaviors that involve harassment or bullying. You are expected to be inclusive, collaborative and supportive. It is important that you consider the implications of your behaviors, and support your coworkers to speak up and raise concerns. *Our Code of Business Conduct supports a culture where we treat all of our employees with respect.*

Caesars Entertainment is governed and abides by each country's laws and regulations regarding the fair and proper treatment of others. Harassment and bullying are illegal in many countries and may lead to penalties for individuals and for Caesars Entertainment. *Always act in accordance with the highest ethical and legal standards.*

Always

- Treat everyone with respect and dignity in line with Corporate Code of Commitment.
- Speak up if you are uncomfortable or upset with someone's comments or behaviors, and talk it through. (Be mindful that workplace harassment and bullying should not be confused with constructive feedback or coaching on work performance or work-related behavior of an individual or group for development.)
- Feel comfortable speaking up, even if the behavior is not directed at you.
- Encourage and insist on a workplace free of harassment and bullying.

Never

- Behave in a way that is offensive, insulting, intimidating, malicious or humiliating.
- Make jokes or comments about a person's race, gender, ethnicity, religion, sexual preference, age, physical appearance or disability.
- Engage in sexual harassment.
- Distribute or display offensive material, including inappropriate pictures or cartoons.

Where to go for help

- Supervisor or manager
- Human Resources representative
- Group Legal representative
- Compliance & Ethics Hotline

You may not take unfair advantage of any person or entity.

Competition and Fair Dealing

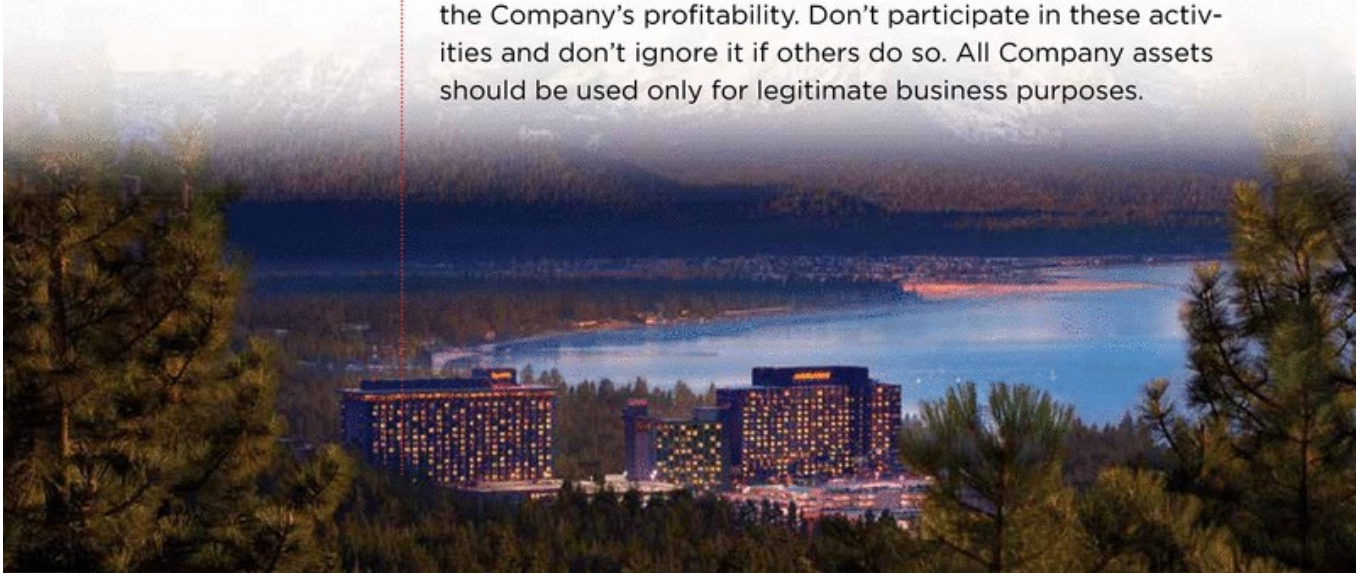
All directors, officers and employees are obligated to deal fairly with the Company's customers, suppliers and competitors. You may not take unfair advantage of any person or entity through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice.

Company Records

Our senior leaders have implemented policies to ensure that all Company records are complete, accurate and reliable in all material respects. Company records include, but are not limited to, bookkeeping information, payroll, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the course of our business. You are responsible for understanding and complying with the Company's document retention policy. Please refer to the Company's document retention policy for more information about Company records.

Company Assets

You should protect the Company's assets employed by or entrusted to you, and ensure their efficient and responsible use. Theft, carelessness and waste have a direct impact on the Company's profitability. Don't participate in these activities and don't ignore it if others do so. All Company assets should be used only for legitimate business purposes.



Accuracy of Financial Reports and other Public Communications

Materially inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and cause legal liability.

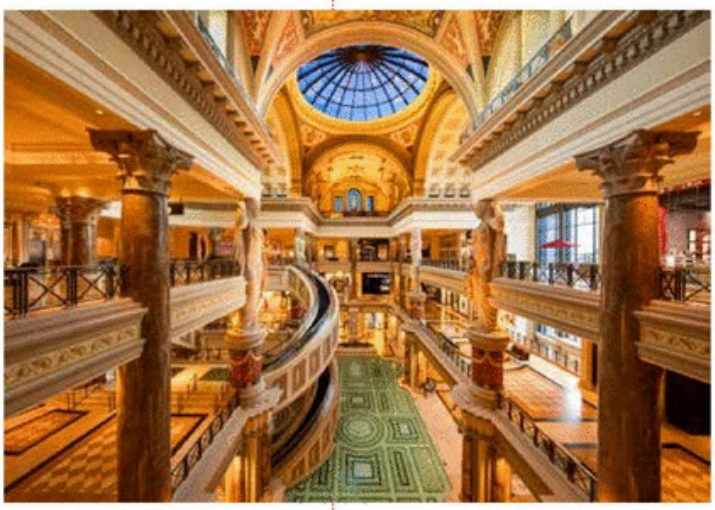
It is our policy that our public disclosures be accurate and complete in all material respects regarding our business, financial condition and results of operations. Materially inaccurate, incomplete or untimely public reporting will not be tolerated and can severely damage the Company and cause legal liability.

Each director, officer or employee of the Company, to the extent involved in the Company's disclosure process, is required to be familiar with the Company's disclosure controls and procedures applicable to him or her so that the Company's public reports and documents filed with the SEC comply in all material respects with the applicable federal securities laws and SEC rules. In addition, each such person having direct or supervisory authority regarding these SEC filings or the Company's other public communications concerning its general business, results, financial condition and prospects should, to the extent appropriate within his or her area of responsibility, consult with other Company officers and employees and take other appropriate steps regarding these disclosures with the goal of making full, fair, accurate, timely and understandable disclosure.

To the extent you are involved in the Company's disclosures, you must:

- familiarize yourself with the disclosure requirements applicable to the Company, as well as the business and financial operations of the Company; and
- not knowingly misrepresent, or cause others to misrepresent, facts about the Company to others, whether within or outside the Company, including to the Company's independent auditors, governmental regulators and self-regulatory organizations.

We are responsible for implementing and maintaining an adequate internal control structure and procedures for financial reporting, including without limitation disclosure controls and procedures. You should be on guard for, and promptly report, evidence of improper public reporting.



What Does Disclosure Mean?

Don't be cute. We should use plain language to communicate with regulators, markets, customers and investors. That applies when the news is good and even when it isn't. We will never communicate false or misleading information to the media, to our auditors or anyone else, and we will never direct or allow a colleague to do so.

Each of us has an obligation to comply with the laws of the cities, states and countries in which the Company operates.

Compliance with Laws and Regulations

Each of us has an obligation to comply with the laws of the cities, states and countries in which the Company operates. The Company will not tolerate any activity that violates any laws, rules or regulations applicable to it. This includes, without limitation, laws covering the gaming industry, commercial bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets.

You are strictly prohibited from recommending, "tipping" or suggesting that anyone else buy or sell our stock or other securities.

Compliance with Trading Laws

You are strictly prohibited from trading in the Company's stock or other securities, or the stock or other securities of any other company, while in possession of material, nonpublic information about the Company or the other company. In addition, you are strictly prohibited from recommending, "tipping" or suggesting that anyone else buy or sell our stock or other securities, or the stock or securities of any other company, on the basis of material, nonpublic information. For more information, please refer to the Company's securities trading policy and procedures.

Fair Disclosure

The Company's policy is to provide timely, materially accurate and complete information in response to public requests (media, analysts, etc.), consistent with the Company's obligations to maintain the confidentiality of competitive and proprietary information and to prevent selective disclosure of market-sensitive financial data. In connection with our public communications, the Company is required, and its policy is, to comply with Regulation FD (which stands for "fair disclosure") under the federal securities laws. For more information, please contact the Law Department. Directors, officers and employees who are authorized to speak to the media must be aware of the requirements of Regulation FD and must make every effort to ensure that the Company's public disclosures comply with those requirements.

Reporting Violations and Accountability

If you become aware of any violation of this Code, you must notify your "Policy Contact" promptly.

The Board of Directors has the authority to interpret this Code in any particular situation. If you become aware of any violation of this Code, you must notify your "Policy Contact" promptly. "Policy Contact" means (a) for directors and executive officers of the Company, the General Counsel or his designee (unless the General Counsel or such designee is the subject of the potential violation, in which case the Policy Contact is the Chief Financial Officer), and (b) for other employees of the Company, your immediate supervisor or the General Counsel or his designee. If you do not feel comfortable reporting the conduct in question to your Policy Contact, or do not get a satisfactory response, you may contact any member of the Board of Directors.

Any questions relating to how these policies should be interpreted or applied should be addressed to the General Counsel or his designee. If you are unsure of whether a situation violates this Code, you should discuss the situation with your Policy Contact.

Eric Hession
EVP & CFO

Tim Donovan
EVP, General Counsel & Chief Regulatory Officer

Your obligations:

- notify the appropriate Policy Contact promptly of any existing or potential violation of this Code; and
- not retaliate against any director, officer or employee of the Company for reports of potential violations that are made in good faith.

Our procedures to enforce this Code:

- all Policy Contacts will ensure that the General Counsel or his designee is notified promptly of any reports not made to the General Counsel or designee directly. In the case of violations or alleged violations involving the General Counsel or his designee, the Chief Financial Officer will take on this role;
- the General Counsel or his designee will take action to investigate any violation reported as he or she determines to be appropriate;
- the General Counsel will report each violation and alleged violation involving a director or an executive officer to the Chair of the Audit Committee. In the case of violations or alleged violations involving the General Counsel, the Chief Financial Officer will take on this role. To the extent he or she deems appropriate, the Chair of the Audit Committee may participate in any investigation of a director or executive officer. After the conclusion of an investigation of a director or executive officer, the conclusions shall be reported to the Audit Committee;
- the Audit Committee may conduct any additional investigation of a matter as it deems necessary. If the Audit Committee determines that a director or executive officer has violated this Code, it will report its determination to the Board of Directors;
- in the event a violation of this Code has occurred, the Company will take disciplinary or preventive action as it determines to be appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the SEC or other appropriate law enforcement authorities; and
- all questions and reports of known or suspected violations of the law or this Code will be treated with sensitivity and discretion. The Company will protect each director's, officer's and employee's confidentiality to the extent possible consistent with the law and our need to investigate reports. The Company strictly prohibits retaliation against a director, officer or employee who, in good faith, seeks help or reports known or suspected violations.

Waivers

Each of the Board of Directors (in the case of a violation by a director or executive officer) and the General Counsel or his designee (in the case of a violation by any other person) may, in its or his discretion, waive any violation of this Code. Any waiver for a director or an executive officer will be disclosed as required by SEC and Nasdaq rules.

Compliance Policy

This Code is not intended to amend or replace the Company's Compliance Policy or any other company codes of conduct and you will be required to comply with the terms of this Code, the Compliance Policy and any other Company codes of conduct.

Conclusion

You are responsible for your own actions.

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. Please contact the Law Department with any questions about these guidelines. You are separately responsible for your own actions. If you engage in conduct prohibited by the law or this Code, you will be deemed to have acted outside the scope of your relationship with the Company and may be subject to disciplinary action, including possibly termination or removal from your position.

Exhibit 21

CAESARS ENTERTAINMENT CORPORATION
LIST OF SUBSIDIARIES
As of March 7, 2018

Name	Jurisdiction of Incorporation
190 Flamingo, LLC	Nevada
1300 WSED, LLC	Delaware
1301 WSED, LLC	Maryland
3535 LV Corp.	Nevada
3535 LV Newco, LLC	Delaware
3708 Las Vegas Boulevard, LLC *(1)*	Delaware
AC Conference Holdco., LLC	Delaware
AC Conference Newco., LLC	Delaware
AJP Holdings, LLC	Delaware
AJP Parent, LLC	Delaware
Aster Insurance Ltd.	Bermuda
B I Gaming Corporation	Nevada
Bally's Las Vegas Manager, LLC	Delaware
Bally's Midwest Casino, Inc.	Delaware
Bally's Park Place, LLC	New Jersey
Baluma Holdings S.A. *(2)*	Bahamas
Baluma Ltda.	Brazil
Benco, LLC	Nevada
BL Development Corp.	Minnesota
Boardwalk Regency LLC	New Jersey
BPP Providence Acquisition Company, LLC	Delaware
Brussels Casino S.A.	Belgium
Burlington Street Services Limited	England/Wales
CA Hospitality Holding Company, Ltd.	British Virgin Islands
Caesars Asia Limited	Hong Kong
Caesars Bahamas Investment Corporation	Bahamas
Caesars Bahamas Management Corporation	Bahamas
Caesars Baltimore Acquisition Company, LLC	Delaware
Caesars Baltimore Investment Company, LLC	Delaware
Caesars Baltimore Management Company, LLC	Delaware
Caesars Enterprise Services, LLC *(3)*	Delaware
Caesars Entertainment FC LLC	Nevada
Caesars Entertainment Japan, LLC	Delaware
Caesars Entertainment Resort Properties Finance, Inc.	Delaware
Caesars Entertainment Resort Properties Holdco, LLC	Delaware
Caesars Entertainment Services (UK) Ltd.	United Kingdom
Caesars Entertainment UK Ltd.	United Kingdom
Caesars Entertainment Windsor Limited	Canada
Caesars Europe Development, LLC	Delaware
Caesars Florida Acquisition Company, LLC	Delaware
Caesars Growth Bally's LV, LLC	Delaware
Caesars Growth Baltimore Fee, LLC	Delaware
Caesars Growth Bonds, LLC	Delaware
Caesars Growth Cromwell, LLC	Delaware

Name	Jurisdiction of Incorporation
Caesars Growth Harrah's New Orleans, LLC	Delaware
Caesars Growth Laundry, LLC	Delaware
Caesars Growth Partners, LLC	Delaware
Caesars Growth PH, LLC	Delaware
Caesars Growth PH Fee, LLC	Delaware
Caesars Growth Properties Finance, Inc.	Delaware
Caesars Growth Properties Parent, LLC	Delaware
Caesars Growth Quad, LLC	Delaware
Caesars Interactive Entertainment New Jersey, LLC	Delaware
Caesars Interactive Entertainment, LLC	Delaware
Caesars Korea Holding Company, LLC	Delaware
Caesars Korea Services, LLC	Delaware
Caesars License Company, LLC	Nevada
Caesars Linq, LLC	Delaware
Caesars Marketing Services LLC	Nevada
Caesars Massachusetts Acquisition Company, LLC	Delaware
Caesars Massachusetts Investment Company, LLC	Delaware
Caesars New Jersey, LLC	New Jersey
Caesars Octavius, LLC	Delaware
Caesars Ohio Acquisition, LLC	Delaware
Caesars Ohio Investment, LLC	Delaware
Caesars Ontario Holding, Inc.	Canada
Caesars Palace LLC	Delaware
Caesars Palace Realty LLC	Nevada
Caesars Resort Collection, LLC	Delaware
Caesars Riverboat Casino, LLC	Indiana
Caesars Spain Holdings Limited	England/Wales
Caesars Tournament, LLC	Delaware
Caesars Trex, Inc.	Delaware
Caesars United Kingdom, Inc.	Nevada
Caesars World International Corporation (S) PTE, Ltd.	Singapore
Caesars World International Far East Limited	Hong Kong
Caesars World, LLC	Florida
Caesars World Marketing LLC	New Jersey
Caesars World Merchandising, LLC	Nevada
California Clearing Corporation	California
Casanova Club Limited	England/Wales
Casino Computer Programming, Inc.	Indiana
CBAC Borrower, LLC	Delaware
CBAC Gaming, LLC *(4)*	Delaware
CBAC Holding Company, LLC	Delaware
CCLV Holding, LLC	Delaware
CEOC, LLC	Delaware
CGP 3708 Las Vegas Boulevard, LLC	Delaware
CH Management Company, Ltd.	Hong Kong
Chester Downs and Marina LLC	Pennsylvania
Chester Facility Holding Company, LLC	Delaware
Christian County Land Acquisition Company, LLC	Delaware

Name	Jurisdiction of Incorporation
CIE Growth, LLC	Delaware
Cinderlane, Inc.	Nevada
Consolidated Supplies, Services and Systems	Nevada
Corby Leisure Retail Development Limited	England/Wales
Corner Investment Company, LLC	Nevada
Corner Investment Company Newco, LLC	Nevada
CPLV Manager, LLC	Delaware
Creator Capital Limited [5]	Bermuda
CR Baltimore Holdings, LLC [6]	Delaware
CRC Escrow Holdings, LLC	Delaware
CRC Finco, Inc.	Delaware
Cromwell Manager, LLC	Delaware
Culembourg Metropole Casino (Pty) Limited	South Africa
CZL Investment Company, LLC	Delaware
Dagger Holdings Limited	England/Wales
Des Plaines Development Limited Partnership [7]	Delaware
Desert Palace, LLC	Nevada
Double Deuce Studios, LLC	Delaware
Durante Holdings, LLC	Nevada
Eastside Convention Center, LLC	Delaware
Emerald Safari Resort (Pty) Limited [8]	South Africa
Entertainment RMG Canada, Inc.	Canada
FHR Newco, LLC	Delaware
Flamingo CERP Manager, LLC	Nevada
Flamingo Las Vegas Operating Company, LLC	Nevada
Flamingo-Laughlin, Inc.	Nevada
Flamingo-Laughlin Newco, LLC	Delaware
GB Investor, LLC	Delaware
GCI Spinco, LLC	Delaware
Golden Nugget Club Limited	England/Wales
Grand Casinos of Biloxi, LLC	Minnesota
Grand Casinos of Mississippi, LLC - Gulfport	Mississippi
Grand Casinos, Inc.	Minnesota
HAC CERP Manager, LLC	New Jersey
Harrah South Shore Corporation	California
Harrah's (Barbados) SRL	Barbados
Harrah's Activity Limited	England/Wales
Harrah's Arizona Corporation	Nevada
Harrah's Atlantic City Mezz 1, LLC	Delaware
Harrah's Atlantic City Mezz 2, LLC	Delaware
Harrah's Atlantic City Mezz 3, LLC	Delaware
Harrah's Atlantic City Mezz 4, LLC	Delaware
Harrah's Atlantic City Mezz 5, LLC	Delaware
Harrah's Atlantic City Mezz 6, LLC	Delaware
Harrah's Atlantic City Mezz 7, LLC	Delaware
Harrah's Atlantic City Mezz 8, LLC	Delaware
Harrah's Atlantic City Mezz 9, LLC	Delaware
Harrah's Atlantic City Operating Company, LLC	New Jersey

Name	Jurisdiction of Incorporation
Harrah's Atlantic City Propco, LLC	Delaware
Harrah's BC, Inc.	Delaware
Harrah's Bossier City Investment Company, LLC	Louisiana
Harrah's Bossier City Management Company, LLC	Nevada
Harrah's Chester Downs Investment Company, LLC	Delaware
Harrah's Chester Downs Management Company, LLC	Nevada
Harrah's Entertainment Limited	England/Wales
Harrah's Illinois LLC	Nevada
Harrah's Interactive Investment Company	Nevada
Harrah's International C.V.	The Netherlands
Harrah's International Holding Company, Inc.	Delaware
Harrah's Iowa Arena Management, LLC	Delaware
Harrah's Las Vegas, LLC	Nevada
Harrah's Laughlin, LLC	Nevada
Harrah's Management Company	Nevada
Harrah's Maryland Heights Operating Company	Nevada
Harrah's NC Casino Company, LLC	North Carolina
Harrah's New Orleans Management Company, LLC	Nevada
Harrah's North Kansas City LLC	Missouri
Harrah's Operating Company Memphis, LLC	Delaware
Harrah's Shreveport Investment Company, LLC	Nevada
Harrah's Shreveport Management Company, LLC	Nevada
Harrah's Shreveport/Bossier City Holding Company, LLC	Delaware
Harrah's Shreveport/Bossier City Investment Company, LLC	Delaware
Harrah's Southwest Michigan Casino Corporation	Nevada
Harveys BR Management Company, Inc.	Nevada
Harveys Iowa Management Company, LLC	Nevada
Harveys Tahoe Management Company, LLC	Nevada
HBR Realty Company, LLC	Nevada
HCAL, LLC	Nevada
HCR Services Company, Inc.	Nevada
HEI Holding C.V.	The Netherlands
HEI Holding Company One, Inc.	Nevada
HEI Holding Company Two, Inc.	Nevada
HET International 1 B.V.	The Netherlands
HET International 2 B.V.	The Netherlands
HIE Holdings Topco, Inc.	Delaware
HIE Holdings, Inc.	Delaware
HLV CERP Manager, LLC	Nevada
Hole in the Wall, LLC	Nevada
Homerun Russia	Russia Federation
Horseshoe Cincinnati Management, LLC	Delaware
Horseshoe Cleveland Management, LLC	Delaware
Horseshoe Entertainment	Louisiana
Horseshoe Gaming Holding, LLC	Delaware
Horseshoe GP, LLC	Nevada
Horseshoe Hammond, LLC	Indiana
Horseshoe Ohio Development, LLC	Delaware

Name	Jurisdiction of Incorporation
HTM Holding, LLC	Nevada
Inter Casino Management (Egypt) Limited	Isle of Man
Jazz Casino Company, LLC	Louisiana
JCC Fulton Development, LLC	Louisiana
JCC Holding Company II, LLC	Delaware
JGB Vegas Retail Lessee, LLC *(9)*	Nevada
Joliet Manager, LLC	Delaware
Koval Holdings Company, LLC	Delaware
Koval Investment Company, LLC	Nevada
LAD Hotel Partners, LLC *(10)*	Louisiana
Laughlin CERP Manager, LLC	Nevada
Laundry Newco, LLC	Delaware
LCI (Overseas) Investments Pty Ltd.	South Africa
LCI plc	England/Wales
Lifeboat, Inc.	Louisiana
London Clubs (Overseas) Limited	England/Wales
London Clubs Brighton Limited	England/Wales
London Clubs Glasgow Limited	Scotland
London Clubs Holdings Limited	England/Wales
London Clubs International Limited	England/Wales
London Clubs Leeds Limited	England/Wales
London Clubs Limited	England/Wales
London Clubs LSQ Limited	England/Wales
London Clubs Management Limited	England/Wales
London Clubs Manchester Limited	England/Wales
London Clubs Nottingham Limited	England/Wales
London Clubs Poker Room Limited	England/Wales
London Clubs South Africa Limited	England/Wales
London Clubs Southend Limited	England/Wales
London Clubs Trustee Limited	England/Wales
LVH Corporation	Nevada
LVH Newco, LLC	Delaware
Martial Development Corp.	New Jersey
New Gaming Capital Partnership	Nevada
New Robinson Property Group LLC	Delaware
Non-CPLV Manager, LLC	Delaware
Ocean Showboat, Inc.	New Jersey
Octavius/Linq Intermediate Holding, LLC	Delaware
Parball LLC	Nevada
Parball Newco, LLC	Delaware
Paris CERP Manager, LLC	Nevada
Paris Las Vegas Operating Company, LLC	Nevada
Park Place Finance, ULC	Nova Scotia
PH Employees Parent, LLC	Delaware
PHW Investments, LLC	Delaware
PHW Las Vegas, LLC	Nevada
PHW Manager, LLC	Nevada
PHWLV, LLC	Nevada

Name	Jurisdiction of Incorporation
Playboy Club (London) Limited	England/Wales
Players Bluegrass Downs, LLC	Kentucky
Players Development, LLC	Nevada
Players Holding, LLC	Nevada
Players International, LLC	Nevada
R Casino Limited	England/Wales
R Club (London) Limited	England/Wales
Reno Crossroads, LLC	Delaware
RFCZ (UK) Ltd. [11]	England
Rio CERP Manager, LLC	Nevada
Rio Properties, LLC	Nevada
Rio Property Holding, LLC	Nevada
Robinson Property Group LLC	Mississippi
Roman Entertainment Corporation of Indiana	Indiana
Roman Holding Company of Indiana, LLC	Indiana
Romulus Risk and Insurance Company, Inc.	Nevada
Showboat Atlantic City Operating Company, LLC	New Jersey
Showboat Atlantic City Propco, LLC	Delaware
Showboat Holding, LLC	Nevada
Southern Illinois Riverboat/Casino Cruises, LLC	Illinois
Sterling Suffolk Racecourse, LLC [12]	Massachusetts
The Caesars Foundation	Nevada
The Quad Manager, LLC	Delaware
The Sportsman Club Limited	England/Wales
Thistledown Management, LLC	Delaware
TRB Flamingo, LLC	Nevada
TSP Owner, LLC	Delaware
Tunica Roadhouse LLC	Delaware
Twain Avenue, Inc.	Nevada
Vegas Development Land Owner, LLC	Delaware
Windsor Casino Limited	Canada
Winnick Holdings, LLC	Delaware
Winnick Parent, LLC	Delaware
Woodbury Casino, LLC	Delaware

[1] 50% CGP 3708 Las Vegas Boulevard, LLC; 50% non-affiliate

[2] 11.46% B I Gaming Corporation; 88.54% Harrah's International Holding Company, Inc.

[3] 69% CEOC, LLC; 31% Caesars Resort Collection, LLC

[4] 69.90% CR Baltimore Holdings, LLC; 30.10% third party shareholders

[5] 7.5% Harrah's Interactive Investment Company; 92.5% non-affiliate

[6] 58.51 Caesars Baltimore Investment Company, LLC; 41.49% non-affiliate

[7] 80% Harrah's Illinois Corporation; 20% non-affiliate

[8] 70% LCI (Overseas) Investments Pty Ltd.; 30% non-affiliate

[9] 10.1% GB Investor, LLC; 89.9% non- affiliate

[10] 49% Harrah's Bossier City Investment Company, LLC; 51% non-affiliate

[11] 50% Caesars Korea Holding Company, LLC; 50% non-affiliate

[12] 4.2% Caesars Massachusetts Investment Company, LLC; 95.8% non-affiliate

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-182385, 333-204343, 333-211766, 333-220865, and 333-220872 on Form S-8, Registration Statement No. 333-216636 on Form S-4 and Registration Statement No. 333-180116 on Form S-3 of Caesars Entertainment Corporation of our reports dated March 7, 2018, relating to the consolidated financial statements and financial statement schedule of Caesars Entertainment Corporation and its subsidiaries (the "Company") which report expresses an unqualified opinion and includes an emphasis of matter paragraph regarding the Caesars Acquisition Company merger with and into the Company, with the Company as the surviving company on October 6, 2017, and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 10-K of Caesars Entertainment Corporation for the year ended December 31, 2017.

/s/ DELOITTE & TOUCHE LLP
Las Vegas, Nevada
March 7, 2018

Exhibit 31.1

I, Mark P. Frissora, certify that:

1. I have reviewed this annual report on Form 10-K of Caesars Entertainment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2018

By: /S/ MARK P. FRISSORA

Mark P. Frissora

President and Chief Executive Officer

Exhibit 31.2

I, Eric Hession, certify that:

1. I have reviewed this annual report on Form 10-K of Caesars Entertainment Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 7, 2018

By: /S/ ERIC HESSION

Eric Hession

Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Caesars Entertainment Corporation (the "Company"), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 7, 2018

By: /S/ MARK P. FRISSORA

Mark P. Frissora

President and Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.2

Certification of Principal Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Caesars Entertainment Corporation (the "Company"), hereby certifies, to such officer's knowledge, that:

(i) the accompanying Annual Report on Form 10-K of the Company for the year ended December 31, 2017 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 7, 2018

By: /s/ ERIC HESSION

Eric Hession

Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

GAMING REGULATORY OVERVIEW

General

The ownership and operation of casino entertainment facilities are subject to pervasive regulation under the laws, rules and regulations of each of the jurisdictions in which we operate. Gaming laws are based upon declarations of public policy designed to ensure that gaming is conducted honestly, competitively and free of criminal and corruptive elements. Since the continued growth and success of gaming is dependent upon public confidence, gaming laws protect gaming consumers and the viability and integrity of the gaming industry, including prevention of cheating and fraudulent practices. Gaming laws may also be designed to protect and maximize state and local revenues derived through taxation and licensing fees imposed on gaming industry participants and enhance economic development and tourism. To accomplish these public policy goals, gaming laws establish procedures to ensure that participants in the gaming industry meet certain standards of character and fitness, or suitability. In addition, gaming laws require gaming industry participants to:

- Establish and maintain responsible accounting practices and procedures;
- Maintain effective controls over their financial practices, including establishment of minimum procedures for internal fiscal affairs and the safeguarding of assets and revenues;
- Maintain systems for reliable record keeping;
- File periodic reports with gaming regulators; and
- Maintain strict compliance with various laws, regulations and required minimum internal controls pertaining to gaming.

Typically, regulatory environments in the jurisdictions in which we operate are established by statute and are administered by a regulatory agency or agencies with interpretive authority with respect to gaming laws and regulations and broad discretion to regulate the affairs of owners, managers, and persons/entities with financial interests in gaming operations. Among other things, gaming authorities in the various jurisdictions in which we operate:

- Adopt rules and regulations under the implementing statutes;
- Make appropriate investigations to determine if there has been any violation of laws or regulations;
- Enforce gaming laws and impose disciplinary sanctions for violations, including fines and penalties;
- Review the character and fitness of participants in gaming operations and make determinations regarding their suitability or qualification for licensure;
- Grant licenses for participation in gaming operations;
- Collect and review reports and information submitted by participants in gaming operations;
- Review and approve transactions, such as acquisitions or change-of-control transactions of gaming industry participants, securities offerings and debt transactions engaged in by such participants; and
- Establish and collect fees and/or taxes.

Licensing and Suitability Determinations

Gaming laws require us, each of our subsidiaries engaged in gaming operations, certain of our directors, officers and employees, and in some cases, our stockholders and holders of our debt securities, to obtain licenses or findings of suitability from gaming authorities. Licenses or findings of suitability typically require a determination that the applicant qualifies or is suitable. Gaming authorities have very broad discretion in determining whether an applicant qualifies for licensing or should be deemed suitable. Subject to certain administrative proceeding requirements, the gaming regulators have the authority to deny any application or limit, condition, restrict, revoke or suspend any license, registration, finding of suitability or approval, or fine any person licensed, registered or found suitable or approved, for any cause deemed reasonable by the gaming authorities. Criteria used in determining whether to grant a license or finding of suitability, while varying between jurisdictions, generally include consideration of factors such as:

- The financial stability, integrity and responsibility of the applicant, including whether the operation is adequately capitalized in the jurisdiction and exhibits the ability to maintain adequate insurance levels;

- The quality of the applicant's casino facilities;
- The amount of revenue to be derived by the applicable jurisdiction through operation of the applicant's gaming facility;
- The applicant's practices with respect to minority hiring and training; and
- The effect on competition and general impact on the community.

In evaluating individual applicants, gaming authorities consider the individual's reputation for good character and criminal and financial history and the character of those with whom the individual associates.

Many jurisdictions limit the number of licenses granted to operate gaming facilities within the jurisdiction, and some jurisdictions limit the number of licenses granted to any one gaming operator. For example, in Indiana, state law allows us to only hold two gaming licenses. Licenses under gaming laws are generally not transferable unless the transfer is approved by the requisite regulatory agency. Licenses in many of the jurisdictions in which we conduct gaming operations are granted for limited durations and require renewal from time to time. Our New Orleans casino operates under a contract with the Louisiana gaming authorities which extends until 2018, with a ten-year renewal period. There can be no assurance that any of our licenses or any of the above mentioned contracts will be renewed.

Most jurisdictions have statutory or regulatory provisions that govern the required action that must be taken in the event that a license is revoked or not renewed. For example, under Indiana law, a trustee approved by gaming authorities will assume complete operational control of our riverboat in the event our license is revoked or not renewed, and will be authorized to take any action necessary to sell the property if we are unable to find a suitable buyer within 180 days.

In addition to us and our direct and indirect subsidiaries engaged in gaming operations, gaming authorities may investigate any individual or entity having a material relationship to, or material involvement with, any of these entities to determine whether such individual is suitable or should be licensed as a business associate of a gaming licensee. Certain jurisdictions require that any change in our directors or officers, including the directors or officers of our subsidiaries, must be approved by the requisite regulatory agency. Our officers, directors and certain key employees must also file applications with the gaming authorities and may be required to be licensed, qualified or be found suitable in many jurisdictions. Gaming authorities may deny an application for licensing for any cause which they deem reasonable. Qualification and suitability determinations require submission of detailed personal and financial information followed by a thorough investigation. The burden of demonstrating suitability is on the applicant, who must pay all the costs of the investigation. Changes in licensed positions must be reported to gaming authorities and in addition to their authority to deny an application for licensure, qualification or a finding of suitability, gaming authorities have jurisdiction to condition, limit, or disapprove of a change in a corporate position.

If gaming authorities were to find that an officer, director or key employee fails to qualify or is unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever all relationships with such person. In addition, gaming authorities may require us to terminate the employment of any person who refuses to file appropriate applications.

Moreover, in many jurisdictions, any of our stockholders or holders of our debt securities may be required to file an application, be investigated, and qualify or have his, her or its suitability determined. For example, under Nevada gaming laws, each person who acquires, directly or indirectly, beneficial ownership of any voting security, or beneficial or record ownership of any non-voting security or any debt security in a public corporation which is registered with the Nevada Gaming Commission (the “Commission”), such as Caesars Entertainment Corporation, may be required to be found suitable if the Commission has reason to believe that his or her acquisition of that ownership, or his or her continued ownership in general, would be inconsistent with the declared public policy of Nevada, in the sole discretion of the Commission. Any person required by the Commission to be found suitable shall apply for a finding of suitability within 30 days after the Commission's request that he or she should do so and, together with his or her application for suitability, deposit with the Nevada Gaming Control Board (the “Board”) a sum of money which, in the sole discretion of the Board, will be adequate to pay the anticipated costs and charges incurred in the investigation and processing of that application for suitability, and deposit such additional sums as are required by the Board to pay final costs and charges.

Furthermore, any person required by a gaming authority to be found suitable, who is found unsuitable by the gaming authority, shall not be able to hold directly or indirectly the beneficial ownership of any voting security or the beneficial or record ownership of any nonvoting security or any debt security of any public corporation which is registered with the gaming authority, such as Caesars Entertainment Corporation, beyond the time prescribed by the gaming authority. A violation of the foregoing may constitute a criminal offense. A finding of unsuitability by a particular gaming authority impacts that person's ability to associate or affiliate with gaming licensees in that particular jurisdiction and could impact the person's ability to associate or affiliate with gaming licensees in other jurisdictions.

Many jurisdictions also require any person who acquires beneficial ownership of more than a certain percentage of our voting securities and, in some jurisdictions, our non-voting securities, typically 5%, to report the acquisition to gaming authorities, and gaming authorities may require such holders to apply for qualification or a finding of suitability. Most gaming authorities, however, allow an "institutional investor" to apply for a waiver that allows the "institutional investor" to acquire, in most cases, up to 15% of our voting securities without applying for qualification or a finding of suitability. An "institutional investor" is generally defined as an investor acquiring and holding voting securities in the ordinary course of business as an institutional investor, and not for the purpose of causing, directly or indirectly, the election of a majority of the members of our board of directors, any change in our corporate charter, bylaws, management, policies or operations, or those of any of our gaming affiliates, or the taking of any other action which gaming authorities find to be inconsistent with holding our voting securities for investment purposes only. An application for a waiver as an institutional investor requires the submission of detailed information about the company and its regulatory filings, the name of each person that beneficially owns more than 5% of the institutional investor's voting securities or other equivalent and a certification made under oath or penalty for perjury, that the voting securities were acquired and are held for investment purposes only. Even if a waiver is granted, an institutional investor generally may not take any action inconsistent with its status when the waiver was granted without once again becoming subject to the foregoing reporting and application obligations. A change in the investment intent of an institutional investor must be reported to certain regulatory authorities immediately after its decision.

Notwithstanding, each person who acquires directly or indirectly, beneficial ownership of any voting security, or beneficial or record ownership of any nonvoting security or any debt security in our company may be required to be found suitable if a gaming authority has reason to believe that such person's acquisition of that ownership would otherwise be inconsistent with the declared policy of the jurisdiction.

Generally, any person who fails or refuses to apply for a finding of suitability or a license within the prescribed period after being advised it is required by gaming authorities may be denied a license or found unsuitable, as applicable. The same restrictions may also apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any person found unsuitable or denied a license and who holds, directly or indirectly, any beneficial ownership of our securities beyond such period of time as may be prescribed by the applicable gaming authorities may be guilty of a criminal offense. Furthermore, we may be subject to disciplinary action if, after we receive notice that a person is unsuitable to be a stockholder or to have any other relationship with us or any of our subsidiaries, we:

- pay that person any dividend or interest upon our voting securities;
- allow that person to exercise, directly or indirectly, any voting right conferred through securities held by that person;
- pay remuneration in any form to that person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require such unsuitable person to relinquish his voting securities
- including, if necessary, the immediate purchase of said voting securities for cash at fair market value.

Although many jurisdictions generally do not require the individual holders of debt securities such as notes to be investigated and found suitable, gaming authorities may nevertheless retain the discretion to do so for any reason, including but not limited to, a default, or where the holder of the debt instruments exercises a material influence over the gaming operations of the entity in question. Any holder of debt securities required to apply for a finding of suitability or otherwise qualify must generally pay all investigative fees and costs of the gaming authority in connection with such an investigation. If the gaming authority determines that a person is unsuitable to own a debt security, we may be subject to disciplinary action, including the loss of our approvals, if without the prior approval of the gaming authority, we:

- pay to the unsuitable person any dividend, interest or any distribution whatsoever;
- recognize any voting right by the unsuitable person in connection with those securities;
- pay the unsuitable person remuneration in any form; or
- make any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation or similar transaction.

Certain jurisdictions impose similar restrictions in connection with debt securities and retain the right to require holders of debt securities to apply for a license or otherwise be found suitable by the gaming authority.

Under New Jersey gaming laws, if a holder of our debt or equity securities is required to qualify, the holder may be required to file an application for qualification or divest itself of the securities. If the holder files an application for qualification, it must place

the securities in trust with an approved trustee. If the gaming regulatory authorities approve interim authorization, and while the application for plenary qualification is pending, such holder may, through the approved trustee, continue to exercise all rights incident to the ownership of the securities. If the gaming regulatory authorities deny interim authorization, the trust shall become operative and the trustee shall have the authority to exercise all the rights incident to ownership, including the authority to dispose of the securities and the security holder shall have no right to participate in casino earnings and may only receive a return on its investment in an amount not to exceed the actual cost of the investment (as defined by New Jersey gaming laws). If the security holder obtains interim authorization but the gaming authorities later find reasonable cause to believe that the security holder may be found unqualified, the trust shall become operative and the trustee shall have the authority to exercise all rights incident to ownership pending a determination on such holder's qualifications. However, during the period the securities remain in trust, the security holder may petition the New Jersey gaming authorities to direct the trustee to dispose of the trust property and distribute proceeds of the trust to the security holder in an amount not to exceed the lower of the actual cost of the investment or the value of the securities on the date the trust became operative. If the security holder is ultimately found unqualified, the trustee is required to sell the securities and to distribute the proceeds of the sale to the applicant in an amount not exceeding the lower of the actual cost of the investment or the value of the securities on the date the trust became operative and to distribute the remaining proceeds to the state. If the security holder is found qualified, the trust agreement will be terminated.

Additionally, following the Reclassification, the Certificates of Incorporation of CEC and CEOC contain provisions establishing the right to redeem the securities of disqualified holders if necessary to avoid any regulatory sanctions, to prevent the loss or to secure the reinstatement of any license or franchise, or if such holder is determined by any gaming regulatory agency to be unsuitable, has an application for a license or permit denied or rejected, or has a previously issued license or permit rescinded, suspended, revoked or not renewed. The Certificates of Incorporation also contain provisions defining the redemption price and the rights of a disqualified security holder. In the event a security holder is disqualified, the New Jersey gaming authorities are empowered to propose any necessary action to protect the public interest, including the suspension or revocation of the licenses for the casinos we own in New Jersey.

Many jurisdictions also require that manufacturers and distributors of gaming equipment and suppliers of certain goods and services to gaming industry participants be licensed and require us to purchase and lease gaming equipment, supplies and services only from licensed suppliers.

Violations of Gaming Laws

If we or our subsidiaries violate applicable gaming laws, our gaming licenses could be limited, conditioned, suspended or revoked by gaming authorities, and we and any other persons involved could be subject to substantial fines. Further, a supervisor or conservator can be appointed by gaming authorities to operate our gaming properties, or in some jurisdictions, take title to our gaming assets in the jurisdiction, and under certain circumstances, earnings generated during such appointment could be forfeited to the applicable jurisdictions. Furthermore, violations of laws in one jurisdiction could result in disciplinary action in other jurisdictions. As a result, violations by us of applicable gaming laws could have a material adverse effect on our financial condition, prospects and results of operations.

Reporting and Recordkeeping Requirements

We are required periodically to submit detailed financial and operating reports and furnish any other information about us and our subsidiaries which gaming authorities may require. Under federal law, we are required to record and submit detailed reports of currency transactions involving greater than $10,000 at our casinos and Suspicious Activity Reports (“SARs”) if the facts presented so warrant. Some jurisdictions require us to maintain a log that records aggregate cash transactions in the amount of $3,000 or more. We are required to maintain a current stock ledger which may be examined by gaming authorities at any time. We may also be required to disclose to gaming authorities upon request the identities of the holders of our debt or other securities. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to gaming authorities. Failure to make such disclosure may be grounds for finding the record holder unsuitable. In Indiana, we are required to submit a quarterly report to gaming authorities disclosing the identity of all persons holding interests of 1% or greater in a riverboat licensee or holding company. Gaming authorities may also require certificates for our stock to bear a legend indicating that the securities are subject to specified gaming laws. In certain jurisdictions, gaming authorities have the power to impose additional restrictions on the holders of our securities at any time.

Review and Approval of Transactions

Substantially all material loans, leases, sales of securities and similar financing transactions by us and our subsidiaries must be reported to, or approved by, gaming authorities. Neither we nor any of our subsidiaries may make a public offering of securities without the prior approval of certain gaming authorities if the securities or the proceeds therefrom are intended to be used to construct, acquire or finance gaming facilities in such jurisdictions, or to retire or extend obligations incurred for such purposes. Such approval, if given, does not constitute a recommendation or approval of the investment merits of the securities subject to the

offering. Changes in control through merger, consolidation, stock or asset acquisitions, management or consulting agreements, or otherwise, require prior approval of gaming authorities in certain jurisdictions. Entities seeking to acquire control of us or one of our subsidiaries must satisfy gaming authorities with respect to a variety of stringent standards prior to assuming control. Gaming authorities may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control, to be investigated and licensed as part of the approval process relating to the transaction.

Certain gaming laws and regulations in jurisdictions we operate in establish that certain corporate acquisitions opposed by management, repurchases of voting securities and corporate defense tactics affecting us or our subsidiaries may be injurious to stable and productive corporate gaming, and as a result, prior approval may be required before we may make exceptional repurchases of voting securities (such as repurchases which treat holders differently) above the current market price and before a corporate acquisition opposed by management can be consummated. In certain jurisdictions, the gaming authorities also require prior approval of a plan of recapitalization proposed by the board of directors of a publicly traded corporation which is registered with the gaming authority in response to a tender offer made directly to the registered corporation's stockholders for the purpose of acquiring control of the registered corporation.

Because licenses under gaming laws are generally not transferable, we may not grant a security interest in our gaming licenses, and our ability to grant a security interest in any of our gaming assets is limited and may be subject to receipt of prior approval from gaming authorities. A pledge of the stock of a subsidiary holding a gaming license and the foreclosure of such a pledge may be ineffective without the prior approval of gaming authorities in certain jurisdictions. Moreover, our subsidiaries holding gaming licenses may be unable to guarantee a security issued by an affiliated or parent company pursuant to a public offering, or pledge their assets to secure payment of the obligations evidenced by the security issued by an affiliated or parent company, without the prior approval of certain gaming authorities. We are subject to extensive prior approval requirements relating to certain borrowings and security interests with respect to our New Orleans casino. If the holder of a security interest wishes operation of the casino to continue during and after the filing of a suit to enforce the security interest, it may request the appointment of a receiver approved by Louisiana gaming authorities, and under Louisiana gaming laws, the receiver is considered to have all our rights and obligations under our contract with Louisiana gaming authorities.

Some jurisdictions also require us to file a report with the gaming authority within a prescribed period of time following certain financial transactions and the offering of debt securities. Were they to deem it appropriate, certain gaming authorities reserve the right to order such transactions rescinded.

Certain jurisdictions require the implementation of a compliance review and reporting system created for the purpose of monitoring activities related to our continuing qualification. These plans require periodic reports to senior management of our company and to the regulatory authorities.

Certain jurisdictions require that an independent audit committee oversee the functions of surveillance and internal audit departments at our casinos.

License Fees and Gaming Taxes

We pay substantial license fees, contributions to responsible gaming programs, and taxes in many jurisdictions, including the counties, cities, and any related agencies, boards, commissions, or authorities, in which our operations are conducted, in connection with our casino gaming operations, computed in various ways depending on the type of gaming or activity involved. Depending upon the particular fee or tax involved, these fees and taxes are payable either daily, monthly, quarterly or annually. License fees and taxes are based upon such factors as:

- a percentage of the gross revenues received;
- the number of gaming devices and table games operated;
- franchise fees for riverboat casinos operating on certain waterways; and
- admission fees for customers boarding our riverboat casinos.

In many jurisdictions, gaming tax rates are graduated with the effect of increasing as gross revenues increase. Furthermore, tax rates are subject to change, sometimes with little notice, and we have recently experienced tax rate increases in a number of jurisdictions in which we operate. A live entertainment tax is also paid in certain jurisdictions by casino operations where entertainment is furnished in connection with the selling or serving of food or refreshments or the selling of merchandise.

Operational Requirements

In many jurisdictions, we are subject to certain requirements and restrictions on how we must conduct our gaming operations. In many jurisdictions, we are required to give preference to local suppliers and include minority-owned and women-owned businesses in construction projects to the maximum extent practicable.

Some jurisdictions also require us to give preferences to local residents for employment and to minority-owned and women-owned businesses in the procurement of goods and services. Some of our operations are subject to restrictions on the number of gaming positions we may have, the minimum or maximum wagers allowed by our customers, and the maximum loss a customer may incur within specified time periods.

Our land-based casino in New Orleans operates under a casino operating contract (the "COC") with the State of Louisiana by and through the Louisiana Gaming Control Board, which assumed the regulatory authority, control and jurisdiction from the Louisiana Economic Development Control Board pursuant to Louisiana Revised Statute 27:31.

Pursuant to the terms and conditions of the COC, our New Orleans casino is subject to not only many of the foregoing operational requirements, but also to restrictions on our food and beverage operations, including with respect to the size, location and marketing of eating establishments at our casino entertainment facility. Furthermore, with respect to the hotel tower, we are subject to restrictions on the number of rooms within the hotel, the amount of meeting space within the hotel and how we may market and advertise the rates we charge for rooms.

In Mississippi, we are required to include adequate parking facilities (generally 500 spaces or more) in close proximity to our existing casino complexes, as well as infrastructure facilities, such as hotels, that will amount to at least 25% of the casino cost. Amendments to the Mississippi gaming regulations impose additional non-gaming infrastructure requirements on new casino projects in Mississippi.

To comply with requirements of Iowa gaming laws, we (through Harveys BR Management Company, Inc.) have entered into a management agreement with Iowa West Racing Association, a non-profit organization that is the licensee, with regard to the operation of Horseshoe Casino Council Bluffs. Further, Iowa West Racing Association and Harveys Iowa Management Company LLC have entered into an operating agreement and in reliance on that agreement, the Iowa Racing and Gaming Commission has issued a license to Iowa West Racing Association as a qualified sponsoring organization to conduct gambling games and to Harveys Iowa Management Company LLC to operate gambling games at Harrah's Council Bluffs Casino & Hotel, which was an excursion gambling boat, but is now a full-service, land-based casino. Both the management agreement at Horseshoe Casino Council Bluffs and the operating agreement at Harrah’s Council Bluffs Casino & Hotel are for specific terms with certain options to extend.

The United Kingdom Gambling Act of 2005 which became effective in September 2007, replaced the Gaming Act 1968, and removed most of the restrictions on adverting. Though the 2005 Act controls marketing, advertising gambling is now controlled by the Advertising Standards Authority through a series of codes of practice. Known as the CAP codes, the codes offer guidance on the content of print, television and radio advertisements.

In Indiana, we are required to submit a quarterly report to gaming authorities disclosing the identity of all persons holding interests of 1% or greater in a riverboat licensee or holding company.” Under an omnibus update to its rules, publicly traded companies are now exempt from this requirement. The amendment to 68 IAC 1-31-1 went into effect in early January 2013

Indian Gaming

The terms and conditions of management contracts and the operation of casinos and all gaming on Indian land in the United States are subject to the Indian Gaming Regulatory Act of 1988, (the “IGRA”), which is administered by the National Indian Gaming Commission, (the “NIGC”), the gaming regulatory agencies of tribal governments, and Class III gaming compacts between the tribes for which we manage casinos and the states in which those casinos are located. IGRA established three separate classes of tribal gaming-Class I, Class II and Class III. Class I includes all traditional or social games solely for prizes of minimal value played by a tribe in connection with celebrations or ceremonies. Class II gaming includes games such as bingo, pulltabs, punchboards, instant bingo and non-banked card games (those that are not played against the house) such as poker. Class III gaming includes casino-style gaming such as banked table games like blackjack, craps and roulette, and gaming machines such as slots and video poker, as well as lotteries and pari-mutuel wagering. Harrah's Ak-Chin and Harrah's Resort Southern California (Rincon) provide Class II gaming and, as limited by the tribal-state compacts, Class III gaming. Harrah's Cherokee currently provides only Class III gaming.

IGRA prohibits all forms of Class III gaming unless the tribe has entered into a written agreement or compact with the state that specifically authorizes the types of Class III gaming the tribe may offer. These compacts may address, among other things, the manner and extent to which each state will conduct background investigations and certify the suitability of the manager, its officers,

directors, and key employees to conduct gaming on tribal lands. We have received our permanent certification from the Arizona Department of Gaming as management contractor for the Ak-Chin Indian Community's casino, a Tribal-State Compact Gaming Resource Supplier Finding of Suitability from the California Gambling Control Commission in connection with management of the Rincon San Luiseno Band of Indians casino, and have been licensed by the relevant tribal gaming authorities to manage the Ak-Chin Indian Community's casino, the Eastern Band of Cherokee Indians' casino and the Rincon San Luiseno Band of Indians' casino, respectively.

IGRA requires NIGC approval of management contracts for Class II and Class III gaming as well as the review of all agreements collateral to the management contracts. Management contracts which are not so approved are void. The NIGC will not approve a management contract if a director or a 10% stockholder of the management company:

- is an elected member of the Native American tribal government which owns the facility purchasing or leasing the games;
- has been or is convicted of a felony gaming offense;
- has knowingly and willfully provided materially false information to the NIGC or the tribe;
- has refused to respond to questions from the NIGC; or
- is a person whose prior history, reputation and associations pose a threat to the public interest or to effective gaming regulation and control, or create or enhance the chance of unsuitable activities in gaming or the business and financial arrangements incidental thereto.

In addition, the NIGC will not approve a management contract if the management company or any of its agents have attempted to unduly influence any decision or process of tribal government relating to gaming, or if the management company has materially breached the terms of the management contract or the tribe's gaming ordinance, or a trustee, exercising due diligence, would not approve such management contract. A management contract can be approved only after the NIGC determines that the contract provides, among other things, for:

- adequate accounting procedures and verifiable financial reports, which must be furnished to the tribe;
- tribal access to the daily operations of the gaming enterprise, including the right to verify daily gross revenues and income;
- minimum guaranteed payments to the tribe, which must have priority over the retirement of development and construction costs;
- a ceiling on the repayment of such development and construction costs; and
- a contract term not exceeding five years and a management fee not exceeding 30% of net revenues (as determined by the NIGC); provided that the NIGC may approve up to a seven year term and a management fee not to exceed 40% of net revenues if NIGC is satisfied that the capital investment required, and the income projections for the particular gaming activity require the larger fee and longer term.

Management contracts can be modified or canceled pursuant to an enforcement action taken by the NIGC based on a violation of the law or an issue affecting suitability.

Indian tribes are sovereign with their own governmental systems, which have primary regulatory authority over gaming on land within the tribes' jurisdiction. Therefore, persons engaged in gaming activities, including the company, are subject to the provisions of tribal ordinances and regulations on gaming. These ordinances are subject to review by the NIGC under certain standards established by IGRA. The NIGC may determine that some or all of the ordinances require amendment, and that additional requirements, including additional licensing requirements, may be imposed on the management company. The possession of valid licenses from the Ak-Chin Indian Community, the Eastern Band of Cherokee Indians and the Rincon San Luiseno Band of Indians, are ongoing conditions of our agreements with these tribes.

Riverboat Casinos

In addition to all other regulations applicable to the gaming industry generally, some of our riverboat casinos are also subject to regulations applicable to vessels operating on navigable waterways, including regulations of the U.S. Coast Guard and/or inspection and oversight by a third party inspector. These requirements set limits on the operation of the vessel, mandate that it must be operated by a minimum complement of licensed personnel, establish periodic inspections, including the physical inspection of the outside hull, and establish other mechanical and operational rules.

Racetracks

We own slot machines and operate live horse racing at a racetrack in Bossier City, Louisiana. We own a combination harness racetrack and casino in southeastern Pennsylvania in which the company, through various subsidiary entities, owns a 99.5% interest in the entity licensed by the Pennsylvania Gaming Control Board. In Kentucky, we own and operate Bluegrass Downs, a harness racetrack located in Paducah. In addition to laws and regulation affecting the slot machine and other gaming operations at these tracks , there exist extensive laws and regulations governing the operation of racetracks and the horse races that are run at those tracks. Regulation of horse racing is typically administered separately from our other gaming operations, with separate licenses and license fee structures. For example, in Louisiana, these racing operations are licensed and regulated by the Louisiana State Racing Commission. Racing regulations may limit or dictate the number of days on which races may be or must be held. Additionally, in Louisiana, the operation of our slot machines at the racetrack is contingent upon us holding a valid license to hold live horse racing meets. In 2015, we divested our 20% interest in Rock Ohio Caesars, LLC, a venture with Rock Ohio Ventures, LLC (formerly Rock Gaming, LLC); however, certain company subsidiaries continued as the employers and managers of the Ohio properties during part of 2016. Between March and June 2016, the management agreements of the Ohio properties terminated, and the employees of the three Ohio properties were transferred to the owner of each respective property.

Internet

An affiliate of the Company, Caesars Interactive Entertainment, Inc., engages in lawful real money online internet gaming activity in the United Kingdom through two outside third party operators. This internet gaming is offered to residents of the United Kingdom by the third party operators pursuant to remote casino operating licenses issued to these operators by the Gambling Commission, following the implementation of the point of consumption licensing regime from 1 November 2014. To date, the key gaming regulatory authorities governing online internet gaming are the UK Gambling Commission, the Gibraltar Regulatory Authority, the Alderney Gambling Control Commission and the Isle of Man Gambling Supervision Commission. Italy and France also legalized online internet gaming by private companies and, in June 2010, Denmark passed legislation legalizing online internet gaming. Caesars Interactive Entertainment, Inc., recently entered into agreements with third parties for the use of the World Series of Poker brand on online gaming websites in Italy and France. In addition, the State of Nevada legalized real money online internet poker within the State. The Nevada Gaming Commission adopted regulations and established licensing requirements for the operation of real money online internet poker in the State of Nevada. Caesars Interactive Entertainment, Inc., obtained the appropriate licenses in Nevada and, pursuant to a relationship with a third party software provider, field trial operation of its real money website began in September 2013. The State of New Jersey also legalized real money online internet gaming within the State. The New Jersey regulators adopted regulations and established licensing requirements for the operation of real money online internet gaming in the State of New Jersey. Caesars Interactive Entertainment New Jersey, LLC, a wholly owned subsidiary of Caesars Interactive Entertainment, Inc., obtained a casino license and was issued an Internet Gaming Permit, pursuant to relationships with two third software providers, operation of its real money websites began in November 2013.