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

FORM 10-Q

(Mark One)

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

For the Quarterly Period Ended September 30, 2019

or

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

For the transition period from _____ to _____

Commission File No. 001-10410

CAESARS ENTERTAINMENT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**62-1411755**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Caesars Palace Drive
Las Vegas, Nevada 89109
(Address of principal executive offices, including zip code)
(702) 407-6000
(Registrant's telephone number, including area code)
N/A
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, $0.01 par value	CZR	NASDAQ Global Select Market

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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

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	☐	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 Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	**Outstanding at November 1, 2019**
Common stock, $0.01 par value	680,655,099

CAESARS ENTERTAINMENT CORPORATION
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PART I—FINANCIAL INFORMATION

Item 1. Unaudited Financial Statements

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(UNAUDITED)

(In millions)	September 30, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents ($10 and $14 attributable to our VIEs)	$ 1,313	$ 1,491
Restricted cash	137	115
Receivables, net	446	457
Due from affiliates, net	22	6
Prepayments and other current assets ($6 and $6 attributable to our VIEs)	200	155
Inventories	38	41
Assets held for sale	556	—
Total current assets	2,712	2,265
Property and equipment, net ($177 and $137 attributable to our VIEs)	14,988	16,045
Goodwill	4,038	4,044
Intangible assets other than goodwill	2,850	2,977
Restricted cash	73	51
Deferred income taxes	9	10
Deferred charges and other assets ($30 and $35 attributable to our VIEs)	805	383
Total assets	$ 25,475	$ 25,775
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable ($81 and $41 attributable to our VIEs)	$ 415	$ 399
Accrued expenses and other current liabilities ($2 and $1 attributable to our VIEs)	1,300	1,217
Interest payable	134	56
Contract liabilities	192	144
Current portion of financing obligations	22	20
Current portion of long-term debt	64	164
Total current liabilities	2,127	2,000
Financing obligations	10,045	10,057
Long-term debt	8,514	8,801
Deferred income taxes	591	730
Deferred credits and other liabilities ($8 and $5 attributable to our VIEs)	1,731	849
Total liabilities	23,008	22,437
Commitments and contingencies (Note 8)		
Stockholders' equity		
Caesars stockholders' equity	2,388	3,250
Noncontrolling interests	79	88
Total stockholders' equity	2,467	3,338
Total liabilities and stockholders' equity	$ 25,475	$ 25,775

See accompanying Notes to Consolidated Condensed Financial Statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	**2019**	**2018**	**2019**	**2018**
Revenues				
Casino	$ 1,131	$ 1,102	$ 3,340	$ 3,147
Food and beverage	411	408	1,216	1,182
Rooms	409	395	1,202	1,150
Other revenue	217	213	611	600
Management fees	15	16	45	46
Reimbursed management costs	53	51	159	151
Net revenues	2,236	2,185	6,573	6,276
Operating expenses				
Direct				
Casino	636	623	1,887	1,750
Food and beverage	283	281	833	816
Rooms	125	121	364	355
Property, general, administrative, and other	477	474	1,404	1,357
Reimbursable management costs	53	51	159	151
Depreciation and amortization	255	295	743	843
Impairment of tangible and other intangible assets	380	—	430	—
Corporate expense	62	79	226	237
Other operating costs	33	29	86	128
Total operating expenses	2,304	1,953	6,132	5,637
Income/(loss) from operations	(68)	232	441	639
Interest expense	(341)	(341)	(1,033)	(1,005)
Other income/(loss)	27	109	(412)	338
Loss before income taxes	(382)	—	(1,004)	(28)
Income tax benefit	22	111	111	134
Net income/(loss)	(360)	111	(893)	106
Net (income)/loss attributable to noncontrolling interests	1	(1)	2	(1)
Net income/(loss) attributable to Caesars	$ (359)	$ 110	$ (891)	$ 105
Earnings/(loss) per share - basic and diluted				
Basic earnings/(loss) per share	$ (0.53)	$ 0.16	$ (1.32)	$ 0.15
Diluted earnings/(loss) per share	$ (0.53)	$ 0.14	$ (1.32)	$ 0.15
Weighted-average common shares outstanding - basic	678	681	674	692
Weighted-average common shares outstanding - diluted	678	835	674	697
Comprehensive income/(loss)				
Foreign currency translation adjustments	$ (10)	$ 2	$ (15)	$ (17)
Change in fair market value of interest rate swaps, net of tax	(3)	11	(55)	24
Other	—	—	2	1
Other comprehensive income/(loss), net of income taxes	(13)	13	(68)	8
Comprehensive income/(loss)	(373)	124	(961)	114
Amounts attributable to noncontrolling interests:				
Foreign currency translation adjustments	4	1	6	4
Comprehensive loss attributable to noncontrolling interests	5	—	8	3
Comprehensive income/(loss) attributable to Caesars	$ (368)	$ 124	$ (953)	$ 117

See accompanying Notes to Consolidated Condensed Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Caesars Stockholders' Equity							
(In millions)	**Common Stock**	**Treasury Stock**	**Additional Paid-in-Capital**	**Accumulated Deficit**	**Accumulated Other Comprehensive Loss**	**Total Caesars Stockholders' Equity**	**Noncontrolling Interests**	**Total Stockholders' Equity**
Balance as of December 31, 2018	$ 7	$ (485)	$ 14,124	$ (10,372)	$ (24)	$ 3,250	$ 88	$ 3,338
Net loss	—	—	—	(217)	—	(217)	(1)	(218)
Stock-based compensation	—	(5)	21	—	—	16	—	16
Other comprehensive loss, net of tax	—	—	—	—	(13)	(13)	(2)	(15)
Change in noncontrolling interest, net of distributions and contributions	—	—	—	—	—	—	(2)	(2)
Other	—	3	—	—	—	3	—	3
Balance as of March 31, 2019	7	(487)	14,145	(10,589)	(37)	3,039	83	3,122
Net loss	—	—	—	(315)	—	(315)	—	(315)
Stock-based compensation	—	(10)	51	—	—	41	—	41
Other comprehensive loss, net of tax	—	—	—	—	(40)	(40)	—	(40)
Balance as of June 30, 2019	7	(497)	14,196	(10,904)	(77)	2,725	83	2,808
Net loss	—	—	—	(359)	—	(359)	(1)	(360)
Stock-based compensation	—	(2)	33	—	—	31	—	31
Other comprehensive loss, net of tax	—	—	—	—	(9)	(9)	(4)	(13)
Change in noncontrolling interest, net of distributions and contributions	—	—	—	—	—	—	1	1
Balance as of September 30, 2019	$ 7	$ (499)	$ 14,229	$ (11,263)	$ (86)	$ 2,388	$ 79	$ 2,467

See accompanying Notes to Consolidated Condensed Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Caesars Stockholders' Equity							
(In millions)	**Common Stock**	**Treasury Stock**	**Additional Paid-in-Capital**	**Accumulated Deficit**	**Accumulated Other Comprehensive Income/(Loss)**	**Total Caesars Stockholders' Equity**	**Noncontrolling Interests**	**Total Stockholders' Equity**
Balance as of December 31, 2017	$ 7	$ (152)	$ 14,040	$ (10,675)	$ 6	$ 3,226	$ 71	$ 3,297
Net loss	—	—	—	(34)	—	(34)	—	(34)
Stock-based compensation	—	(12)	22	—	—	10	—	10
Other comprehensive income, net of tax	—	—	—	—	9	9	—	9
Change in noncontrolling interest, net of distributions and contributions	—	—	—	—	—	—	21	21
Other	—	(1)	—	—	—	(1)	—	(1)
Balance as of March 31, 2018	7	(165)	14,062	(10,709)	15	3,210	92	3,302
Net income	—	—	—	29	—	29	—	29
Stock-based compensation	—	—	21	—	—	21	—	21
Repurchase of common stock	—	(31)	—	—	—	(31)	—	(31)
Other comprehensive loss, net of tax	—	—	—	—	(11)	(11)	(3)	(14)
Change in noncontrolling interest, net of distributions and contributions	—	—	—	—	—	—	(2)	(2)
Other	—	1	—	—	—	1	—	1
Balance as of June 30, 2018	7	(195)	14,083	(10,680)	4	3,219	87	3,306
Net income	—	—	—	110	—	110	1	111
Stock-based compensation	—	—	16	—	—	16	—	16
Repurchase of common stock	—	(280)	—	—	—	(280)	—	(280)
Other comprehensive income/(loss), net of tax	—	—	—	—	14	14	(1)	13
Change in noncontrolling interest, net of distributions and contributions	—	—	—	—	—	—	1	1
Balance as of September 30, 2018	$ 7	$ (475)	$ 14,099	$ (10,570)	$ 18	$ 3,079	$ 88	$ 3,167

See accompanying Notes to Consolidated Condensed Financial Statements.

CAESARS ENTERTAINMENT CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(In millions)	**Nine Months Ended September 30, 2019**	**2018**
Cash flows provided by operating activities	$ 865	$ 692
Cash flows from investing activities		
Acquisition of Centaur, net of cash and restricted cash acquired	—	(1,578)
Acquisitions of property and equipment, net of change in related payables	(618)	(342)
Payments to acquire certain gaming rights	—	(10)
Proceeds from the sale and maturity of investments	11	30
Payments to acquire investments	(13)	(19)
Other	16	—
Cash flows used in investing activities	(604)	(1,919)
Cash flows from financing activities		
Proceeds from long-term debt and revolving credit facilities	—	1,167
Debt issuance costs and fees	—	(5)
Repayments of long-term debt and revolving credit facilities	(398)	(1,116)
Proceeds from sale-leaseback financing arrangement	—	508
Proceeds from the issuance of common stock	41	4
Repurchase of common stock	—	(311)
Taxes paid related to net share settlement of equity awards	(17)	(12)
Financing obligation payments	(15)	(11)
Contributions from noncontrolling interest owners	—	20
Distributions to noncontrolling interest owners	(1)	—
Cash flows provided by/(used in) financing activities	(390)	244
Change in cash, cash equivalents, and restricted cash classified as held for sale	(5)	—
Net decrease in cash, cash equivalents, and restricted cash	(134)	(983)
Cash, cash equivalents, and restricted cash, beginning of period	1,657	2,709
Cash, cash equivalents, and restricted cash, end of period	$ 1,523	$ 1,726
Supplemental Cash Flow Information:		
Cash paid for interest	$ 853	$ 782
Cash paid for income taxes	5	5
Non-cash investing and financing activities:		
Change in accrued capital expenditures	44	51
Deferred consideration for acquisition of Centaur	—	66

See accompanying Notes to Consolidated Condensed 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 ("VIEs"), 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.

This Form 10-Q should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2018 ("2018 Annual Report"). Capitalized terms used but not defined in this Form 10-Q have the same meanings as in the 2018 Annual Report.

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

Note 1 — Description of Business

Organization

CEC is primarily a holding company with no independent operations of its own. Caesars Entertainment operates the business primarily through its wholly owned subsidiaries CEOC, LLC ("CEOC LLC") and Caesars Resort Collection, LLC ("CRC"). Caesars Entertainment operates a total of 54 properties in 14 U.S. states and five countries outside of the U.S., including 50 casino properties. Nine casinos are in Las Vegas, which represented 44% and 45%, respectively, of net revenues for the three and nine months ended September 30, 2019.

We lease certain real property assets from VICI Properties Inc. and/or its subsidiaries ("VICI").

Proposed Merger of Caesars Entertainment Corporation with Eldorado Resorts, Inc.

On June 24, 2019, Caesars, Eldorado Resorts, Inc., a Nevada corporation ("Eldorado"), and Colt Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Eldorado ("Merger Sub"), entered into an Agreement and Plan of Merger (as amended by Amendment No. 1 to Agreement and Plan of Merger, dated as of August 15, 2019, and as it may be further amended from time to time, the "Merger Agreement"), pursuant to which, on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Caesars (the "Merger"), with Caesars continuing as the surviving corporation and a direct wholly owned subsidiary of Eldorado. The transaction is expected to close in the first half of 2020. In connection with the Merger, Eldorado will change its name to Caesars Entertainment, Inc., subject to stockholder approval.

Based on the terms and subject to the conditions set forth in the Merger Agreement, the aggregate consideration payable by Eldorado in respect of outstanding shares of common stock of Caesars ("Caesars Common Stock") will be (a) an amount of cash equal to (i) the sum of (A) $8.40 plus (B) if the applicable closing conditions set forth in the Merger Agreement are not satisfied by March 25, 2020, an amount equal to $0.003333 for each day (provided that such amount will not be payable if the waiting period under the Hart Scott Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), has expired or been terminated but (to the extent required) the consents of the holders of the CEC Convertible Notes (as defined below) have not been obtained) from March 25, 2020 until the closing date of the Merger (the "Closing Date"), multiplied by (ii) a number of shares of Caesars Common Stock (the "Aggregate Caesars Share Amount") equal to (A) 682,161,838 (which includes 8,271,660 shares being held in escrow trust to satisfy unsecured claims pursuant to the Third Amended Joint Plan of Reorganization, filed with the U.S. Bankruptcy Court for the Northern District of Illinois in Chicago on January 13, 2017, at Docket No. 6318, which shares are not entitled to vote) plus (B) the number of shares of Caesars Common Stock issued after June 24, 2019 and prior to the effective time of the Merger pursuant to the exercise of certain equity awards issued under Caesars stock plans or conversion of the CEC Convertible Notes (the "Aggregate Cash Amount"); and (b) a number of shares of common stock of Eldorado ("Eldorado Common Stock") equal to 0.0899 multiplied by the Aggregate Caesars Share Amount (the "Aggregate Eldorado Share Amount"). Each holder of shares of Caesars Common Stock will be entitled to elect to receive, for each share of Caesars Common Stock held by such holder, either an amount of cash or a number of shares of Eldorado Common Stock, with value (based on the Eldorado Common Stock VWAP, as defined below) equal to the Per Share Amount. The "Per Share Amount" is equal to (a) (i) the Aggregate Cash Amount, plus (ii) the product of (A) the Aggregate Eldorado Share Amount and (B) the volume weighted average price of a share of Eldorado Common Stock for a ten trading day period, starting with the opening of trading on the 11th trading day prior to the anticipated

Closing Date to the closing of trading on the second to last trading day prior to the anticipated Closing Date (the "Eldorado Common Stock VWAP"), divided by (b) the Aggregate Caesars Share Amount.

Elections by Caesars stockholders are subject to proration such that the aggregate amount of cash paid in exchange for outstanding shares of Caesars Common Stock in the Merger will not exceed the Aggregate Cash Amount and the aggregate number of shares of Eldorado Common Stock issued in exchange for shares of Caesars Common Stock in the Merger will not exceed the Aggregate Eldorado Share Amount. Based on the number of shares of Eldorado Common Stock and Caesars Common Stock, and the principal amount of the CEC Convertible Notes, outstanding as of September 27, 2019, and assuming the Merger occurred on that date, Caesars stockholders who receive shares of Eldorado Common Stock in exchange for their shares of Caesars Common Stock in the Merger and holders of the CEC Convertible Notes (assuming that all CEC Convertible Notes are converted immediately following consummation of the Merger into $8.40 in cash and 0.0899 shares of Eldorado Common Stock for each share of Caesars Common Stock into which such CEC Convertible Notes were convertible immediately prior to the Merger) would be issued an aggregate of approximately 76 million shares of Eldorado Common Stock and would hold approximately 49%, in the aggregate, of the issued and outstanding shares of Eldorado Common Stock.

Outstanding options and other equity awards issued under Caesars' stock plans will be treated in the manner set forth in the Merger Agreement. Upon completion of the Merger, any unexercised, vested, in-the-money stock options that are outstanding will be canceled in exchange for the Per Share Amount (or applicable portion thereof) in cash, reduced by the applicable exercise price. Unvested service-vesting stock options and restricted stock units will be converted into stock options and restricted stock units for Eldorado Common Stock and will retain their original vesting schedules. Performance-based stock options are expected to be canceled in connection with the consummation of the Merger. Performance stock units that are subject to total stockholder return performance-vesting conditions will be converted into performance stock units for Eldorado Common Stock and will continue to vest in accordance with their original terms, except the total stockholder return vesting conditions will be adjusted to be based on Eldorado's total stockholder return performance. Performance stock units that are tied to earnings before interest, taxes, depreciation and amortization ("EBITDA") and EBITDAR performance conditions will vest at closing and be exchanged for the Per Share Amount (or applicable portion thereof) in cash. For EBITDA- and EBITDAR-based performance stock units that are eligible to vest in respect of performance achieved during the year in which the closing occurs, such vesting will be based on performance of applicable goals through the end of the month prior to the close and extrapolated through the remainder of the performance period and for EBITDA- and EBITDAR-based performance stock units that are eligible to vest in respect of a performance period that has not yet commenced as of the Closing Date, such vesting will be based on target-level performance.

The Merger Agreement contains customary representations and warranties by each of Caesars and Eldorado, and each party has agreed to customary covenants. Each of Eldorado's and Caesars' obligation to consummate the Merger is subject to the satisfaction or waiver of certain conditions, including among others, the expiration or termination of any applicable waiting period under the HSR Act, the receipt of required regulatory and stockholder approvals, conversion or certain amendments of, or another mutually agreed arrangement with respect to, the CEC Convertible Notes, and other customary closing conditions.

The Merger Agreement also contains termination rights for each of Caesars and Eldorado under certain circumstances. If the Merger Agreement is terminated in certain circumstances relating to changes in the recommendation of the board of directors of Caesars in favor of the Merger, entry by Caesars into an alternative transaction or in certain circumstances following the failure of Caesars' stockholders to approve the Merger, Caesars will be required to pay Eldorado a termination fee of approximately $418.4 million. If the Merger Agreement is terminated in certain circumstances relating to changes in the recommendation of the board of directors of Eldorado in favor of the issuance of shares of Eldorado common stock in the Merger or in certain circumstances following the failure of Eldorado's stockholders to approve such issuance, then Eldorado will be required to pay Caesars a termination fee of approximately $154.9 million. In addition, each party will be obligated to reimburse the other party for expenses for an amount not to exceed $50.0 million if the Merger Agreement is terminated because of the obligated party's failure to obtain the required approval of its stockholders (creditable against any termination fee that may subsequently be paid by such party). The Merger Agreement also provides that Eldorado will be obligated to pay a termination fee of approximately $836.8 million to Caesars if the Merger Agreement is terminated (i) due to a law or order relating to gaming or antitrust laws that prohibits or permanently enjoins the consummation of the transactions, (ii) because the required regulatory approvals were not obtained prior to June 24, 2020 (subject to extension to a date no later than December 24, 2020 pursuant to the Merger Agreement) or (iii) due to Eldorado willfully and materially breaching certain obligations with respect to the actions required to be taken by Eldorado to obtain required antitrust approvals.

Under the terms of the Indenture governing the CEC Convertible Notes, prior to the effective time of the Merger, Caesars will also be required to enter into a supplemental indenture to provide for conversion of the CEC Convertible Notes at and after the

effective time of the Merger into the weighted average, per share of Caesars Common Stock, of the types and amounts of the merger consideration received by holders of Caesars Common Stock who affirmatively make a merger consideration election (or, if no holders of Caesars Common Stock make such an election, the types and amounts of merger consideration actually received by such holders of Caesars Common Stock).

On September 26, 2019, Eldorado and VICI entered into separate definitive Purchase and Sale Agreements (collectively, the "Real Estate Purchase Agreements") to effect the purchase and sale of Harrah's New Orleans, Harrah's Laughlin and Harrah's Atlantic City for aggregate consideration of approximately $1.8 billion and an amendment to the terms of the existing CPLV and HLV single asset leases. In addition, following the closing of the transaction, which will result in a combination of these existing leases into a new Las Vegas master lease and an increase of approximately $99 million in the annual rent payment on the Las Vegas master lease, resulting in proceeds of approximately $1.4 billion, each subject to the consummation of the Merger, as well as certain customary closing conditions, including satisfactory due diligence reviews performed by VICI during a 90-day due diligence period and obtaining certain regulatory approvals, in each case as set forth in the Real Estate Purchase Agreements. Conditions to VICI's acquisition of the land and real estate assets associated with Harrah's New Orleans include, among others, certain amendments to the Harrah's New Orleans lease and the Harrah's New Orleans casino operating contract. On June 7, 2019, the Governor of the State of Louisiana signed into effect legislation that would enable a 30-year extension of the Harrah's New Orleans casino operating contract to 2054, subject to Caesars' compliance with certain requirements, including (i) a capital investment of $325 million by 2024 to improve the facility, add new restaurants and construct a new hotel, (ii) one-time "upfront" payments to the City of New Orleans and State of Louisiana totaling $25 million, (iii) additional one-time payments to the City of New Orleans and State of Louisiana totaling $40 million whether or not VICI purchases the leasehold interest in Harrah's New Orleans, (iv) an annual payment to the Louisiana Gaming Control Board of $3.4 million in support of health research, subject to changes in the consumer price index, (v) an annual license payment to the Louisiana Gaming Control Board of $3 million starting in April 2022, (vi) an annual payment to the City of New Orleans of $6 million paid in quarterly installments, subject to changes in the consumer price index, and (vii) an increase in Caesars' minimum annual state gaming tax payments from $60 million to $65 million starting in April 2022.

Potential Divestitures

We are considering divestiture opportunities of non-strategic assets and properties. If the completion of a sale is more likely than not to occur, we may recognize impairment charges for certain of our properties to the extent current expected proceeds are below our carrying value.

Note 2 — Basis of Presentation and Principles of Consolidation

Basis of Presentation and Use of Estimates

The accompanying unaudited consolidated condensed financial statements of Caesars have been prepared under the rules and regulations of the Securities and Exchange Commission applicable for interim periods, and therefore, do not include all information and footnotes necessary for complete financial statements in conformity with accounting principles generally accepted in the United States ("GAAP"). The results for the interim periods reflect all adjustments (consisting primarily of normal recurring adjustments) that management considers necessary for a fair presentation of financial position, results of operations, and cash flows. The results of operations for our interim periods are not necessarily indicative of the results of operations that may be achieved for the entire 2019 fiscal year.

GAAP requires 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.

In order to conform to the current year's presentation, for the three and nine months ended September 30, 2018, $7 million and $17 million, respectively, were reclassified from Direct operating expenses to Property, general, administrative, and other on our Statements of Operations with no effect on Net income/(loss).

Reportable Segments

We view each property as an operating segment and aggregate all such 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 16.

Cash, Cash Equivalents, and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported on the Balance Sheets that sum to amounts reported on the Statements of Cash Flows.

(In millions)	**September 30, 2019**	**December 31, 2018**
Cash and cash equivalents	$ 1,313	$ 1,491
Restricted cash, current	137	115
Restricted cash, non-current	73	51
Total cash, cash equivalents, and restricted cash	$ 1,523	$ 1,657

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 (i) affiliates that are more than 50% owned are consolidated; (ii) 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 (iii) investments in affiliates of 20% or less are generally accounted for using the cost method.

We review our investments for VIE consideration if a reconsideration event occurs to determine if the investment continues to qualify as a VIE. If we determine an investment no longer qualifies as a VIE, a gain or loss may be recognized upon deconsolidation.

Consolidation of Korea Joint Venture

CEC has a joint venture to acquire, develop, own, and operate a casino resort project in Incheon, South Korea (the “Korea JV”). We determined that the Korea JV is a VIE and CEC is the primary beneficiary, and therefore, we consolidate the Korea JV into our financial statements. As of September 30, 2019, the construction schedule for the project has been delayed and discussions regarding the project costs between us and our JV partner remain ongoing. In addition, the external debt financing by the Korea JV has also been delayed, which has impacted the timing of equity capital contributions by us, and our joint venture partner, in accordance with our joint venture agreement. We are currently in discussions with our joint venture partner regarding the project costs and financing plan for the project, as well as evaluating all of our options under the terms of the joint venture agreement. Possible outcomes include completing the project and related financing as originally budgeted, adding an additional equity partner, selling all, or part, of the parties’ ownership interest in the Korea JV, liquidating the joint venture or taking any other steps including those that we may agree with our joint venture partner. These possible outcomes could result in a material impairment of assets of the Korea JV and could also change our conclusion that we are the primary beneficiary of the joint venture, which could result in a material charge upon deconsolidating the joint venture. As reported by the joint venture, and consolidated in our financial statements, total net assets of $130 million as of September 30, 2019, was primarily composed of property and equipment valued on a cost basis, net of construction payable, of which we have a 50% interest.

Emerald Resort & Casino, South Africa Disposition

In May 2019, we entered into an agreement to sell Emerald Resort & Casino located in South Africa for total proceeds of approximately $47 million. We own 70% of this property while the remaining 30% is owned by local minority partners. Total cash proceeds for our 70% ownership and other adjustments total approximately $38 million. The transaction is expected to close in the fourth quarter of 2019, subject to regulatory approvals and other customary closing conditions, at which time any gain would be recognized. Emerald Resort & Casino is included in our All Other segment. The following table summarizes assets and liabilities classified as held for sale.

(In millions)	**September 30, 2019**
Cash and cash equivalents	$ 5
Property and equipment, net	24
Goodwill	5
Intangible assets other than goodwill	10
Other	2
Assets held for sale	$ 46
Current liabilities	$ 4
Deferred credits and other liabilities	3
Liabilities held for sale included in Accrued expenses and other current liabilities	$ 7

Rio All-Suite Hotel & Casino Disposition

On September 20, 2019, Rio Properties, LLC, a subsidiary of CEC, ("Rio Properties") entered into a Purchase and Sale Agreement and Joint Escrow Instructions with a company controlled by a principal of Imperial Companies LLC ("Imperial"), to effect the purchase and sale of certain assets of Rio All-Suite Hotel & Casino ("Rio") for total proceeds of approximately $516 million (with an option for Imperial to use seller financing of $40 million). CRC also executed a guaranty of certain obligations of Rio Properties (including post-closing obligations with respect to the lease described below). The transaction is expected to close in the fourth quarter of 2019, subject to other customary closing conditions. Upon closing, we will lease the property from Imperial for an initial term of two years at an initial annual rent amount of approximately $45 million and continue to operate the property subject to the terms and conditions of the lease. Imperial will have a one-time renewal option to extend the lease term for up to an additional twelve months for a maximum fee of approximately $7 million. We have recorded an impairment charge to the land and buildings within Property and Equipment, net for $380 million, which includes $6 million related to selling costs, during the quarter ended September 30, 2019 as the carrying value is higher than the fair value. Rio is included in our Las Vegas segment. The following table summarizes the assets classified as held for sale.

(In millions)	**September 30, 2019**
Intangible assets other than goodwill	$ 11
Property and equipment, net	505
Fair value of assets held for sale	516
Estimated costs to sell	(6)
Assets held for sale	$ 510

Note 3 — Recently Issued Accounting Pronouncements

The Financial Accounting Standards Board (the "FASB") issued the following authoritative guidance amending the FASB Accounting Standards Codification ("ASC").

In 2019, we adopted Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, and all related amendments (see Note 7). Additionally, we adopted ASU 2018-02, *Income Statement—Reporting Comprehensive Income (Topic 220)* (see Note 14).

The following ASUs were not effective as of September 30, 2019:

Previously Disclosed

Collaborative Arrangements - ASU 2018-18: Amended guidance makes targeted improvements to GAAP for collaborative arrangements including: (i) clarifying that certain transactions between collaborative arrangement participants should be accounted for as revenue under ASC 606 when the collaborative arrangement participant is a customer in the context of a unit of account, (ii) adding unit-of-account guidance in ASC 808 to align with the guidance in ASC 606 (that is, a distinct good or service) when an entity is assessing whether the collaborative arrangement or a part of the arrangement is within the scope of ASC 606, and (iii) requiring that in a transaction with a collaborative arrangement participant that is not directly related to sales to third parties, presenting the transaction together with revenue recognized under ASC 606 is precluded if the collaborative arrangement participant is not a customer. The amendments in this update are effective for public entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The amendments should be applied retrospectively to the date of initial application of ASC 606. An entity may elect to apply the amendments in this ASU retrospectively either to all contracts or only to contracts that are not completed at the date of initial application of ASC 606. An entity should disclose its election. An entity may elect to apply the practical expedient for contract modifications that is permitted for entities using the modified retrospective transition method in ASC 606. We are currently assessing the effect the adoption of this standard will have on our financial statements.

Intangibles - Goodwill and Other - Internal-Use Software - ASU 2018-15: Amended guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The accounting for the service element of a hosting arrangement that is a service contract is not affected. The amendments in this update are effective for public entities for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The amendments in this ASU should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. We are currently assessing the effect the adoption of this standard will have on our financial statements.

Fair Value Measurement - ASU 2018-13: Amended guidance modifies fair value measurement disclosure requirements including (i) removing certain disclosure requirements such as the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, (ii) modifying certain disclosure requirements, and (iii) adding certain disclosure requirements such as changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period. The amendments in this update are effective for fiscal years beginning after December 15, 2019, and interim periods within those fiscal years. Early adoption is permitted. The amendments on changes in unrealized gains and losses, the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements, and the narrative description of measurement uncertainty should be applied prospectively for only the most recent interim or annual period presented in the initial fiscal year of adoption. All other amendments should be applied retrospectively to all periods presented upon their effective date. We are currently assessing the effect the adoption of this standard will have on our financial statements.

Financial Instruments - Credit Losses - ASU 2016-13 (amended through May 2019): Amended guidance replaces the incurred loss impairment methodology with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. Amendments affect entities holding financial assets and net investments 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. An entity will apply the amendments in this ASU through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). A prospective transition approach is required for debt securities for which an other-than-temporary impairment had been recognized before the effective date. The effect of a prospective transition approach is to maintain the same amortized cost basis before and after the effective date of this ASU. We are currently assessing the effect the adoption of this standard will have on our financial statements.

Note 4 — Property and Equipment

(In millions)	September 30, 2019	December 31, 2018
Land	$ 4,217	$ 4,871
Buildings, riverboats, and leasehold and land improvements	11,916	12,243
Furniture, fixtures, and equipment	1,724	1,563
Construction in progress	606	406
Total property and equipment	18,463	19,083
Less: accumulated depreciation	(3,475)	(3,038)
Total property and equipment, net	$ 14,988	$ 16,045

Our property and equipment is subject to various operating leases for which we are the lessor. We lease our property and equipment related to our hotel rooms, convention space and retail space through various short-term and long-term operating leases. See Note 7 for further discussion of our leases.

Depreciation Expense and Capitalized Interest

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	2019	2018	2019	2018
Depreciation expense	$ 238	$ 277	$ 690	$ 792
Capitalized interest	8	2	20	5

Note 5 — Goodwill and Other Intangible Assets

Changes in Carrying Value of Goodwill and Other Intangible Assets

		Non-Amortizing Intangible Assets	
(In millions)	Amortizing Intangible Assets	Goodwill	Other
Balance as of December 31, 2018	$ 342	$ 4,044	$ 2,635
Amortization	(53)	—	—
Impairments	—	—	(50)
Other	—	(1)	(3)
Transferred to assets held for sale	(1)	(5)	(20)
Balance as of September 30, 2019	$ 288	$ 4,038	$ 2,562

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

		September 30, 2019			December 31, 2018		
(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							
Trade names and trademarks	1.3	$ 14	$ (7)	$ 7	$ 14	$ (3)	$ 11
Customer relationships	3.8	1,070	(803)	267	1,071	(756)	315
Contract rights	5.3	3	(2)	1	3	(2)	1
Gaming rights and other	4.7	43	(30)	13	43	(28)	15
		$ 1,130	$ (842)	288	$ 1,131	$ (789)	342
Non-amortizing intangible assets							
Trademarks				776			790
Gaming rights				1,533			1,592
Caesars Rewards				253			253
				2,562			2,635
Total intangible assets other than goodwill				$ 2,850			$ 2,977

During the nine months ended September 30, 2019, we recognized an impairment charge of $50 million related to gaming rights due to a decline in recent performance and downgraded expectations for future cash flows at the properties of our subsidiary Caesars Entertainment UK (“CEUK”). We used the “Excess Earnings Method” for estimating the fair value.

Note 6 — Fair Value Measurements

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:

Estimated Fair Value

(In millions)	**Balance**	**Level 1**	**Level 2**	**Level 3**
September 30, 2019				
Assets				
Government bonds	$ 17	$ —	$ 17	$ —
Total assets at fair value	$ 17	$ —	$ 17	$ —
Liabilities				
Derivative instruments - interest rate swaps	$ 85	$ —	$ 85	$ —
Derivative instruments - CEC Convertible Notes	758	—	758	—
Disputed claims liability	50	—	50	—
Total liabilities at fair value	$ 893	$ —	$ 893	$ —
December 31, 2018				
Assets				
Government bonds	$ 15	$ —	$ 15	$ —
Derivative instruments - interest rate swaps	6	—	6	—
Total assets at fair value	$ 21	$ —	$ 21	$ —
Liabilities				
Derivative instruments - interest rate swaps	$ 22	$ —	$ 22	$ —
Derivative instruments - CEC Convertible Notes	324	—	324	—
Disputed claims liability	45	—	45	—
Total liabilities at fair value	$ 391	$ —	$ 391	$ —

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.

Derivative Instruments

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

CEC Convertible Notes - Derivative Liability

On October 6, 2017, CEC issued $1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 (the “CEC Convertible Notes”) 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 October 6, 2017, 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. As of September 30, 2019, 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 are issuable upon conversion of the CEC Convertible Notes, of which 151 million shares are net of amounts held by CEC. As of September 30, 2019, the remaining life of the CEC Convertible Notes is approximately 5 years.

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 contain derivative features and qualify for derivative accounting. In accordance with ASC 815, CEC has bifurcated the conversion features of the CEC Convertible Notes and recorded a derivative liability. The CEC Convertible Notes derivative features are not designated as hedging instruments. The derivative features of the CEC Convertible Notes are carried on CEC's Balance Sheets at fair value in Deferred credits and other liabilities. The derivative liability is marked-to-market each measurement period and the changes in fair value of a gain of $26 million and a loss of $434 million for the three and nine months ended September 30, 2019, respectively, and a gain of $97 million and $282 million for the three and nine months ended September 30, 2018, respectively, were recorded as components of Other income/(loss) in the Statements of Operations. 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

The CEC Convertible Notes have a face value of $1.1 billion, an initial term of 7 years, and a coupon rate of 5%.

As of September 30, 2019 and December 31, 2018, we estimated the fair value of the CEC Convertible Notes using a market-based approach that incorporated the value of both the straight debt and conversion feature of the notes. The valuation model incorporated actively traded prices of the CEC Convertible Notes as of the reporting date, the value of CEC's equity into which these notes could convert, and assumptions regarding the incremental cost of borrowing for CEC. Since the key assumption used in the valuation model is the actively traded price of CEC Convertible Notes but the incremental cost of borrowing is an unobservable input, the fair value for the conversion features of the CEC Convertible Notes was classified as Level 2.

Key Assumptions as of September 30, 2019 and December 31, 2018:

- Actively traded price of CEC Convertible Notes - $170.17 and $122.38, respectively
- Incremental cost of borrowing - 5.0% and 7.0%, respectively

Interest Rate Swap Derivatives

We use interest rate swaps to manage the mix of our debt between fixed and variable rate instruments. As of September 30, 2019, we have entered into a total of ten interest rate swap agreements for notional amounts totaling $3.0 billion to fix the interest rate on variable rate debt. The interest rate swaps are designated as cash flow hedging instruments.

The major terms of the interest rate swap agreements as of September 30, 2019 are as follows:

Effective Date	Notional Amount *(In millions)*	Fixed Rate Paid	Variable Rate Received as of September 30, 2019	Maturity Date
12/31/2018	250	2.274%	2.112%	12/31/2022
12/31/2018	200	2.828%	2.112%	12/31/2022
12/31/2018	600	2.739%	2.112%	12/31/2022
1/1/2019	250	2.153%	2.112%	12/31/2020
1/1/2019	250	2.196%	2.112%	12/31/2021
1/1/2019	400	2.788%	2.112%	12/31/2021
1/1/2019	200	2.828%	2.112%	12/31/2022
1/2/2019	250	2.172%	2.112%	12/31/2020
1/2/2019	200	2.731%	2.112%	12/31/2020
1/2/2019	400	2.707%	2.112%	12/31/2021

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 Deferred credits and other liabilities on our Balance Sheets as of September 30, 2019. 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.

Financial Statement Impact

The effect of derivative instruments designated as hedging instruments on the Balance Sheets for amounts transferred into Accumulated other comprehensive income/(loss) (“AOCI”) before tax was a loss of $8 million and $69 million during the three and nine months ended September 30, 2019, respectively, and a gain of $14 million and $31 million during the three and nine months ended September 30, 2018, respectively. AOCI reclassified to Interest expense on the Statements of Operations was $3 million and $4 million for the three and nine months ended September 30, 2019, respectively, and zero for each of the three and nine months ended September 30, 2018. The estimated amount of existing losses that are reported in AOCI at the reporting date that are expected to be reclassified into earnings within the next 12 months is approximately $28 million.

Accumulated Other Comprehensive Income/(Loss)

The changes in AOCI by component, net of tax, for the quarterly periods through September 30, 2019 and 2018 are shown below.

(In millions)	**Unrealized Net Gains/(Losses) on Derivative Instruments**	**Foreign Currency Translation Adjustments**	**Other**	**Total**
Balances as of December 31, 2018	$ (13)	$ (9)	$ (2)	$ (24)
Other comprehensive income/(loss) before reclassifications	(17)	2	2	(13)
Total other comprehensive income/(loss), net of tax	(17)	2	2	(13)
Balances as of March 31, 2019	$ (30)	$ (7)	$ —	$ (37)
Other comprehensive loss before reclassifications	(36)	(5)	—	(41)
Amounts reclassified from accumulated other comprehensive loss	1	—	—	1
Total other comprehensive loss, net of tax	(35)	(5)	—	(40)
Balances as of June 30, 2019	$ (65)	$ (12)	$ —	$ (77)
Other comprehensive loss before reclassifications	(6)	(6)	—	(12)
Amounts reclassified from accumulated other comprehensive loss	3	—	—	3
Total other comprehensive loss, net of tax	(3)	(6)	—	(9)
Balances as of September 30, 2019	$ (68)	$ (18)	$ —	$ (86)
Balances as of December 31, 2017	$ —	$ 9	$ (3)	$ 6
Other comprehensive income before reclassifications	4	1	4	9
Total other comprehensive income, net of tax	4	1	4	9
Balances as of March 31, 2018	$ 4	$ 10	$ 1	$ 15
Other comprehensive income/(loss) before reclassifications	9	(17)	(3)	(11)
Total other comprehensive income/(loss), net of tax	9	(17)	(3)	(11)
Balances as of June 30, 2018	$ 13	$ (7)	$ (2)	$ 4
Other comprehensive income before reclassifications	11	3	—	14
Total other comprehensive income, net of tax	11	3	—	14
Balances as of September 30, 2018	$ 24	$ (4)	$ (2)	$ 18

Disputed Claims Liability

CEC and Caesars Entertainment Operating Company, Inc. (“CEOC”) deposited cash, CEC common stock, and CEC Convertible Notes into an escrow trust to be distributed to satisfy certain remaining unsecured claims (excluding debt claims) as they become allowed (see Note 8). We have estimated the fair value of the remaining liability of those claims. Based on the valuation methodology of the CEC Convertible Notes (see above), the fair value of the Disputed claims liability is classified as Level 2.

The changes in fair value related to the disputed claims liability was a gain of $1 million and a loss of $14 million for the three and nine months ended September 30, 2019, respectively, and income of $13 million and $39 million for the three and nine months ended September 30, 2018, respectively, which were recorded as components of Other income/(loss) in the Statements of Operations.

Note 7 — Leases

Adoption of New Lease Accounting Standard

In February 2016, the FASB issued a new standard related to leases, ASU 2016-02, *Leases (Topic 842)* ("ASC 842"). We adopted the standard effective January 1, 2019, using the retrospective approach applied as of the beginning of the period of adoption. The Company elected to utilize the transition guidance within the new standard that permits us to (i) continue to report under legacy lease accounting guidance for comparative periods consistent with previously issued financial statements; and (ii) carryforward our prior conclusions about lease identification, lease classification, and initial direct costs. The most significant effects of adopting the new standard relate to the recognition of right-of-use ("ROU") assets and liabilities for leases classified as operating leases when the Company is the lessee in the arrangement. Adopting the new standard did not affect our accounting related to leases when the Company is the lessor in the arrangement.

We assess whether an arrangement is or contains a lease at the inception of the agreement. ROU assets represent our right to use an underlying asset for the lease term, and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term using an appropriate incremental borrowing rate, which is consistent with interest rates of similar financing arrangements based on the information available at the commencement date. Upon adoption, our ROU assets were also adjusted to include any prepaid lease payments and were reduced by any previously accrued lease liabilities. The terms of our leases used to determine the ROU asset and lease liability take into account options to extend when it is reasonably certain that we will exercise those options. Lease expense is recognized on a straight-line basis over the lease term. Additionally, we have elected the short-term lease measurement and recognition exemption and do not establish ROU assets or lease liabilities for operating leases with terms of 12 months or less.

Effect of Adopting New Lease Standard - January 1, 2019 Balance Sheet

(In millions)	**Prior to Adoption**	**Effect of Adoption**	**Post Adoption**
Property and equipment, net [1]	$ 16,045	$ (96)	$ 15,949
Deferred charges and other assets [2][3]	383	480	863
Accrued expenses and other current liabilities [2]	1,217	33	1,250
Financing obligations [1]	10,057	(96)	9,961
Deferred credits and other liabilities [2][3]	849	447	1,296

[1] *Non-operating land assets previously considered as failed sale-leaseback financing obligations were determined to qualify for sale-leaseback accounting under ASC 842 and are now recognized as operating lease liabilities with corresponding ROU assets.*
[2] *Operating leases previously considered as off-balance sheet obligations are now recognized as operating lease liabilities with corresponding ROU assets.*
[3] *Accruals associated with future obligations for leases not in use have been applied against the carrying amount of the ROU assets.*

Lessee Arrangements

Operating Leases

We lease real estate and equipment used in our operations from third parties. As of September 30, 2019, the remaining term of our operating leases ranged from 1 to 72 years with various automatic extensions. 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.

The following are additional details related to leases recorded on our Balance Sheet as of September 30, 2019:

(In millions)	**Balance Sheet Classification**	**September 30, 2019**
Assets		
Operating lease ROU assets [(1)]	Deferred charges and other assets	$ 453
Liabilities		
Current operating lease liabilities [(1)]	Accrued expenses and other current liabilities	31
Non-current operating lease liabilities [(1)]	Deferred credits and other liabilities	479

[(1)] *As noted above, we have elected the short-term lease measurement and recognition exemption and do not establish ROU assets or liabilities for operating leases with terms of 12 months or less.*

Maturity of Lease Liabilities as of September 30, 2019

(In millions)	**Operating Leases**
Remaining 2019	$ 18
2020	70
2021	70
2022	64
2023	62
Thereafter	890
Total	1,174
Less: present value discount	(664)
Lease liability	$ 510

Lease Costs

	Three Months Ended	**Nine Months Ended**
(In millions)	**September 30, 2019**	
Operating lease expense	$ 17	$ 52
Short-term lease expense	31	80
Variable lease expense	4	10
Total lease costs	$ 52	$ 142

Other Information

(In millions)	**Nine Months Ended September 30, 2019**
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows for operating leases	$ 51

Weighted-Average Details

	September 30, 2019
Weighted-average remaining lease term (in years)	21.8
Weighted-average discount rate	8.01%

Finance Leases

We have finance leases for certain equipment. As of September 30, 2019, our finance leases had remaining lease terms of up to 3 years, some of which include options to extend the lease terms in one month increments. Our finance lease ROU assets and liabilities were immaterial to our Financial Statements as of September 30, 2019.

Failed Sale-Leaseback Financing Obligations

We lease certain real property assets from VICI (each a "Lease Agreement," and, collectively, the "Lease Agreements"): (i) for Caesars Palace Las Vegas, (ii) for a portfolio of properties at various locations throughout the United States, (iii) for Harrah's Joliet Hotel & Casino and (iv) for Harrah's Las Vegas. The Lease Agreements provide for annual fixed rent (subject to escalation) of $773 million during an initial period, then rent consisting of both base rent and variable percentage rent elements. The Lease Agreements have a 15-year initial term and four five-year renewal options, subject to certain restrictions on extension applicable to certain of the leased properties. The Lease Agreements include escalation provisions beginning in year two of the initial term and continuing through the renewal terms. The Lease Agreements also include provisions for contingent rental payments calculated, in part, based on increases or decreases of net revenue of the underlying lease properties, commencing in year eight of the initial term and continuing through the renewal terms.

The Lease Agreements were evaluated as sale-leasebacks of real estate. We determined that these transactions did not qualify for sale-leaseback accounting, and we have accounted for each of the transactions as a financing.

For these 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 their estimated useful lives. We do not recognize rent expense related to the Lease Agreements, 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, the majority of the cash payments are less than the interest expense recognized in the Statements of Operations, which causes the related failed sale-leaseback financing obligations to increase during the initial periods of the lease term.

Annual Estimated Failed Sale-Leaseback Financing Obligation Service Requirements as of September 30, 2019

	Remaining	Years Ended December 31,					
(In millions)	**2019**	**2020**	**2021**	**2022**	**2023**	**Thereafter**	**Total**
Financing obligations - principal	$ 5	$ 23	$ 26	$ 28	$ 33	$ 8,462	$ 8,577
Financing obligations - interest	193	777	788	799	814	25,556	28,927
Total financing obligation payments [(1)]	$ 198	$ 800	$ 814	$ 827	$ 847	$ 34,018	$ 37,504

[(1)] *Financing obligation principal and interest payments are estimated amounts based on the future minimum lease payments and certain estimates based on contingent rental payments. Actual payments may differ from the estimates.*

Lessor Arrangements

Lodging Arrangements

Lodging arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of the fees charged for lodging. The nonlease components primarily consist of resort fees and other miscellaneous items. As the timing and pattern of transfer of both the lease and nonlease components are over the course of the lease term, we have elected to combine the revenue generated from lease and nonlease components into a single lease component based on the predominant component in the arrangement. During the three and nine months ended September 30, 2019, we recognized approximately $409 million and $1,202 million, respectively, in lease revenue related to lodging arrangements, which is included in Rooms revenue in the Statement of Operations.

Conventions

Convention arrangements are considered short-term and generally consist of lease and nonlease components. The lease component is the predominant component of the arrangement and consists of fees charged for the use of meeting space. The nonlease components primarily consist of food and beverage and audio/visual services. Revenue from conventions is included in Food and beverage revenue in the Statement of Operations, and during the three and nine months ended September 30, 2019, we recognized approximately $9 million and $36 million, respectively, in lease revenue related to conventions.

Real Estate Operating Leases

We enter into long-term real estate leasing arrangements with third-party lessees at our properties. As of September 30, 2019, the remaining terms of these operating leases ranged from 1 to 86 years, some of which include options to extend the lease term for

up to 5 years. 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. In addition, to maintain the value of our leased assets, certain leases include specific maintenance requirements of the lessees or maintenance is performed by the Company on behalf of the lessees.

Maturity of Lease Receivables as of September 30, 2019

(In millions)	**Operating Leases**
Remaining 2019	$ 18
2020	70
2021	64
2022	57
2023	52
Thereafter	812
Total	$ 1,073

Note 8 — 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.

Litigation Relating to the Merger

On September 5, 2019, a complaint was filed against Caesars and each member of the Caesars' board of directors (the "Caesars Board") in the United States District Court for the District of Delaware. The lawsuit, captioned Stein v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-01656, alleges violations of Sections 14(a) and 20(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Rule 14a-9 promulgated thereunder, and 17 C.F.R. § 244.100, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint, (ii) if the Merger is consummated, rescission of the Merger or rescissory damages and (iii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On September 9, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board, Eldorado and Merger Sub in the United States District Court for the District of Delaware. The lawsuit, captioned Palkon v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-01679, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars and/or Eldorado violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors' analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff seeks, among other things, (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On September 11, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the District of New Jersey. The lawsuit, captioned Romaniuk v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-17871, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process

leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors' analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff seeks (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also seeks an award of costs and expenses incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On September 12, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board and Eldorado in the United States District Court for the District of Delaware. The lawsuit, captioned Gershman v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-01720, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to (i) disclose certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) disclose certain financial information relating to the financial advisors' analyses of the transaction; and (iii) obtain a proper valuation for Caesars. The plaintiff seeks (i) to enjoin the defendants from proceeding with filing an amendment to the Eldorado S-4 (as defined below) and consummating the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On September 13, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board and Eldorado in the Eighth Judicial District Court for Clark County, Nevada. The lawsuit, captioned Cazer v. Caesars Entertainment Corp., et al., Civil Action No. A-19-801900-C, asserts claims for breach of fiduciary duties against the Caesars Board and aiding and abetting breach of fiduciary duties against Caesars in connection with the Merger. The complaint alleges, among other things, that the members of the Caesars Board breached their fiduciary duties, and Caesars aided and abetted such breaches of fiduciary duties, by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks (i) to compel the defendants to exercise their fiduciary duties to Caesars stockholders in connection with the Merger in accordance with the information discussed in the complaint and (ii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

Also on September 13, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Biasi v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-08547, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, and 17 C.F.R. § 229.1015, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors' analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff seeks (i) to enjoin the defendants from proceeding with the special meeting of Caesars' stockholders to, among other things, adopt the Merger Agreement and consummating the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs and expenses incurred in the action, including reasonable expert fees and attorneys' fees.

On September 26, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Marathon Capital LLC v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-08971, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also seeks an award of costs and expenses incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On October 18, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Yarbrough v. Caesars Entertainment Corp., et al., Case No. 1:19-cv-09650 (S.D.N.Y.), alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading definitive registration statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose material information regarding: (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks: (i) to enjoin the shareholder vote on the Merger or consummation of the Merger; and (ii) rescission of the Merger, to the extent it closes. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

We believe the claims asserted in each of the above described complaints are without merit and intend to vigorously defend against them.

Contractual Commitments

During the nine months ended September 30, 2019, we have not entered into any material contractual commitments outside of the ordinary course of business that have materially changed our contractual commitments as compared to December 31, 2018.

Exit Cost Accruals

As of September 30, 2019 and December 31, 2018, exit costs were included in Accrued expenses and other current liabilities and Deferred credits and other liabilities on the accompanying Balance Sheets for accruals related to the following:

(In millions)	**Accrual Obligation End Date**	**September 30, 2019**	**December 31, 2018**
Future obligations under land lease agreements [(1)(2)]	December 2092	$ —	$ 43
Iowa greyhound pari-mutuel racing fund	January 2022	25	33
Permanent closure of Alea Leeds [(2)]	January 2032	—	10
Unbundling of electric service provided by NV Energy	February 2024	52	58
Total		$ 77	$ 144

(1) *Associated with the abandonment of a construction project near the Mississippi Gulf Coast.*
(2) *As a result of the adoption of ASC 842, as of January 1, 2019, accruals associated with future obligations for leases not in use have been applied against the carrying amount of the ROU assets. See Note 7.*

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 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, payable over three to six years. $31 million remained as an obligation at September 30, 2019 recorded in Accrued expenses and other current liabilities and Deferred credits and other liabilities on the Balance Sheets.

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 above-market renewable energy contracts and the costs of decommissioning and remediation of coal-fired power plants. As of the effective date of the transition, total fees to be incurred were $31 million, which were accrued at its present value in the first quarter of 2018. As of September 30, 2019, $21 million remained as an obligation in Accrued expenses and other current liabilities and Deferred credits and other liabilities on the Balance Sheets. The amount will be adjusted in the future if actual fees incurred differ from our estimates.

Sports Sponsorship/Partnership Obligations

We have agreements with certain professional sports leagues and teams, sporting event facilities and sports television networks for tickets, suites, and advertising, marketing, promotional and sponsorship opportunities. As of September 30, 2019, obligations related to these agreements were $260 million with commitments extending through 2034.

Golf Course Use Agreement

On October 6, 2017, certain golf course properties were sold to VICI and CEOC LLC entered into a golf course use agreement (the "Golf Course Use Agreement") with VICI. We recorded an obligation which represents the $10 million annual payment obligation under the Golf Course Use Agreement which exceeds the fair value of services being received. As of September 30, 2019, $144 million is recorded in Deferred credits and other liabilities.

The obligation is being amortized using the effective interest method over the term of the Golf Course Use Agreement which continues through October 2052 (assuming all extension options are exercised). Payments towards the obligation have been $3 million and $8 million, for the three and nine months ended September 30, 2019 and were $3 million and $8 million for the three and nine months ended September 30, 2018, respectively, and are reflected in Interest expense in our Statements of Operations.

Separation Agreement

On November 1, 2018, the Company announced that Mark P. Frissora, our former President and Chief Executive Officer, was leaving the Company. Subject to the terms of the separation agreement entered into between the Company and Mr. Frissora (as amended, the "Separation Agreement"), Mr. Frissora continued as President and Chief Executive Officer until his termination date of April 30, 2019. In connection with his Separation Agreement, upon his termination date, Mr. Frissora vested in all unvested equity and cash awards (with vesting of performance stock units and options remaining subject to achievement of applicable targets and options generally exercisable for two years after vesting). As a result of the separation, a total of $32 million of accelerated compensation expense was recognized through his exit date of April 30, 2019, of which an amount less than a million and $13 million was recognized during the three and nine months ended September 30, 2019, respectively.

Voluntary Severance Program

On October 10, 2019, in an effort towards achieving greater operational efficiency, the Company initiated a Voluntary Severance Program ("VSP"). The VSP was offered to non-property, US-based corporate employees in management roles, as defined by the program, excluding certain revenue focused departments. The process for eligible employees to volunteer and be accepted was completed on October 28, 2019. We expect to record severance and stock compensation charges of up to $20 million during the fourth quarter related to this program.

Contingent Liabilities

Resolution of Disputed Claims

As previously disclosed in our 2018 Annual Report, CEOC and certain of its U.S. subsidiaries (collectively, the "Debtors") emerged from bankruptcy and consummated their reorganization pursuant to their third amended joint plan of reorganization (the "Reorganization Plan") on October 6, 2017. Any unresolved claims filed in the bankruptcy cases will continue to be subject to the claims reconciliation process under the supervision of the Bankruptcy Court. The amounts submitted by claimants that remain unresolved total approximately $417 million. We estimate the fair value of these claims to be approximately $50 million as of September 30, 2019, which is based on management's estimate of the claim amounts that the Bankruptcy Court will ultimately allow and the fair value of the underlying CEC common stock and CEC Convertible Notes held in escrow for the purpose of resolving those claims.

As of September 30, 2019, approximately $48 million in cash, 8 million shares of CEC common stock, and $32 million in principal value of CEC Convertible Notes remain in the escrow trust for distribution to holders of disputed claims whose claims may ultimately become allowed. The CEC common stock and CEC Convertible Notes held in the escrow trust are treated as not outstanding in CEC's Financial Statements. We estimate that the number of shares, cash, and CEC Convertible Notes reserved is sufficient to satisfy the Debtors' obligations under the Reorganization Plan.

Caesars United Kingdom UKGC Investigation

In June 2019, the British Gambling Commission (the "Commission" or "UKGC") informed CEUK that it was initiating a license review of its British properties. The review relates to certain potential inadequacies in implementation of the CEUK Anti-Money Laundering policies and in CEUK's social responsibility policy and customer monitoring. CEC is taking all necessary steps to remedy issues identified in its own review and disclosed to the Commission. At the present time, we believe a regulatory settlement is probable and have recorded a liability of $7 million. Given the uncertainty of the review, we do not have a better estimate of

the outcome of the review or the potential settlement at this time; however, it is possible we will incur a loss that is higher than what we have recorded and the Commission may limit, condition, restrict, revoke, or suspend CEUK's licenses.

Self-Insurance

We are self-insured for workers compensation and other risk insurance, as well as health insurance. Our total estimated self-insurance liability was $175 million and $173 million, respectively, as of September 30, 2019 and December 31, 2018.

Note 9 — Debt

			September 30, 2019		December 31, 2018
(Dollars in millions)	Final Maturity	Rates	Face Value	Book Value	Book Value
Secured debt					
CRC Revolving Credit Facility	2022	variable [1]	$ —	$ —	$ 100
CRC Term Loan	2024	variable [2]	4,618	4,550	4,577
CEOC LLC Revolving Credit Facility	2022	variable [3]	—	—	—
CEOC LLC Term Loan	2024	variable [3]	1,224	1,222	1,483
Unsecured debt					
CEC Convertible Notes	2024	5.00%	1,083	1,083	1,083
CRC Notes	2025	5.25%	1,700	1,670	1,668
Special Improvement District Bonds	2037	4.30%	53	53	54
Total debt			8,678	8,578	8,965
Current portion of long-term debt			(64)	(64)	(164)
Long-term debt			$ 8,614	$ 8,514	$ 8,801
Unamortized discounts and deferred finance charges				$ 100	$ 110
Fair value			$ 8,699		

(1) *London Interbank Offered Rate ("LIBOR") plus 2.13%.*
(2) *LIBOR plus 2.75%.*
(3) *LIBOR plus 2.00%.*

Annual Estimated Debt Service Requirements as of September 30, 2019

	Remaining	Years Ended December 31,					
(In millions)	2019	2020	2021	2022	2023	Thereafter	Total
Annual maturities of long-term debt	$ 16	$ 64	$ 64	$ 64	$ 64	$ 8,406	$ 8,678
Estimated interest payments	160	440	420	390	370	460	2,240
Total debt service obligation [1]	$ 176	$ 504	$ 484	$ 454	$ 434	$ 8,866	$ 10,918

(1) *Debt principal payments are estimated amounts based on maturity dates and borrowings under our revolving credit facilities, if any. Interest payments are estimated based on the forward-looking LIBOR curve and include the estimated impact of the ten interest rate swap agreements (see Note 6). Actual payments may differ from these estimates.*

Current Portion of Long-Term Debt

The current portion of long-term debt as of September 30, 2019 and December 31, 2018 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, which each have a contractual maturity of greater than one year. Amounts borrowed, if any, under the revolving credit facilities are intended to satisfy short-term liquidity needs and would be classified as current. As of September 30, 2019, $50 million of our revolving credit facilities were committed to outstanding letters of credit.

Fair Value

The fair value of debt has been calculated primarily based on the borrowing rates available as of September 30, 2019 based on market quotes of our publicly traded debt. We classify the fair value of debt within Level 1 and Level 2 in the fair value hierarchy.

Terms of Outstanding Debt

The Company may elect, at its option, to prepay any borrowings outstanding under the CEOC LLC Credit Agreement without premium or penalty (except with respect to any break funding payments which may be payable pursuant to the terms of the CEOC LLC Credit Agreement). On September 13, 2019, we made a voluntary payment of $250 million toward the outstanding principal balance of our CEOC LLC Term Loan.

Restrictive Covenants

The CRC Credit Agreement, CEOC LLC Credit Agreement, as amended, and the indentures related to the 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 ability of CRC and certain of its subsidiaries, and CEOC LLC and certain of its subsidiaries, respectively, to (among other items) incur additional indebtedness, make investments, make restricted payments, including dividends, grant liens, sell assets and make acquisitions. The indenture related to the CEC Convertible Notes contains covenants including negative covenants, which, subject to certain exceptions, 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 senior secured leverage ratio financial covenants of 6.35:1 and 3.50:1, respectively, which are applicable solely to the extent that certain testing conditions are satisfied.

Guarantees

The borrowings under the CRC Credit Agreement and CEOC LLC Credit Agreement, as amended, are guaranteed by the material, domestic, wholly owned subsidiaries of CRC and CEOC LLC, respectively, (subject to exceptions) and substantially all of the applicable existing and future property and assets of CRC or CEOC LLC, respectively, and their respective subsidiary guarantors serve as collateral for the respective borrowings.

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.

Note 10 — Stockholders' Equity

Share Repurchase Program

On May 2, 2018, the Company announced that our Board of Directors authorized a Share Repurchase Program (the "Repurchase Program") to repurchase up to $500 million of our common stock. On August 10, 2018, the Company announced that our Board of Directors increased its share repurchase authorization to $750 million of our common stock. Repurchases may be made at the Company's discretion from time to time on the open market or in privately negotiated transactions. The Repurchase Program has no time limit, does not obligate the Company to make any repurchases, and may be suspended for periods or discontinued at any time. Any shares acquired are available for general corporate purposes. During the three and nine months ended September 30, 2018, we repurchased approximately 28 million shares and 31 million shares, respectively, for approximately $280 million and $311 million, respectively under the program recorded in Treasury stock. During the nine months ended September 30, 2019, there were no shares repurchased under the program. As of September 30, 2019, the maximum dollar value that may still be purchased under the program was $439 million.

Pursuant to the Merger Agreement, prior to the completion of the Merger or termination of the Merger Agreement, we may not, absent Eldorado's prior written consent, repurchase shares of our common stock (subject to limited exceptions related to stock options or settlement of other awards and the CEC Convertible Notes).

Note 11 — Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing the applicable income amounts by the weighted-average number of shares of common stock outstanding. Diluted EPS 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 stock.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions, except per share data)	**2019**	**2018**	**2019**	**2018**
Net income/(loss) attributable to Caesars	$ (359)	$ 110	$ (891)	$ 105
Dilutive effect of CEC Convertible Notes, net of tax	—	9	—	—
Adjusted net income/(loss) attributable to Caesars	$ (359)	$ 119	$ (891)	$ 105
Weighted-average common shares outstanding - basic	678	681	674	692
Dilutive potential common shares: Stock-based compensation awards	—	4	—	5
Dilutive potential common shares: CEC Convertible Notes	—	150	—	—
Weighted-average common shares outstanding - diluted	678	835	674	697
Basic earnings/(loss) per share	$ (0.53)	$ 0.16	$ (1.32)	$ 0.15
Diluted earnings/(loss) per share	$ (0.53)	$ 0.14	$ (1.32)	$ 0.15

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2019**	**2018**	**2019**	**2018**
Stock-based compensation awards	18	1	22	1
CEC Convertible Notes	151	—	151	150
Total anti-dilutive common stock	169	1	173	151

Note 12 — Revenue Recognition

Receivables

(In millions)	**September 30, 2019**	**December 31, 2018**
Casino	$ 184	$ 188
Food and beverage and rooms [(1)]	75	62
Entertainment and other	68	77
Contract receivables, net	327	327
Real estate leases	12	15
Other	107	115
Receivables, net	$ 446	$ 457

(1) *As a result of the adoption of ASC 842, as of January 1, 2019, revenue generated from the lease components of lodging arrangements and conventions as well as their associated receivables are no longer considered contract revenue or contract receivables under ASC 606, Revenue from Contracts with Customers. A portion of this balance relates to lease receivables under ASC 842. See Note 7 for further details.*

Contract Liabilities

(In millions)	Caesars Rewards	Customer Advance Deposits	Total
Balance as of June 30, 2019 [1]	$ 71	$ 121	$ 192
Amount recognized during the period [2]	(34)	(158)	(192)
Amount accrued during the period	41	159	200
Balance as of September 30, 2019 [3]	$ 78	$ 122	$ 200

(1) *Includes lodging arrangement and convention contract liabilities accounted for under ASC 842. See Note 7 for further details.*
(2) *Includes $5 million for Caesars Rewards and $3 million for Customer Advances recognized from the June 30, 2019 Contract liability balances.*
(3) *$8 million included within Deferred credits and other liabilities as of September 30, 2019. Includes lodging arrangement and convention contract liabilities accounted for under ASC 842. See Note 7 for further details.*

(In millions)	Caesars Rewards	Customer Advance Deposits	Total
Balance as of December 31, 2018 [1]	$ 66	$ 83	$ 149
Amount recognized during the period [2]	(99)	(457)	(556)
Amount accrued during the period	111	496	607
Balance as of September 30, 2019 [3]	$ 78	$ 122	$ 200

(1) *$5 million included within Deferred credits and other liabilities as of December 31, 2018.*
(2) *Includes $30 million for Caesars Rewards and $65 million for Customer Advances recognized from the December 31, 2018 Contract liability balances.*
(3) *$8 million included within Deferred credits and other liabilities as of September 30, 2019. Includes lodging arrangement and convention contract liabilities accounted for under ASC 842. See Note 7 for further details.*

Note 13 — Stock-Based Compensation

We maintain 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”), performance stock units (“PSUs”), market-based stock units (“MSUs”), restricted stock awards, stock grants, or a combination of awards. Forfeitures are recognized in the period in which they occur.

2017 Performance Incentive Plan (“2017 PIP”)

In 2019, the Company granted approximately 975 thousand PSUs that are scheduled to vest in three equal tranches over a three-year period. On each vesting date, recipients will receive between 0% and 200% of the granted PSUs in the form of CEC common stock based on the achievement of specified performance and service conditions. Based on the terms and conditions of the awards, the fair value of the PSUs was initially set equal to the quoted market price of our common stock on the date of grant. The grant date fair value is reassessed at each reporting date to reflect the market price of our common stock until a mutual understanding of the key terms and conditions of the awards between the Company and recipient is achieved.

Also in 2019, the Company granted approximately 703 thousand MSUs that are scheduled to cliff vest in three years. On the vesting date, recipients will receive between 0% and 200% of the granted MSUs in the form of CEC common stock based on the achievement of specified market and service conditions. Based on the terms and conditions of the awards, the grant date fair value of the MSUs was determined using a Monte-Carlo simulation model. Key assumptions for the Monte-Carlo simulation model are the risk-free interest rate, expected volatility, expected dividends and correlation coefficient. The effect of market conditions is considered in determining the grant date fair value, which is not subsequently revised based on actual performance.

Composition of Stock-Based Compensation Expense

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2019**	**2018**	**2019**	**2018**
Corporate expense	$ 15	$ 13	$ 48	$ 41
Property, general, administrative, and other	4	4	14	14
Total stock-based compensation expense	$ 19	$ 17	$ 62	$ 55

Outstanding at End of Period

	September 30, 2019		December 31, 2018	
	Quantity	**Wtd-Avg [1]**	**Quantity**	**Wtd-Avg [1]**
Stock options [2]	3,398,272	$ 13.68	8,360,365	$ 10.63
Restricted stock units [3]	11,335,211	11.12	13,455,092	11.51
Performance stock units [4]	1,574,182	11.66	1,466,183	6.79
Market-based stock units [5]	482,459	12.63	—	—

[1] *Represents weighted-average exercise price for stock options, weighted-average grant date fair value for RSUs, the price of CEC common stock as of the balance sheet date until a grant date is achieved for PSUs and the fair value of the MSUs determined using the Monte-Carlo simulation model.*
[2] *During the nine months ended September 30, 2019, there were no grants of stock options and 4.8 million stock options were exercised.*
[3] *During the nine months ended September 30, 2019, 5.2 million RSUs were granted under the 2017 PIP and 5.2 million RSUs vested.*
[4] *During the nine months ended September 30, 2019, 975 thousand PSUs were granted under the 2017 PIP and 549 thousand PSUs vested.*
[5] *During the nine months ended September 30, 2019, 703 thousand MSUs were granted under the 2017 PIP and 35 thousand MSUs vested.*

Note 14 — Income Taxes

Income Tax Allocation

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in millions)	**2019**	**2018**	**2019**	**2018**
Loss before income taxes	$ (382)	$ —	$ (1,004)	$ (28)
Income tax benefit	$ 22	$ 111	$ 111	$ 134
Effective tax rate	5.8%	*	11.1%	478.6%

* *Not meaningful.*

We classify reserves for tax uncertainties within Deferred credits and other liabilities on the Balance Sheets separate from any related income tax payable, which is also reported within Accrued expenses and other current liabilities, 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.

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. We have provided a valuation allowance on certain federal, state, and foreign deferred tax assets that were not deemed realizable based upon estimates of future taxable income.

The income tax benefit for the three and nine months ended September 30, 2019 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to losses from continuing operations not tax benefitted and nondeductible expenses. The income tax benefit for the nine months ended September 30, 2019 also differed from the expected income tax benefit based on the federal tax rate of 21% due to state deferred tax expense from the election to treat one of CEOC LLC's subsidiaries as a corporation for federal and state income tax purposes, which was effective January 1, 2019.

The income tax benefit for the three and nine months ended September 30, 2018 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to the deferred tax benefit from the partial release of the federal valuation

allowance upon the acquisition of Centaur Holdings, LLC and the deferred tax benefit from revisions to the estimated deferred tax balances as of December 31, 2017 as a result of 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) (the "Tax Act") offset by losses not tax benefitted and nondeductible expenses.

In January 2019, we adopted ASU 2018-02 *Income Statement—Reporting Comprehensive Income (Topic 220)*, which allows for a reclassification from accumulated other comprehensive income to retained earnings effectively eliminating the stranded tax effects resulting from the Tax Act. The adoption of this standard had no effect on our financial statements.

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 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.

Note 15 — Related Party Transactions

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2019**	**2018**	**2019**	**2018**
Transactions with Horseshoe Baltimore				
Management fees	$ 2	$ 2	$ 7	$ 7
Allocated expenses	2	1	5	4

Transactions with Horseshoe Baltimore

As of September 30, 2019, our investment in Horseshoe Baltimore was 44.3% and was held as an equity method investment and considered to be a related party. These related party transactions include items such as casino management fees and the allocation of other general corporate expenses. A summary of the transactions with Horseshoe Baltimore is provided in the table above.

Due from/to Affiliates

Amounts due from or to affiliates for each counterparty represent the net receivable or payable as of the end of the reporting period primarily resulting from the transactions described above and are settled on a net basis by each counterparty in accordance with the legal and contractual restrictions governing transactions by and among Caesars' consolidated entities.

As of September 30, 2019 and December 31, 2018, Due from affiliates, net was $22 million and $6 million, respectively, and represented transactions with Horseshoe Baltimore.

Note 16 — Segment Reporting

We view each property as an operating segment and aggregate such 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.

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. We recast previously reported segment amounts to conform to the way management assesses results and allocates resources for the current year. Net revenues are presented disaggregated by category for contract revenues separate from other revenues by segment.

"All Other" includes managed, international and other properties as well as parent and other adjustments to reconcile to consolidated Caesars results.

Condensed Statements of Operations - By Segment

	Three Months Ended September 30, 2019				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Casino	$ 292	$ 781	$ 58	$ —	$ 1,131
Food and beverage [(1)]	250	156	5	—	411
Rooms [(1)]	284	123	2	—	409
Management fees	—	—	16	(1)	15
Reimbursed management costs	—	1	52	—	53
Entertainment and other	113	54	11	(1)	177
Total contract revenues	939	1,115	144	(2)	2,196
Real estate leases [(2)]	34	4	—	—	38
Other revenues	—	—	2	—	2
Net revenues	$ 973	$ 1,119	$ 146	$ (2)	$ 2,236
Depreciation and amortization	$ 121	$ 103	$ 31	$ —	$ 255
Income/(loss) from operations	(155)	194	(107)	—	(68)
Interest expense	(82)	(143)	(116)	—	(341)
Other income/(loss) [(3)]	—	(2)	29	—	27
Income tax benefit [(4)]	—	—	22	—	22

	Three Months Ended September 30, 2018				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Casino	$ 249	$ 789	$ 64	$ —	$ 1,102
Food and beverage	244	158	6	—	408
Rooms	271	124	—	—	395
Management fees	—	(2)	18	—	16
Reimbursed management costs	—	1	50	—	51
Entertainment and other	106	52	12	(2)	168
Total contract revenues	870	1,122	150	(2)	2,140
Other revenues	40	3	2	—	45
Net revenues	$ 910	$ 1,125	$ 152	$ (2)	$ 2,185
Depreciation and amortization	$ 149	$ 129	$ 17	$ —	$ 295
Income/(loss) from operations	141	172	(81)	—	232
Interest expense	(87)	(137)	(117)	—	(341)
Other income [(3)]	4	—	105	—	109
Income tax benefit [(4)]	—	—	111	—	111

Condensed Statements of Operations - By Segment

	Nine Months Ended September 30, 2019				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Casino	$ 858	$ 2,293	$ 189	$ —	$ 3,340
Food and beverage [(1)]	765	434	17	—	1,216
Rooms [(1)]	884	315	3	—	1,202
Management fees	—	—	46	(1)	45
Reimbursed management costs	—	2	157	—	159
Entertainment and other	318	141	37	(3)	493
Total contract revenues	2,825	3,185	449	(4)	6,455
Real estate leases [(2)]	105	8	1	—	114
Other revenues	—	—	4	—	4
Net revenues	$ 2,930	$ 3,193	$ 454	$ (4)	$ 6,573
Depreciation and amortization	$ 368	$ 312	$ 63	$ —	$ 743
Income/(loss) from operations	336	468	(363)	—	441
Interest expense	(248)	(428)	(357)	—	(1,033)
Other income/(loss) [(3)]	2	(1)	(413)	—	(412)
Income tax benefit [(4)]	—	—	111	—	111

	Nine Months Ended September 30, 2018				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Casino	$ 817	$ 2,143	$ 187	$ —	$ 3,147
Food and beverage	731	431	20	—	1,182
Rooms	833	315	2	—	1,150
Management fees	—	—	49	(3)	46
Reimbursed management costs	—	2	149	—	151
Entertainment and other	312	134	35	(4)	477
Total contract revenues	2,693	3,025	442	(7)	6,153
Other revenues	111	8	4	—	123
Net revenues	$ 2,804	$ 3,033	$ 446	$ (7)	$ 6,276
Depreciation and amortization	$ 423	$ 371	$ 49	$ —	$ 843
Income/(loss) from operations	535	389	(285)	—	639
Interest expense	(245)	(414)	(346)	—	(1,005)
Other income [3]	4	2	332	—	338
Income tax benefit [4]	—	—	134	—	134

[1] *As a result of the adoption of ASC 842, as of January 1, 2019, revenue generated from the lease components of lodging arrangements and conventions are no longer considered contract revenue under ASC 606, Revenue from Contracts with Customers. A portion of these balances relate to lease revenues under ASC 842. See Note 7 for further details.*

[2] *Real estate leases revenue includes $13 million and $42 million of variable rental income for the three and nine months ended September 30, 2019, respectively.*

[3] *Amounts include changes in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes and the disputed claims liability as well as interest and dividend income.*

[4] *Taxes are recorded at the consolidated level and not estimated or recorded to our Las Vegas and Other U.S. segments.*

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, and (iv) certain items that we do not consider indicative of its ongoing operating performance at an operating property level. Included in Adjusted EBITDA is property rent expense of $3 million and $9 million for the three and nine months ended September 30, 2019, respectively, related to certain land parcels leased from VICI.

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.

	Three Months Ended September 30, 2019				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Net income/(loss) attributable to Caesars	$ (237)	$ 49	$ (171)	$ —	$ (359)
Net loss attributable to noncontrolling interests	—	—	(1)	—	(1)
Income tax benefit [(1)]	—	—	(22)	—	(22)
Other (income)/loss [(2)]	—	2	(29)	—	(27)
Interest expense	82	143	116	—	341
Depreciation and amortization	121	103	31	—	255
Impairment of tangible and other intangible assets	380	—	—	—	380
Other operating costs [(3)]	7	4	22	—	33
Stock-based compensation expense	2	2	15	—	19
Other items [(4)]	1	—	15	—	16
Adjusted EBITDA	$ 356	$ 303	$ (24)	$ —	$ 635

	Three Months Ended September 30, 2018				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Net income attributable to Caesars	$ 58	$ 35	$ 17	$ —	$ 110
Net income attributable to noncontrolling interests	—	—	1	—	1
Income tax benefit [(1)]	—	—	(111)	—	(111)
Other income [(2)]	(4)	—	(105)	—	(109)
Interest expense	87	137	117	—	341
Depreciation and amortization	149	129	17	—	295
Other operating costs [(3)]	13	6	11	(1)	29
Stock-based compensation expense	2	2	13	—	17
Other items [(4)]	2	1	23	1	27
Adjusted EBITDA	$ 307	$ 310	$ (17)	$ —	$ 600

	Nine Months Ended September 30, 2019				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Net income/(loss) attributable to Caesars	$ 90	$ 39	$ (1,020)	$ —	$ (891)
Net loss attributable to noncontrolling interests	—	—	(2)	—	(2)
Income tax benefit [(1)]	—	—	(111)	—	(111)
Other (income)/loss [(2)]	(2)	1	413	—	412
Interest expense	248	428	357	—	1,033
Depreciation and amortization	368	312	63	—	743
Impairment of tangible and other intangible assets	380	—	50	—	430
Other operating costs [(3)]	12	16	58	—	86
Stock-based compensation expense	6	7	49	—	62
Other items [(4)]	3	2	55	—	60
Adjusted EBITDA	$ 1,105	$ 805	$ (88)	$ —	$ 1,822

	Nine Months Ended September 30, 2018				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Net income/(loss) attributable to Caesars	$ 294	$ (24)	$ (165)	$ —	$ 105
Net income attributable to noncontrolling interests	—	1	—	—	1
Income tax benefit [(1)]	—	—	(134)	—	(134)
Other income [(2)]	(4)	(2)	(332)	—	(338)
Interest expense	245	414	346	—	1,005
Depreciation and amortization	423	371	49	—	843
Other operating costs [(3)]	42	13	73	—	128
Stock-based compensation expense	6	7	42	—	55
Other items [(4)]	5	4	67	—	76
Adjusted EBITDA	$ 1,011	$ 784	$ (54)	$ —	$ 1,741

(1) *Taxes are recorded at the consolidated level and not estimated or recorded to our Las Vegas and Other U.S. segments.*
(2) *Amounts include changes in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes and the disputed claims liability as well as interest and dividend income.*
(3) *Amounts primarily represent costs incurred in connection with development activities and reorganization activities, and/or recoveries associated with such items, including acquisition and integration costs, contract exit fees including exiting the fully bundled sales system of NV Energy for electric service at our Nevada properties, lease termination costs (2018 only), weather related property closure costs, severance costs, gains and losses on asset sales, demolition costs primarily at our Las Vegas properties for renovations, and project opening costs.*
(4) *Amounts include other add-backs and deductions to arrive at Adjusted EBITDA but not separately identified such as professional and consulting services, sign-on and retention bonuses, business optimization expenses and transformation expenses, severance and relocation costs, litigation awards and settlements.*

Condensed Balance Sheets - By Segment

	September 30, 2019				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Total assets	$ 13,567	$ 8,627	$ 6,411	$ (3,130)	$ 25,475
Total liabilities	5,799	5,785	11,434	(10)	23,008

	December 31, 2018				
(In millions)	**Las Vegas**	**Other U.S.**	**All Other**	**Elimination**	**Caesars**
Total assets	$ 13,987	$ 8,565	$ 6,046	$ (2,823)	$ 25,775
Total liabilities	5,730	5,143	11,267	297	22,437

Item 2. 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 Condensed Financial Statements as our "Financial Statements," (ii) our Consolidated Condensed Balance Sheets as our "Balance Sheets," (iii) our Consolidated Condensed Statements of Operations and Comprehensive Income/(Loss) as our "Statements of Operations," and (iv) our Consolidated Condensed Statements of Cash Flows as our "Statements of Cash Flows." References to numbered "Notes" refer to Notes to Consolidated Condensed Financial Statements included in Item s1, "Unaudited Financial Statements."

The following discussion and analysis of the financial position and operating results of Caesars Entertainment for the three and nine months ended September 30, 2019 and 2018 should be read in conjunction with the unaudited consolidated condensed financial statements and the notes thereto and other financial information included elsewhere in this Form 10-Q as well as Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") presented in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 ("2018 Annual Report"). Capitalized terms used but not defined in this Form 10-Q have the same meanings as in the 2018 Annual Report.

The statements in this discussion regarding our expectations of 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 "CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS" below in this report.

Overview

We view each property as an operating segment and aggregate such 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. The way Caesars management assesses results and allocates resources is aligned with these segments.

Summary of Significant Events

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

Proposed Merger of Caesars Entertainment Corporation with Eldorado Resorts, Inc.

On June 24, 2019, Caesars, Eldorado Resorts, Inc., a Nevada corporation ("Eldorado"), and Colt Merger Sub, Inc., a Delaware corporation and a direct wholly owned subsidiary of Eldorado ("Merger Sub"), entered into an Agreement and Plan of Merger, as amended on August 15, 2019 (the "Merger Agreement"), pursuant to which, on the terms and subject to the conditions set forth therein, Merger Sub will merge with and into Caesars (the "Merger"), with Caesars surviving the Merger as a direct wholly owned subsidiary of Eldorado. The transaction is expected to close in the first half of 2020, subject to all required regulatory approvals. In connection with the Merger, Eldorado will change its name to Caesars Entertainment, Inc., subject to stockholder approval. See Note 1.

The pending Merger may have significant effects on us, including, among others, the significant diversion of management and employee attention from ordinary course matters. For a more extensive discussion of those and other possible effects, please refer to "Risk Factors" in Part II, Item 1A of this report.

Rio All-Suite Hotel & Casino Disposition

On September 20, 2019, Rio Properties, LLC, a subsidiary of CEC, entered into a Purchase and Sale Agreement and Joint Escrow Instructions with a company controlled by a principal of Imperial Companies LLC ("Imperial"), for certain assets of Rio All-Suite Hotel & Casino ("Rio") for total proceeds of approximately $516 million with an option to use seller financing of $40 million. The transaction is expected to close in the fourth quarter of 2019, subject to other customary closing conditions. Upon closing, we will lease the property from Imperial for an initial term of two years at an annual rent amount of approximately $45 million and continue to operate the property subject to the terms and conditions of the lease. We have classified the assets as held for sale and recorded an impairment charge of $380 million, which includes $6 million related to selling costs, during the quarter ended September 30, 2019 as the carrying value was higher than fair value. See Note 2.

Adoption of New Lease Accounting Standard

On January 1, 2019, we adopted the new accounting standard Accounting Standards Update 2016-02, *Leases (Topic 842)*, and all related amendments. See Note 7 for additional information and details on the effects of adopting the new standard.

Failed Sale-Leaseback Financing Obligations

As previously disclosed in our 2018 Annual Report, our leases with VICI Properties Inc. and/or its subsidiaries (collectively, "VICI") were evaluated as a sale-leaseback of real estate, and we determined that these transactions did not qualify for sale-leaseback accounting. The amount recognized for depreciation expense and interest expense substantially exceeds our periodic rental payments, for most of our leases with VICI, as a result of the majority of the failed sale-leaseback obligations being initially recognized at an amount equal to the fair value of the leased properties when one of our subsidiaries emerged from bankruptcy. The table below presents the activity for the periods.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2019**	**2018**	**2019**	**2018**
Depreciation expense	$ 118	$ 125	$ 340	$ 375
Interest expense	225	222	673	654
Rental payments [(1)]	196	129	547	492

[(1)] *Reflects cash paid for interest and principal related to our failed sale-leaseback financing obligations. An additional $140 million and $171 million were accrued, but not paid, during the nine months ended September 30, 2019 and 2018, respectively.*

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

	Three Months Ended September 30,		Fav/(Unfav)		Nine Months Ended September 30,		Fav/(Unfav)	
(Dollars in millions)	**2019**	**2018**	**$**	**%**	**2019**	**2018**	**$**	**%**
Net revenues	$ 2,236	$ 2,185	$ 51	2.3 %	$ 6,573	$ 6,276	$ 297	4.7 %
Income/(loss) from operations	(68)	232	(300)	*	441	639	(198)	(31.0)%
Interest expense	(341)	(341)	—	— %	(1,033)	(1,005)	(28)	(2.8)%
Other income/(loss)	27	109	(82)	(75.2)%	(412)	338	(750)	*
Net income/(loss)	(360)	111	(471)	*	(893)	106	(999)	*
Net income/(loss) attributable to Caesars	(359)	110	(469)	*	(891)	105	(996)	*
Adjusted EBITDA [(1)]	635	600	35	5.8 %	1,822	1,741	81	4.7 %
Operating margin [(2)]	(3.0)%	10.6%	—	(13.6) pts	6.7%	10.2%	—	(3.5) pts

* *Not meaningful.*

(1) *See the "Reconciliation of Non-GAAP Financial Measures" discussion later in this MD&A for a reconciliation of Adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA").*

(2) *Operating margin is calculated as income/(loss) 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 properties, revenue from company-operated retail stores, revenue from parking, and revenue from our entertainment venues, including The High Roller observation wheel. Our remaining revenues are generated from revenue earned from our casino management service fees and reimbursed management costs charged to third parties.

Net Revenues - Consolidated

	Three Months Ended September 30,		Fav/(Unfav)		Nine Months Ended September 30,		Fav/(Unfav)	
(Dollars in millions)	**2019**	**2018**	**$**	**%**	**2019**	**2018**	**$**	**%**
Casino	$ 1,131	$ 1,102	$ 29	2.6 %	$ 3,340	$ 3,147	$ 193	6.1 %
Food and beverage	411	408	3	0.7 %	1,216	1,182	34	2.9 %
Rooms	409	395	14	3.5 %	1,202	1,150	52	4.5 %
Other revenue	217	213	4	1.9 %	611	600	11	1.8 %
Management fees	15	16	(1)	(6.3)%	45	46	(1)	(2.2)%
Reimbursed management costs	53	51	2	3.9 %	159	151	8	5.3 %
Net revenues	$ 2,236	$ 2,185	$ 51	2.3 %	$ 6,573	$ 6,276	$ 297	4.7 %

Complimentaries

As part of our normal business operations, we often provide lodging, transportation, food and beverage, entertainment and other goods and services to our customers at no additional charge. Alternatively, Caesars Rewards (our customer loyalty program) Reward Credits can be redeemed for these services. Both are considered complimentaries. Such complimentaries are provided in

conjunction with other revenue-earning activities and are generally provided to encourage additional customer spending on those activities. The table below represents the amounts recorded within net revenues above relating to these complimentaries.

Retail Value of Complimentaries

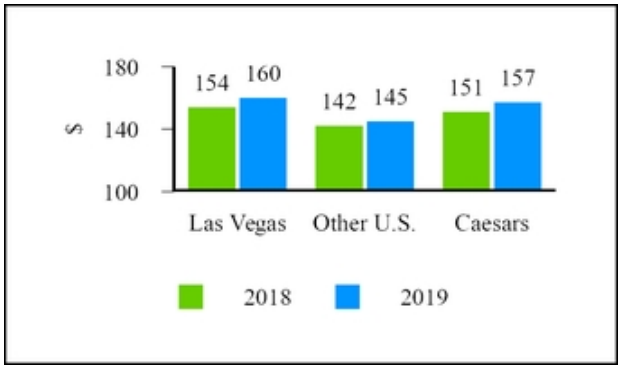
	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2019**	**2018**	**2019**	**2018**
Food and beverage	$ 149	$ 146	$ 441	$ 438
Rooms	132	133	371	359
Other	31	16	84	46
Total complimentaries	$ 312	$ 295	$ 896	$ 843

Net Revenues - Segment

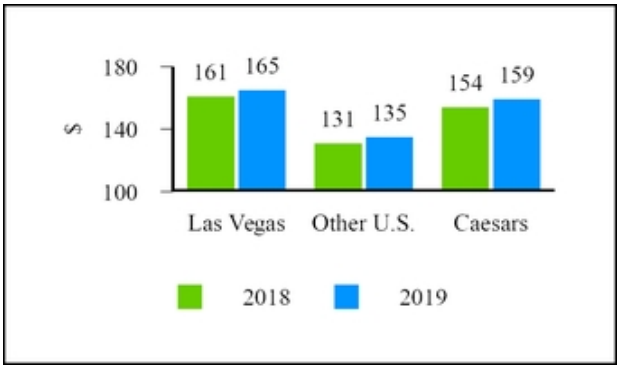
	Three Months Ended September 30,		Fav/(Unfav)		Nine Months Ended September 30,		Fav/(Unfav)	
(Dollars in millions)	**2019**	**2018**	**$**	**%**	**2019**	**2018**	**$**	**%**
Las Vegas	$ 973	$ 910	$ 63	6.9 %	$ 2,930	$ 2,804	$ 126	4.5%
Other U.S.	1,119	1,125	(6)	(0.5)%	3,193	3,033	160	5.3%
All Other	144	150	(6)	(4.0)%	450	439	11	2.5%
Net revenues	$ 2,236	$ 2,185	$ 51	2.3 %	$ 6,573	$ 6,276	$ 297	4.7%

Cash ADR [(1)]

Three Months Ended September 30, 2019 versus 2018



Nine Months Ended September 30, 2019 versus 2018



(1) *Cash average daily rate ("cash ADR") is a key indicator by which we evaluate the performance of our properties and is determined by rooms revenues and rooms occupied.*

Three Months Ended September 30, 2019 vs. 2018

Net revenue increased $51 million, or 2.3%, in 2019 compared with 2018 primarily due to the following:

- Casino revenues increased $8 million in 2019 compared with 2018, excluding Centaur Holdings, LLC ("Centaur"), primarily due to a $43 million increase from higher gaming volumes and favorable hold in our Las Vegas segment. This increase was offset by a decrease of $29 million in the Other U.S. segment primarily due to increased competition and unfavorable hold in Atlantic City, increased competition and construction disruption from moving our casino from a boat to land in Southern Indiana and the closure of the Tunica Roadhouse property and a decrease of $6 million in our All Other segment from lower gaming volumes at our Caesars Entertainment UK ("CEUK") properties.
- Additional net revenue of $24 million in the Other U.S. segment associated with an extra half month of operations with the acquisition of Centaur on July 16, 2018.
- Rooms revenues increased $14 million in 2019 compared with 2018 primarily due to an increase in occupancy rates and increased ADR from higher room prices in the Las Vegas region.

Nine Months Ended September 30, 2019 vs. 2018

Net revenue increased $297 million, or 4.7%, in 2019 compared with 2018 primarily due to the following:

- Additional net revenue of $281 million associated with an extra six and a half months of operations with the acquisition of Centaur.
- Rooms revenues increased $52 million in 2019 compared with 2018 primarily due to an increase in occupancy rates and increased ADR from higher resort fees during 2019 in the Las Vegas region.
- Food and beverage revenues, excluding Centaur, increased $17 million in 2019 compared with 2018 primarily due to higher occupancy rates, newly opened food and beverage outlets in 2019 and increased revenues from venues opened in 2018 in the Las Vegas region.
- Offsetting the increases was a decline in Casino revenues, excluding Centaur, of $64 million in 2019 compared with 2018 primarily due to a decrease of $107 million in our Other U.S. segment. The decrease was largely due to lower gaming volume and increased competition in Atlantic City and inclement weather across some of our properties, which resulted in prolonged closures at certain properties. An increase of $41 million in our Las Vegas segment from higher gaming volumes and favorable hold eased the decline in Casino revenues.

Analysis of Key Drivers of Income from Operations Performance

Income/(Loss) from Operations by Category - Consolidated

	Three Months Ended September 30,		Fav/(Unfav)		Nine Months Ended September 30,		Fav/(Unfav)	
(Dollars in millions)	**2019**	**2018**	**$**	**%**	**2019**	**2018**	**$**	**%**
Net revenues	$ 2,236	$ 2,185	$ 51	2.3 %	$ 6,573	$ 6,276	$ 297	4.7 %
Operating expenses								
Casino	636	623	(13)	(2.1)%	1,887	1,750	(137)	(7.8)%
Food and beverage	283	281	(2)	(0.7)%	833	816	(17)	(2.1)%
Rooms	125	121	(4)	(3.3)%	364	355	(9)	(2.5)%
Property, general, administrative, and other	477	474	(3)	(0.6)%	1,404	1,357	(47)	(3.5)%
Reimbursable management costs	53	51	(2)	(3.9)%	159	151	(8)	(5.3)%
Depreciation and amortization	255	295	40	13.6 %	743	843	100	11.9 %
Impairment of tangible and other intangible assets	380	—	(380)	(100.0)%	430	—	(430)	(100.0)%
Corporate expense	62	79	17	21.5 %	226	237	11	4.6 %
Other operating costs	33	29	(4)	(13.8)%	86	128	42	32.8 %
Total operating expenses	2,304	1,953	(351)	(18.0)%	6,132	5,637	(495)	(8.8)%
Income/(loss) from operations	$ (68)	$ 232	$ (300)	*	$ 441	$ 639	$ (198)	(31.0)%

Income/(Loss) from Operations - Segment

(Dollars in millions)	Three Months Ended September 30, 2019	2018	Fav/(Unfav) $	%	Nine Months Ended September 30, 2019	2018	Fav/(Unfav) $	%
Las Vegas	$ (155)	$ 141	$ (296)	*	$ 336	$ 535	$ (199)	(37.2)%
Other U.S.	194	172	22	12.8 %	468	389	79	20.3 %
All Other	(107)	(81)	(26)	(32.1)%	(363)	(285)	(78)	(27.4)%
Income/(loss) from operations	$ (68)	$ 232	$ (300)	*	$ 441	$ 639	$ (198)	(31.0)%

Three Months Ended September 30, 2019 vs. 2018

Income/(loss) from operations decreased $300 million to a loss of $68 million in 2019 compared with income of $232 million in 2018 primarily due to the following:

- An increase in operating expenses of $351 million in 2019 compared with 2018 primarily due to the following:
  - Impairment of tangible and other intangible assets increased by $380 million due to the recognition of impairment charges in 2019 related to land and buildings at Rio as the carrying value was higher than the fair value, which was determined by a valuation based on comparable assets, and the allocated purchase price. See Note 2.
  - $19 million of additional operating expenses in 2019 in the Other U.S. segment associated with an extra half month of operations of Centaur.
  - The increases were partially offset by a decrease in depreciation and amortization of $43 million, excluding Centaur, primarily due to disposals of property and equipment and accelerated depreciation in the third quarter of 2018 related to certain renovation projects in the prior year.
- The increase in operating expenses was partially offset by a $51 million increase in net revenues in 2019 compared with 2018, as explained above.

Nine Months Ended September 30, 2019 vs. 2018

Income from operations decreased $198 million, or 31.0%, in 2019 compared with 2018 primarily due to the following:

- An increase in operating expenses of $495 million in 2019 compared with 2018 primarily due to the following:
  - Impairment of tangible and other intangible assets increased by $430 million due to the recognition of impairment charges in 2019 related to land and buildings at Rio, described above, and gaming rights at our CEUK properties. Property, general, administrative, and other increased by $11 million, excluding Centaur, in 2019 due to higher costs in support of our technology infrastructure and expenses related to our sports partnerships (see Note 8).
  - Higher operating expenses of $217 million resulting from our acquisition of Centaur in 2018.
  - The increases were partially offset by a decrease of $125 million of depreciation and amortization, excluding Centaur, primarily due to disposals of property and equipment and accelerated depreciation related to renovation projects in 2018.
  - The increases were also partially offset by a decrease of $42 million in Other operating costs primarily as a result of nonrecurring charges in 2018 of $27 million recognized for the termination of NV Energy utility contracts, $20 million in lease termination costs, and a $9 million loss on asset sales. These costs were partially offset by an increase in professional service costs related to the Merger of $22 million in 2019, slightly offset by acquisition costs related to Centaur of $13 million in 2018.
- The increase in operating expenses was partially offset by a $297 million increase in net revenues in 2019 compared with 2018 as explained above.

Other Factors Affecting Net Income/(Loss)

Other Factors Affecting Net Income/(Loss) - Consolidated

	Three Months Ended September 30,		Fav/(Unfav)		Nine Months Ended September 30,		Fav/(Unfav)	
(Dollars in millions)	**2019**	**2018**	**$**	**%**	**2019**	**2018**	**$**	**%**
Interest expense	$ (341)	$ (341)	$ —	— %	$ (1,033)	$ (1,005)	$ (28)	(2.8)%
Other income/(loss)	27	109	(82)	(75.2)%	(412)	338	(750)	*
Income tax benefit	22	111	(89)	(80.2)%	111	134	(23)	(17.2)%

* *Not meaningful.*

Interest Expense

	Three Months Ended September 30,		Fav/(Unfav)		Nine Months Ended September 30,		Fav/(Unfav)	
(Dollars in millions)	**2019**	**2018**	**$**	**%**	**2019**	**2018**	**$**	**%**
Failed sale-leasebacks	$ 225	$ 222	$ (3)	(1.4)%	$ 673	$ 654	$ (19)	(2.9)%
CEOC LLC Term Loan	14	16	2	12.5 %	48	48	—	— %
Golf Course Use Agreement	3	3	—	— %	8	8	—	— %
CRC Term Loan	59	57	(2)	(3.5)%	180	164	(16)	(9.8)%
CRC Notes	26	25	(1)	(4.0)%	75	72	(3)	(4.2)%
CEC Convertible Notes	14	12	(2)	(16.7)%	42	40	(2)	(5.0)%
Other interest expense	—	6	6	100.0 %	7	19	12	63.2 %
Total interest expense	$ 341	$ 341	$ —	— %	$ 1,033	$ 1,005	$ (28)	(2.8)%

Interest expense remained consistent for the three months ended September 30, 2019 compared with the same period in 2018.

Interest expense increased $28 million, or 2.8%, for the nine months ended September 30, 2019 compared with the same period in 2018 primarily due to the following:

- Failed sale-leaseback interest expense increased $19 million primarily as a result of the failed sale-leaseback financing obligations established for Octavius Tower at Caesars Palace and Harrah's Philadelphia Casino and Racetrack, which were sold to VICI in the second half of 2018.
- Increase in the floating London Interbank Offered Rate ("LIBOR") contributed to the CRC Term Loan interest expense increase of $16 million.

Other Income/(Loss)

For the three and nine months ended September 30, 2018, other income primarily relates to a gain of $97 million and $282 million, respectively, due to a change in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes and a gain of $13 million and $39 million, respectively, due to a change in the fair value of the disputed claims liability related to the CEC Convertible Notes and CEC common stock estimated to be used to settle those claims (see Note 6 for further details).

For the three and nine months ended September 30, 2019, Other income/(loss) primarily relates to a gain of $26 million and loss of $434 million, respectively, due to a change in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes and a gain of $1 million and loss of $14 million, respectively, due to a change in the fair value of the disputed claims liability related to the CEC Convertible Notes and CEC common stock estimated to be used to settle those claims. For the nine months ended September 30, 2019, these losses were partially offset by other income of $16 million in insurance claim recoveries associated with Caesars Entertainment Operating Company Inc.'s emergence from bankruptcy and dividend and interest income of $4 million and $12 million related to investments for the three and nine months ended September 30, 2019, respectively.

Income Tax Benefit

For the three months ended September 30, 2019 and 2018, the income tax benefit was a benefit of $22 million and $111 million, respectively. For the nine months ended September 30, 2019 and 2018, the income tax benefit was a benefit of $111 million and $134 million, respectively. The income tax benefit for the three and nine months ended September 30, 2019 differed from the

expected income tax benefit based on the federal tax rate of 21% primarily due to losses from continuing operations not tax benefitted, nondeductible expenses and state deferred tax expense from the election to treat one of our subsidiaries as a corporation for federal and state income tax purposes. This election was effective January 1, 2019. The income tax benefit for the three and nine months ended September 30, 2018 differed from the expected federal tax rate of 21% primarily due to the deferred tax benefit from revisions to the estimated deferred tax balances as of December 31, 2017 as a result of 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) offset by losses not tax benefitted and nondeductible expenses. See Note 14 for additional information.

Reconciliation of Non-GAAP Financial Measures

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, and (iv) certain items that we do not consider indicative of its ongoing operating performance at an operating property level. Included in Adjusted EBITDA is property rent expense of $3 million and $9 million for the three and nine months ended September 30, 2019, respectively, related to certain land parcels leased from VICI.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In millions)	**2019**	**2018**	**2019**	**2018**
Net income/(loss) attributable to Caesars	$ (359)	$ 110	$ (891)	$ 105
Net income/(loss) attributable to noncontrolling interests	(1)	1	(2)	1
Income tax benefit	(22)	(111)	(111)	(134)
Other (income)/loss [(1)]	(27)	(109)	412	(338)
Interest expense	341	341	1,033	1,005
Depreciation and amortization	255	295	743	843
Impairment of tangible and other intangible assets	380	—	430	—
Other operating costs [(2)]	33	29	86	128
Stock-based compensation expense	19	17	62	55
Other items [(3)]	16	27	60	76
Adjusted EBITDA	$ 635	$ 600	$ 1,822	$ 1,741

(1) *Amounts include changes in fair value of the derivative liability related to the conversion option of the CEC Convertible Notes and the disputed claims liability as well as interest and dividend income.*

(2) *Amounts primarily represent costs incurred in connection with development activities and reorganization activities, and/or recoveries associated with such items, including acquisition and integration costs, contract exit fees including exiting the fully bundled sales system of NV Energy for electric service at our Nevada properties, lease termination costs, weather related property closure costs, severance costs, gains and losses on asset sales, demolition costs primarily at our Las Vegas properties for renovations, and project opening costs.*

(3) *Amounts include other add-backs and deductions to arrive at Adjusted EBITDA but not separately identified such as professional and consulting services, sign-on and retention bonuses, business optimization expenses and transformation expenses, severance and relocation costs, litigation awards and settlements.*

Segment Adjusted EBITDA [1]

(Dollars in millions)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Fav/(Unfav) $	Fav/(Unfav) %	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018	Fav/(Unfav) $	Fav/(Unfav) %
Las Vegas	$ 356	$ 307	$ 49	16.0 %	$ 1,105	$ 1,011	$ 94	9.3 %
Other U.S.	303	310	(7)	(2.3)%	805	784	21	2.7 %
All Other	(24)	(17)	(7)	(41.2)%	(88)	(54)	(34)	(63.0)%
Adjusted EBITDA	$ 635	$ 600	$ 35	5.8 %	$ 1,822	$ 1,741	$ 81	4.7 %

[1] *See reconciliation of Net income/(loss) attributable to Caesars to Adjusted EBITDA by segment in Note 16.*

Liquidity and Capital Resources

Liquidity Discussion and Analysis

CEC has no requirement to fund the operations of its subsidiaries Caesars Resort Collection, LLC ("CRC"), CEOC, LLC ("CEOC LLC"), or their subsidiaries; however, the payment of all monetary obligations under CEOC LLC's leases with VICI is guaranteed by CEC. CEC cash outflows are primarily used for corporate development opportunities, other corporate-level activity and litigation. 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 September 30, 2019, as shown in the table below, includes amounts held by CRC and CEOC LLC, which are not readily available to CEC. Other primarily includes $140 million in cash at CEC (the parent holding company), $126 million related to insurance captives, and $64 million related to the casino resort project in Incheon, South Korea (see Note 2).

Summary of Cash and Revolver Capacity

(In millions)	September 30, 2019 CRC	CEOC LLC	Other	Caesars
Cash and cash equivalents	$ 404	$ 479	$ 430	$ 1,313
Revolver capacity	1,000	200	—	1,200
Revolver capacity committed to letters of credit	(10)	(40)	—	(50)
Total	$ 1,394	$ 639	$ 430	$ 2,463

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 9). Operating cash inflows are typically used for operating expenses, debt service costs, lease payments and working capital needs. 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 nine months ended September 30, 2019, our operating activities yielded consolidated operating cash inflows of $865 million, which is an increase of $173 million from the nine months ended September 30, 2018 primarily due to favorable changes in working capital. 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 during the next 12 months. However, if needed, our existing cash and cash equivalents and 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.

During the nine months ended September 30, 2019, we paid $853 million in interest, which includes $313 million of interest associated with our debt and $540 million of interest related to our financing obligations and the Golf Course Use Agreement. Our capital expenditures were $618 million during the nine months ended September 30, 2019 in support of our ongoing property renovations and developments. See "Capital Spending and Development" below.

On September 13, 2019, we made a voluntary payment of $250 million toward the outstanding principal balance of our CEOC LLC Term Loan.

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 and Lease-Related Obligations

As noted above, we are a highly-leveraged company and had $8.7 billion in face value of debt outstanding and $10.0 billion of failed sale-leaseback financing obligations as of September 30, 2019. As a result, a significant portion of our liquidity needs are for debt service, including significant interest and principal payments associated with our financing obligations. As detailed in the table below, our estimated debt service (including principal and interest) is $176 million for the remainder of 2019 and $10.7 billion thereafter to maturity and our estimated financing obligations are $198 million for the remainder of 2019 and $37.3 billion thereafter to maturity.

Financing Activities as of September 30, 2019

	Remaining	Years Ended December 31,					
(In millions)	**2019**	**2020**	**2021**	**2022**	**2023**	**Thereafter**	**Total**
Annual maturities of long-term debt	$ 16	$ 64	$ 64	$ 64	$ 64	$ 8,406	$ 8,678
Estimated interest payments	160	440	420	390	370	460	2,240
Total debt service payments [(1)]	176	504	484	454	434	8,866	10,918
Financing obligations - principal	5	23	26	28	33	8,462	8,577
Financing obligations - interest	193	777	788	799	814	25,556	28,927
Total financing obligation payments [(2)]	198	800	814	827	847	34,018	37,504
Total financing activities	$ 374	$ 1,304	$ 1,298	$ 1,281	$ 1,281	$ 42,884	$ 48,422

[(1)] *Debt principal payments are estimated amounts based on maturity dates and borrowings under our revolving credit facility, if any. Interest payments are estimated based on the forward-looking LIBOR curve and include the estimated impact of the ten interest rate swap agreements (see Note 6). 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). Actual payments may differ from the estimates.*

For our amended leases with VICI, we assume the renewals are 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, as amended. 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.

We are party to a joint venture referred to as the Korea JV that we consolidate into our financial statements. The purpose of the Korea JV is to develop, acquire, own and operate a resort casino in Incheon, South Korea. To finance construction of the project, the Korea JV may incur debt to supplement the equity capital contributed by us and our joint venture partner. This debt will, when incurred, be included on our Balance Sheets to the extent we continue to consolidate the joint venture. See Note 2.

We are continually evaluating opportunities to improve our capital structure and will seek to refinance our financial obligations or otherwise engage in transactions impacting our capital structure when market and other conditions are attractive to us. These transactions may involve refinancing, new senior credit facilities, tender or exchange offers, issuance of new bonds and/or sale-leasebacks.

Capital Spending and Development

We incur capital expenditures in the normal course of business, and we perform ongoing refurbishment and maintenance at our properties 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 or established debt programs, while cash used for development projects is typically funded from our established debt programs, specific project financing, or additional debt offerings.

Summary of Consolidated Capital Expenditures

(In millions)	**Nine Months Ended September 30, 2019**	**2018**	**Increase/ (Decrease)**
Maintenance	$ 420	$ 296	$ 124
Development	198	46	152
Total capital expenditures	618	$ 342	$ 276
Included in capital expenditures:			
Capitalized payroll costs	$ 9	$ 7	
Capitalized interest	20	5	

For the nine months ended September 30, 2019, capital expenditures were primarily related to hotel renovation projects at certain properties and a new convention center in Las Vegas ("CAESARS FORUM").

Our projected capital expenditures for 2019 range from $740 million to $780 million. We expect to fund capital expenditures from cash flows generated by operating activities.

Our projected maintenance capital expenditures for 2019 range from $465 million to $485 million and include estimates for:

- Hotel remodeling projects at Harrah's Las Vegas, Paris Las Vegas, Harrah's Atlantic City, and Horseshoe Southern Indiana; and
- Information technology, marketing, analytics, accounting, payroll, and other projects that benefit the operating structures.

Our projected development capital expenditures for 2019 range from $275 million to $295 million and are primarily related to the development of CAESARS FORUM and Sportsbooks in various states.

Under our lease agreements with VICI, we are required to spend certain minimum amounts on capital expenditures.

Our planned development projects, if they proceed, will require significant capital commitments, individually and in the aggregate, 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.

We are considering divestiture opportunities of non-strategic assets and properties. If the completion of a sale is more likely than not to occur, we may recognize impairment charges for certain of our properties to the extent current expected proceeds are below our carrying value and such impairments may be material.

Related Party Transactions

For a description of the nature and extent of related party transactions, see Note 15.

Critical Accounting Policies and Estimates

For information on critical accounting policies and estimates, see "Critical Accounting Policies and Estimates" in MD&A of the 2018 Annual Report. There have been no changes to these policies during the nine months ended September 30, 2019.

Recently Issued Accounting Standards

See Note 3 for discussions of the adoption and potential effects of recently issued accounting standards.

Contractual Obligations and Commitments

Material changes to our aggregate indebtedness, if any, are described in Note 9.

Except as described in Note 8, as of September 30, 2019, there have been no other material changes outside of the ordinary course of business to our other known contractual obligations, which are set forth in the table included in Item 7 in our 2018 Annual Report.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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 the Merger, 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 ("SEC").

Important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

- risks related to the Merger, including, but not limited to: (1) the inability to complete the Merger due to the failure to obtain stockholder approval for the Merger or the failure to satisfy other conditions to completion of the Merger, including the receipt of all gaming and other regulatory approvals related to the Merger; (2) uncertainties as to the timing of the completion of the Merger and the ability of each party to complete the Merger; (3) disruption of our current plans and operations; (4) the inability to retain and hire key personnel; (5) competitive responses to the Merger; (6) termination fees and unexpected costs, charges or expenses resulting from the Merger; (7) the outcome of any legal proceedings instituted against us or our directors related to the Merger Agreement; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the Merger; (9) the inability to obtain, or delays in obtaining, cost savings and synergies from the Merger; (10) delays, challenges and expenses associated with integrating the combined companies' existing businesses and the indebtedness planned to be incurred in connection with the Merger; and (11) legislative, regulatory and economic developments;
- our ability to respond to changes in the industry, particularly digital transformation, and to take advantage of the opportunity for legalized sports betting in multiple jurisdictions in the United States (which may require third-party arrangements and/or regulatory approval);
- development of our announced convention center in Las Vegas, CAESARS FORUM, and certain of our other announced projects are subject to risks associated with new construction projects, including those described below;
- we may not be able to realize the anticipated benefits of our acquisition of Centaur;
- the impact of our 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;
- foreign regulatory policies, particularly in mainland China or other countries in which our customers reside or where we have operations, including restrictions on foreign currency exchange or importation of currency, and the judicial enforcement of gaming debts;
- 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 net operating losses to offset future taxable income as anticipated;
- the ability to realize all of the anticipated benefits of current or potential future acquisitions or divestitures;
- 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 hotel sales;
- changes in the extensive governmental regulations to which we are subject and (i) changes in laws, including increased tax rates, smoking bans, regulations, or accounting standards; (ii) third-party relations; and (iii) approvals, 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 ability to execute on our brand licensing and management strategy is subject to third-party agreements and other risks associated with new projects;
- not being able to realize all of our anticipated cost savings;
- our ability to attract, retain and motivate employees, including in connection with the Merger;
- 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 (such as the outcome of the British Gambling Commission's review of CEUK operations), and fines and taxation;
- acts of war or terrorist incidents, 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 facilities of ours;
- 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 “Risk Factors” in Part II, Item 1A of this report and in Part 1, Item 1A of our 2018 Annual Report.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this report. 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 report or to reflect the occurrence of unanticipated events, except as required by law.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Of our $8.7 billion face value of debt, as of September 30, 2019, we have entered into ten interest rate swap agreements to fix the interest rate on $3.0 billion of variable rate debt, and $2.8 billion of debt remains subject to variable interest rates for the term of the agreement. While we may enter into agreements limiting our exposure to higher interest rates, any such agreements may not offer complete protection from this risk. We do not purchase or hold any derivative financial instruments for trading purposes. See Note 6 for additional information.

There have been no other material changes to our market risk in 2019. For information on our exposure to market risk, refer to Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk,” contained in our 2018 Annual Report.

Item 4. Controls and Procedures

Evaluation of 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 Exchange Act, as defined below, 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 disclosure.

Our management, with the participation of our principal executive officer and principal 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 Securities Exchange Act of 1934, the “Exchange Act”) at September 30, 2019. Based on this evaluation required by paragraph (b) of Rules 13a-15 or 15d-15, our CEO and CFO concluded that our disclosure controls and procedures were effective as of September 30, 2019.

Changes in Internal Controls

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 September 30, 2019, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. 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.

On September 5, 2019, a complaint was filed against Caesars and each member of the Caesars' board of directors (the "Caesars Board") in the United States District Court for the District of Delaware. The lawsuit, captioned Stein v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-01656, alleges violations of Sections 14(a) and 20(a) of the Exchange Act, and Rule 14a-9 promulgated thereunder, and 17 C.F.R. § 244.100, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint, (ii) if the Merger is consummated, rescission of the Merger or rescissory damages and (iii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On September 9, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board, Eldorado and Merger Sub in the United States District Court for the District of Delaware. The lawsuit, captioned Palkon v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-01679, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars and/or Eldorado violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors' analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff seeks, among other things, (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On September 11, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the District of New Jersey. The lawsuit, captioned Romaniuk v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-17871, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors' analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff seeks (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also seeks an award of costs and expenses incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On September 12, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board and Eldorado in the United States District Court for the District of Delaware. The lawsuit, captioned Gershman v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-01720, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to (i) disclose certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) disclose certain financial information relating to the financial advisors' analyses of the transaction; and (iii) obtain a proper valuation for Caesars. The plaintiff seeks (i) to enjoin the defendants from proceeding with filing an amendment to the Eldorado S-4 (as defined below) and consummating the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also seeks an

award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On September 13, 2019, a class action complaint was filed against Caesars, each member of the Caesars Board and Eldorado in the Eighth Judicial District Court for Clark County, Nevada. The lawsuit, captioned Cazer v. Caesars Entertainment Corp., et al., Civil Action No. A-19-801900-C, asserts claims for breach of fiduciary duties against the Caesars Board and aiding and abetting breach of fiduciary duties against Caesars in connection with the Merger. The complaint alleges, among other things, that the members of the Caesars Board breached their fiduciary duties, and Caesars aided and abetted such breaches of fiduciary duties, by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks (i) to compel the defendants to exercise their fiduciary duties to Caesars stockholders in connection with the Merger in accordance with the information discussed in the complaint and (ii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

Also on September 13, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Biasi v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-08547, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, and 17 C.F.R. § 229.1015, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; (ii) certain financial information relating to the financial advisors' analyses of the transaction; and (iii) certain information regarding potential conflicts of interest of the financial advisor. The plaintiff seeks (i) to enjoin the defendants from proceeding with the special meeting of Caesars' stockholders to, among other things, adopt the Merger Agreement and consummating the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) an accounting to plaintiff for all damages suffered as a result of defendants' alleged wrongdoing. The plaintiff also seeks an award of costs and expenses incurred in the action, including reasonable expert fees and attorneys' fees.

On September 26, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Marathon Capital LLC v. Caesars Entertainment Corp., et al., Civil Action No. 1:19-cv-08971, alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading proxy statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks (i) to enjoin the defendants from proceeding with, consummating or closing the Merger, unless and until Caesars discloses to its stockholders the allegedly material information discussed in the complaint and (ii) if the Merger is consummated, rescission of the Merger or rescissory damages. The plaintiff also seeks an award of costs and expenses incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

On October 18, 2019, a complaint was filed against Caesars and each member of the Caesars Board in the United States District Court for the Southern District of New York. The lawsuit, captioned Yarbrough v. Caesars Entertainment Corp., et al., Case No. 1:19-cv-09650 (S.D.N.Y.), alleges violations of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder, against the defendants for allegedly disseminating a false and misleading definitive registration statement in connection with the Merger. The complaint alleges, among other things, that Caesars violated the securities laws by failing to disclose material information regarding: (i) certain information about the process leading up to the approval of the Merger by the Caesars Board; and (ii) certain financial information relating to the financial advisors' analyses of the transaction. The plaintiff seeks: (i) to enjoin the shareholder vote on the Merger or consummation of the Merger; and (ii) rescission of the Merger, to the extent it closes. The plaintiff also seeks an award of costs and disbursements incurred in the action, including a reasonable allowance for expert fees and attorneys' fees.

We believe the claims asserted in each of the above described complaints are without merit and intend to vigorously defend against them.

Item 1A. Risk Factors

The following updated risk factors supplement and amend, as applicable, the existing risk factors set forth in our 2018 Annual Report.

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," and 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.

In addition, in November 2017, the Chinese government adopted new rules to control the cross-border transportation of cash and bearer negotiable instruments, specifically to reduce the international transfer of cash in connection with activities that are illegal in China, including gambling. The Chinese government has recently taken steps to prohibit the transfer of cash for the payment of gaming debts. These developments may have the effect of reducing the collectability of gaming debts of players from China. It is unclear whether these and other measures will continue to be in effect or become more restrictive in the future. These and any future foreign currency control policy developments that may be implemented by foreign jurisdictions could significantly impact our business, financial condition and results of operations.

Risks Relating to the Merger

The Merger is subject to a number of conditions, including the receipt of regulatory and stockholder approvals, and, if these conditions are not satisfied or waived on a timely basis, the Merger Agreement may be terminated and the Merger may not be completed.

On June 24, 2019, we entered into the Merger Agreement with Eldorado and Merger Sub, pursuant to which Merger Sub will merge with and into Caesars with Caesars continuing as the surviving corporation and direct wholly owned subsidiary of Eldorado. The Merger Agreement was amended on August 15, 2019.

Each of Eldorado's and Caesars' obligation to complete the Merger is subject to the satisfaction or waiver of certain conditions, including, among others, (1) the expiration or termination of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act") and receipt of required gaming approvals, (2) the absence of any governmental order or law prohibiting the completion of the Merger, (3) adoption of the Merger Agreement by holders of a majority of the outstanding shares of Caesars Common Stock, (4) the approval by Eldorado stockholders of the issuance of shares of Eldorado Common Stock in the Merger, (5) the effectiveness of the registration statement for Eldorado Common Stock to be issued in the Merger and the authorization for listing of those shares on the Nasdaq Stock Market, (6) absence of a material adverse effect on the other party, (7) the accuracy of the other party's representations and warranties, subject to customary materiality standards, (8) compliance of the other party with its respective covenants under the Merger Agreement in all material respects and (9) conversion or certain amendments of, or another mutually agreed arrangement with respect to, the CEC Convertible Notes.

The failure to satisfy all of the required conditions, or having to make significant changes to the structure, terms or conditions of the Merger to obtain any required regulatory approvals, could delay the completion of the Merger by a significant period of time, increase the costs associated with completing the Merger or prevent the Merger from occurring. Any delay in completing the Merger could cause the parties to not realize some or all of the benefits that are expected to be achieved if the Merger is successfully completed within the expected timeframe. There can be no assurance that the conditions to completion of the Merger will be satisfied or waived, and if satisfied or waived, when they will be satisfied or waived. In addition, other factors, such as delays, challenges and expenses associated with the indebtedness planned to be incurred in connection with the Merger, may affect when and whether the Merger will occur. The Merger Agreement contains termination rights for each of Caesars and Eldorado if the Merger is not completed by June 24, 2020, which date will be extended automatically until September 24, 2020 and thereafter until December 24, 2020, if all conditions precedent, other than the expiration of the waiting period under the HSR Act and/or receipt of required gaming approvals, have been satisfied or are capable of being satisfied.

Our stockholders cannot be certain of the date they will receive the merger consideration or of the aggregate value of the merger consideration they will receive.

The date that our stockholders will receive the merger consideration depends on the Closing Date, which is uncertain. The Closing Date may be later than the date of the special meeting of our stockholders to approve the Merger, and at the time of such special meeting, our stockholders will not know the exact market value of the Eldorado Common Stock that they may receive upon completion of the Merger.

Upon completion of the Merger, each share of Caesars Common Stock will be converted into merger consideration consisting of either cash consideration or stock consideration in the form of shares of Eldorado Common Stock, or a mix of both, pursuant to the terms of the Merger Agreement.

The amount of and value of the merger consideration that our stockholders will receive will fluctuate based on the market price of shares of Eldorado Common Stock, regardless of whether they receive cash consideration or stock consideration, or a mix of both. The merger consideration that our stockholders will receive for each share of Caesars Common Stock will be based on the Eldorado Common Stock VWAP. Both the closing price of shares of Eldorado Common Stock on the Closing Date and the Eldorado Common Stock VWAP may vary from the closing price of shares of Eldorado Common Stock on the date that Caesars and Eldorado announced the Merger, on the date of this report, on the date of the special meeting of our stockholders to approve the Merger, on the date that a stockholder elects to receive cash consideration or stock consideration in the Merger or on any other date. Any change in the market price of shares of Eldorado Common Stock prior to the completion of the Merger will affect the value of the merger consideration that our stockholders will receive upon completion of the Merger. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in Caesars' and Eldorado's respective businesses, operations and prospects, and regulatory considerations, among other things. Many of these factors are beyond our control. Accordingly, at the time of the special meeting of our stockholders to approve the Merger and at the time that our stockholders make elections to receive cash consideration or stock consideration in the Merger, our stockholders will not know or be able to calculate the amount of the cash consideration or stock consideration they would receive or the value of the shares of Eldorado Common Stock they would receive upon completion of the Merger.

Our stockholders may receive a form of consideration different from what they elect.

Although each holder of shares of Caesars Common Stock may elect to receive all cash or all shares of Eldorado Common Stock in the Merger, or cash for certain shares of Caesars Common Stock and shares of Eldorado Common Stock for other shares, the pool of the aggregate cash and shares of Eldorado Common Stock representing the merger consideration for all of our stockholders is fixed. As a result, if either the aggregate cash elections or the aggregate stock elections exceed the maximum available, and certain of our stockholders choose the consideration election that exceeds the maximum available, some or all of their consideration may be in a form that they did not choose.

The Merger Agreement limits our ability to pursue alternative transactions to the Merger.

The Merger Agreement also prohibits Caesars and Eldorado from soliciting competing acquisition proposals, except that, subject to customary exceptions and limitations, prior to receiving stockholder approval, Caesars and Eldorado may, as applicable, provide information to, and negotiate with, a third party that makes an unsolicited acquisition proposal if the board of directors of Caesars or Eldorado, as applicable, determines that such acquisition proposal would reasonably be expected to result in a superior proposal with respect to an alternative transaction and failure to take such actions would be reasonably likely to be inconsistent with its fiduciary duties under applicable law.

This restriction limits our ability to affirmatively seek offers from other possible acquirers that may be superior to the Merger. If we receive an unsolicited proposal from a third party that our board of directors determines is a superior proposal with respect to an alternative transaction, our board of directors may withdraw or otherwise change its recommendation of the Merger. If the Merger Agreement is terminated in certain circumstances relating to changes in the recommendation of our board of directors in favor of the Merger, entry by Caesars into an alternative transaction or in certain circumstances following the failure of our stockholders to approve the Merger, we will be required to pay Eldorado a termination fee of approximately $418.4 million. In addition, each party is obligated to reimburse the other party's expenses for an amount not to exceed $50.0 million if the Merger Agreement is terminated because of the failure to obtain the required approval of such party's stockholders (creditable against any termination fee that may subsequently be paid by such party). This termination fee and reimbursement of expenses may make it less likely that a third party will make an alternative acquisition proposal for us.

While the Merger is pending, we are subject to business uncertainties and contractual restrictions that could materially and adversely affect our stock and/or bond prices, operating results, financial position and/or cash flows or result in a loss of employees, customers, members, providers or suppliers.

The Merger Agreement includes restrictions on the conduct of our business prior to the completion of the Merger or termination of the Merger Agreement, generally requiring us to conduct our business in the ordinary course and subjecting us to a variety of specified limitations absent Eldorado's prior written consent. We may find that these and other contractual restrictions in the Merger Agreement delay or prevent us from responding, or limit our ability to respond, effectively to competitive pressures, industry developments and future business opportunities that may arise during such period, even if our management believes they may be advisable. The pendency of the Merger may also divert management's attention and our resources from ongoing business and operations.

Our employees, customers, members, providers and suppliers may experience uncertainties about the effects of the Merger. In connection with the Merger, it is possible that some customers, members, providers, suppliers and other parties with whom we have, or seek to establish, a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationship or key commercial agreements with us, or not to establish a relationship with us, as a result of the Merger. Similarly, current and prospective employees may experience uncertainty about their future roles with us following the completion of the Merger, which may materially and adversely affect our ability to attract and retain key employees, and current employees may lose productivity as a result of such uncertainty. If any of these effects were to occur, it could materially and adversely impact our stock and/or bond prices, operating results, financial position and/or cash flows.

Failure to complete the Merger could negatively impact our stock and/or bond prices, operating results, financial position and/or cash flows.

If the Merger is not completed for any reason, our ongoing businesses may be materially and adversely affected, we will not have realized any of the potential benefits of having completed the Merger, and we will be subject to a number of risks, including the following:

- we may experience negative reactions from the financial markets, including negative impacts on our stock and/or bond prices, which may reflect a market assumption that the Merger will be completed, and from our customers, vendors, joint-venture partners, other third parties, regulators and employees;
- we may lose key employees during the period in which we and Eldorado are pursuing the Merger, which may adversely affect us in the future if we are not able to hire and retain qualified personnel to replace departing employees;
- matters relating to the Merger (including integration planning) may require substantial commitments of time and resources by our management and key employees, which could otherwise have been devoted to other opportunities that may have been beneficial to us;
- we may not be able to respond effectively to competitive pressures, industry developments and future business opportunities;
- in certain circumstances, we may be required to pay a $418.4 million termination fee to Eldorado, as well as reimburse Eldorado's expenses in amount not to exceed $50.0 million;
- we would have incurred significant expenses relating to the Merger that we may be unable to recover; and
- we could be subject to litigation related to our failure to complete the Merger or to perform our obligations under the Merger Agreement.

There can be no assurance that the risks described above will not materialize. If any of those risks materialize, they may materially and adversely affect our stock and/or bond prices, operating results, financial position and/or cash flows.

If the Merger Agreement is terminated, we may, under certain circumstances, be obligated to pay a termination fee to, and reimburse certain expenses of, Eldorado.

If the Merger Agreement is terminated in certain circumstances relating to changes in the recommendation of our board of directors in favor of the Merger, entry by Caesars into an alternative transaction or in certain circumstances following the failure of our stockholders to approve the Merger, we would be required to pay a termination fee of approximately $418.4 million. In addition, each party is obligated to reimburse the other party's expenses for an amount not to exceed $50.0 million if the Merger Agreement

is terminated because of the failure to obtain the required approval of such party's stockholders (creditable against any termination fee that may subsequently be paid by such party).

If the Merger Agreement is terminated under such circumstances, the termination fee we may be required to pay, together with any reimbursement of expenses, may require us to use available cash that would have otherwise been available for general corporate purposes and other matters.

We have incurred, and will continue to incur, substantial transaction fees and Merger-related costs in connection with the Merger.

We have incurred, and will continue to incur, non-recurring transaction fees, which include legal and advisory fees and substantial Merger-related costs associated with completing the Merger, combining the operations of the two companies and achieving desired synergies. Additional unanticipated costs may be incurred in the course of the integration of the businesses of Caesars and Eldorado. The companies cannot be certain that the realization of other benefits related to the integration of the two businesses will offset the transaction and Merger-related costs in the near term, or at all.

Upon completion of the Merger, holders of shares of Caesars Common Stock will become holders of shares of Eldorado Common Stock and the market price for Eldorado Common Stock may be affected by factors different from those that historically have affected Caesars.

Upon completion of the Merger, holders of shares of Caesars Common Stock will become holders of shares of Eldorado Common Stock. Eldorado's businesses differ from those of Caesars, and accordingly the results of operations of Eldorado will be affected by some factors that are different from those currently affecting the results of operations of Caesars. For a discussion of risk factors to consider in connection with Eldorado's businesses, see Part I, Item 1A of Eldorado's Annual Report on Form 10-K for the year ended December 31, 2018 and Part II, Item 1A of Eldorado's Quarterly Report on Form 10-Q for the quarter ended June 30, 2019.

Litigation against Caesars, Eldorado and/or the members of their respective boards of directors challenging the Merger could prevent or delay the completion of the Merger or result in the payment of damages following completion of the Merger.

Stockholders of Caesars and/or Eldorado have filed, and may file, lawsuits challenging the Merger or the other transactions contemplated by the Merger Agreement naming Caesars, Eldorado and/or the members of their respective boards of directors as defendants. See Note 8. The outcome of such lawsuits cannot be assured, including the amount of costs associated with defending these claims or any other liabilities that may be incurred in connection with the litigation of these claims. If plaintiffs are successful in obtaining an injunction prohibiting the parties from completing the Merger on the agreed-upon terms, such an injunction may delay completion of the Merger in the expected timeframe, or may prevent the Merger from being completed at all. Whether or not any plaintiff's claim is successful, this type of litigation can result in significant costs and divert management's attention and resources from the completion of the Merger and ongoing business activities, which could adversely affect the operation of our business.

One of the conditions to completion of the Merger is the absence of any governmental order or law prohibiting the completion of the Merger. Accordingly, if a plaintiff is successful in obtaining an order prohibiting the completion of the Merger, then such order may prevent the Merger from being completed, or from being completed within the expected timeframe.

Following the Merger, the combined company will be subject to a number of uncertainties and risks that could affect its stock price, operating results, financial position and/or cash flows.

Following the Merger, the combined company will be subject to a number of uncertainties and risks, including the following:

- the integration of Caesars and Eldorado following the Merger may present significant challenges, and we cannot be sure that the combined company will be able to realize the anticipated benefits of the Merger in the anticipated time frame or at all;
- the combined company may be unable to realize anticipated cost synergies to the extent and within the time expected, and may incur additional costs in order to realize these cost synergies;
- the combined company will have a substantial amount of indebtedness outstanding following the Merger and may incur additional indebtedness in the future, which could restrict the combined company's ability to pay dividends and fund working capital and planned capital expenditures;
- the composition of the combined company's board of directors will be different than the composition of Caesars' current board of directors, which may affect the strategy and operations of the combined company;

- regulatory agencies may impose terms and conditions on approvals of the Merger that could adversely affect the projected financial results of the combined company;
- substantial costs will be incurred in connection with the Merger, including costs associated with integrating the businesses of Caesars and Eldorado and transaction expenses arising from the Merger, which could adversely affect the projected financial results of the combined company;
- following the Merger and the transactions contemplated by the Master Transaction Agreement, dated as of June 24, 2019, by and between Eldorado and VICI, the combined company and its subsidiaries will be required to pay a significant portion of their cash flow from operations to third parties pursuant to leasing and related arrangements;
- the announcement or completion of the Merger may trigger change in control or other provisions in certain of Caesars' and Eldorado's commercial agreements, which could adversely affect the projected financial results of the combined company;
- Caesars' stockholders will have a reduced ownership and voting interest in the combined company and, as a result, will exercise less influence over management;
- Caesars' stockholders will have different rights under the combined company's governing documents than they do currently under Caesars' governing documents;
- the market price of the combined company's common stock may be affected by factors different from those affecting Caesars Common Stock prior to the completion of the Merger, and may decline as a result of the Merger; and
- business may suffer if the combined company does not succeed in attracting and retaining existing and additional personnel.

There can be no assurance that the risks described above, or other risks and challenges inherent in the combination of two businesses of the size, scope and complexity of Caesars and Eldorado, will not materialize. If any of those risks materialize, they may materially and adversely affect the combined company's stock and/or bond prices, operating results, financial position and/or cash flows.

In connection with the Merger Agreement and the Merger, Caesars and Eldorado have filed relevant materials with the SEC, including a Registration Statement on Form S-4 filed by Eldorado on September 3, 2019, amended by Eldorado on October 4, 2019 and declared effective by the SEC on October 11, 2019 (the "Eldorado S-4"), which contains the joint proxy statement/prospectus of Caesars and Eldorado. The definitive joint proxy statement/prospectus was first mailed to our stockholders on or about October 15, 2019. **WE URGE OUR STOCKHOLDERS TO READ THESE MATERIALS, AND ANY OTHER RELEVANT MATERIALS THAT HAVE BEEN OR WILL BE FILED WITH THE SEC, BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER, INCLUDING, BUT NOT LIMITED TO, OTHER RISKS RELATING TO THE MERGER.** The Eldorado S-4, the definitive joint proxy statement/prospectus and other relevant materials (when they become available), and any other documents filed by Caesars or Eldorado with the SEC, may be obtained free of charge at the SEC's web site at www.sec.gov. In addition, copies of the documents filed with the SEC by Caesars will be available free of charge on Caesars' website at http://www.caesars.com.

For a discussion of additional risk factors that could cause actual results to differ materially from those anticipated, please refer to our 2018 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On November 1, 2019, Caesars Entertainment Corporation ("CEC" and, collectively with its subsidiaries where applicable, "Caesars") informed Les Ottolenghi that his application to participate in Caesars' Voluntary Severance Program ("VSP"), which was initiated in an effort towards greater operational efficiency, would be accepted. The program was offered to non-property, US-based corporate employees in management roles of a certain grade and above, excluding certain revenue focused departments. Mr. Ottolenghi will resign from his position as Executive Vice President and Chief Information Officer, and from all other positions he held with the Company or its subsidiaries, effective November 15, 2019 (the "Separation Date"). Subject to entering into a Separation and General Release Agreement (the "Separation Agreement") and Mr. Ottolenghi's timely execution and non-revocation of a general release of claims, Mr. Ottolenghi is entitled to receive the following payments and benefits in accordance with the terms of the VSP: (i) eighteen (18)-months' base salary; (ii) the continuation of the company's portion of healthcare coverage until the eighteen (18)-month anniversary of the Separation Date; (iii) accelerated vesting of outstanding and unvested CEC restricted stock units as of the Separation Date that vest based solely on time; (iv) accelerated vesting at target level of outstanding and unvested CEC restricted stock units granted in 2019 that are subject to performance conditions; (iv) a pro rata bonus for fiscal year 2019 based on services through the Separation Date and actual performance; (v) accelerated vesting of his 2018 cash retention award in the amount of $900,000; and (vi) company-paid outplacement services. Mr. Ottolenghi's restricted stock units granted during 2018 that vest in respect of performance conditions shall remain outstanding and will be paid out in accordance with the terms of the applicable award agreement and incentive plan. The Separation Agreement also requires Mr. Ottolenghi's continued compliance with restrictive covenants, including the confidentiality, non-disparagement, non-competition and non-solicitation provisions included in Mr. Ottolenghi's employment agreement with Caesars.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference			
			Form	Period Ending	Exhibit	Filing Date
2.1	Agreement and Plan of Merger, dated as of June 24, 2019, by and among Caesars Entertainment Corporation, Eldorado Resorts, Inc. and Colt Merger Sub, Inc.	—	8-K	—	2.1	6/25/2019
2.2	Amendment No. 1 to Agreement and Plan of Merger	—	8-K	—	2.1	8/16/2019
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
3.5	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated July 2, 2019.	—	8-K	—	3.1	7/2/2019
3.6	Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Caesars Entertainment Corporation, dated July 2, 2019.	—	8-K	—	3.2	7/2/2019
3.7	Bylaws of Caesars Entertainment Corporation, dated March 28, 2019.	—	10-Q	3/31/2019	3.1	5/2/2019
**10.1	Purchase and Sale Agreement and Joint Escrow Instructions by and between Rio Properties, LLC and IC 3700 Flamingo Road Venture LLC, dated September 20, 2019.	X				
**10.2	Form of Lease Agreement between IC 3700 Flamingo Road LLC and Rio Properties, LLC.	X				
10.3	Guaranty by Caesars Resort Collection, LLC for the benefit of IC 3700 Flamingo Road Venture LLC, dated September 20, 2019.	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.	X				
*32.2	Certification of Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X				
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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				

* 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.

SIGNATURE

Pursuant to the requirements 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

November 5, 2019 By: /S/ KEITH A. CAUSEY

Keith A. Causey

Senior Vice President and Chief Accounting Officer

Certain information (indicated by "[***]") and exhibits have been excluded from this agreement because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

by and between

RIO PROPERTIES, LLC

and

IC 3700 FLAMINGO ROAD VENTURE LLC

Dated as of September 20, 2019

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Joint Escrow Instructions ("Contract") is entered into this 20th day of September, 2019 (the "Effective Date") by and between **RIO PROPERTIES, LLC**, a Nevada limited liability company ("Seller"), and **IC 3700 FLAMINGO ROAD VENTURE LLC**, a Delaware limited liability company ("Buyer"), for the purpose of setting forth the agreement of the parties and of instructing the Escrow Agent (as defined below) with respect to the transaction contemplated by this Contract.

RECITALS

A. Seller is the owner of that certain parcel of real property bearing Clark County Assessor Parcel Number 162-17-410-001, with an address of 3700 W. Flamingo Road, Las Vegas, Nevada 89103, and as more particularly described in Exhibit A attached hereto, and the buildings and other improvements thereon commonly known as "The Rio All-Suite Hotel & Casino" (collectively, the "Property").

B. Seller desires to sell, and Buyer desires to purchase, the Property subject to the terms and conditions of this Contract.

C. Capitalized terms used herein and not otherwise defined herein shall have meanings set forth in Exhibit B attached hereto.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the respective representations, agreements, covenants and conditions herein contained, and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Seller and Buyer agree that the foregoing recitals are true and correct and incorporated herein and also agree as follows:

ARTICLE 1
PURCHASE AND SALE

1.1 **Purchase and Sale**. Subject to the conditions and on the terms contained in this Contract, on the Closing Date, Seller shall sell, convey and transfer to Buyer, and Buyer shall purchase from Seller, all of the Membership Interests in New Property Owner, which will own the Property, FF&E and Property Marks and which will co-own the Guest Data (subject to the Use Restrictions) at Closing (collectively, the "Purchased Assets"). For the avoidance of doubt, the Purchased Assets shall not include the FCC Licenses, the WSOP Assets, the Gaming Equipment, the OS&E or any other tangible or intangible property.

1.2 **Purchase Price**. The total purchase price (the "Purchase Price") to be paid to Seller by Buyer at Closing for the Membership Interests shall be Five Hundred Sixteen Million Three Hundred Thirteen Thousand Two Hundred Fifty and No/100 Dollars ($516,313,250.00).

1.3 **Payment of Purchase Price**.

1.3.1 **Payment of Deposit**. On the Effective Date, Buyer shall deliver in Immediately Available Funds an earnest money deposit (the "Initial Deposit") of Five Million and No/100 Dollars ($5,000,000.00) to the Escrow Agent. Receipt of any portion of the Deposit shall be confirmed by the Escrow Agent to Buyer. Within two (2) Business Days of receipt of any portion of the Deposit, the Escrow Agent shall release such portion of the Deposit to Seller in accordance with fund transfer instructions provided by Seller to the Escrow Agent. The Deposit shall be non-refundable to Buyer except as otherwise set forth in this Contract. If the transaction contemplated hereby is consummated in accordance with the terms hereof, the aggregate amount of the Deposit actually paid by Buyer to the Escrow Agent (the "Paid Deposit") shall be applied to the Purchase Price at Closing.

1.3.2 **Payment of Balance of Purchase Price**. On or before one (1) Business Day prior to the Closing Date, Buyer shall deposit with the Escrow Agent in Immediately Available Funds an amount equal to the Purchase Price less the Paid Deposit, together with any Closing Expenses allocated to Buyer pursuant to Section 4.2.

ARTICLE 2
NEW PROPERTY OWNER

2.1 **New Property Owner**. On or before the second (2nd) Business Day prior to the Closing Date (but not earlier than the fourth (4th) Business Day prior to the Closing Date), Seller shall form IC 3700 Flamingo Road LLC, a single member, member-managed, limited liability company in the State of Delaware ("New Property Owner"), which shall be a direct subsidiary of Seller and shall be qualified to do business in the State of Nevada, based on the forms of the certificate of formation and limited liability company agreement attached hereto as Exhibit C (the "Organizational Documents"). On the Business Day prior to the Closing Date, Seller shall transfer the Purchased Assets to New Property Owner pursuant to the grant, bargain and sale deed, substantially in the form of Exhibit D attached hereto (the "Deed") and the other applicable Ancillary Agreements. At all times prior to Closing, Seller shall own one hundred percent (100%) of the equity interests in New Property Owner (the "Membership Interests"). Seller shall ensure that New Property Owner will be a disregarded entity for federal income tax purposes.

2.2 **Purchase Price Allocation**. Seller and Buyer shall allocate the Purchase Price (and relevant liabilities of New Property Owner and other items) among the Purchased Assets in accordance with the Purchase Price Allocation Schedule. Seller and Buyer agree, for all tax purposes, to report the transactions consistently with the Purchase Price Allocation Schedule and to not take any position during the course of any audit or other proceeding inconsistent with the Purchase Price Allocation Schedule, except in each case as otherwise required by a change in law or pursuant to the good faith resolution of a tax contest. Seller and Buyer shall make appropriate adjustments to the Purchase Price Allocation Schedule to reflect any adjustments to the Purchase Price.

ARTICLE 3
SURVEY; TITLE

3.1 **Survey**. Buyer has, at its sole cost and expense, engaged Blew & Associates, PA (the "Surveyor") to prepare an ALTA/NSPS survey of the Property which is dated May 30, 2019 (the "Survey"). The Survey specifies the area of the Property, identifies all locatable exceptions to title identified in the Title Commitment, locates all improvements on the Property, and identifies any encroachments on the Property. Seller acknowledges that Buyer has delivered a copy of the Survey to Seller (at no cost to Seller) and shall deliver to Seller (at no cost to Seller) any updates to the Survey promptly following Buyer's receipt thereof.

3.2 **Title Commitment**. Buyer acknowledges that it has received the Commitment for Title Insurance for the Property, effective May 30, 2019 and updated August 29, 2019, Commitment No. [***] (the "Title Commitment"), together with legible copies of all documents appearing as title exceptions. Buyer shall have the right to have title updated from time to time prior to the Closing, and shall provide to Seller any update to the Title Commitment (as applicable, an "Update") that Buyer obtains promptly following Buyer's receipt thereof. Buyer shall give Seller prompt written 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 any Objection (including any judgments recorded against the Property, a "Lien or Judgment") that is not a Required Removal Exception. "Required Removal Exception" means the following:(i) all Seller Financings Liens, (ii) any mechanic's or materialmen's liens recorded against the Property for work done by or on behalf of Seller or any of its Affiliates, (iii) any federal tax lien recorded against the Property, and (iv) any Lien or Judgment (excluding any Lien or Judgment arising under the foregoing clauses (i), (ii) or (iii)) that, when aggregated with any other Lien or Judgment under this clause (iv) (excluding any Lien or Judgment arising under the foregoing clauses (i), (ii) or (iii)), does not exceed $15,000,000. In the case of any Required Removal Exception described in the foregoing clauses (ii), (iii) or (iv), Seller shall have the option (in its sole discretion) of bonding over such lien or Lien or Judgment, escrowing sufficient funds with the Title Insurer, indemnifying the Title Insurer or taking any other similar action at or prior to Closing such that such lien or Lien or Judgment is

omitted from the Title Policy (or is otherwise insured over by the Title Insurer) without additional cost to Buyer and thereafter Seller shall be deemed to have satisfied, and caused the release of, such Required Removal Exception.

3.3 **Title Policy.** At Closing, Buyer shall cause the Title Insurer to issue a title insurance policy insuring that New Property Owner holds fee simple title to the Property subject only to the Permitted Exceptions (the "Title Policy") and Buyer shall have the right, in its sole discretion and at its sole expense, to cause the Title Insurer to issue such endorsements to the Title Policy and such Lender's Title Policy as Buyer shall elect. Following Closing, Buyer's sole recourse for any defect in the title actually acquired by Buyer shall be to enforce Buyer's rights under the Title Policy, and Seller shall have no liability to Buyer based upon any defect in the title actually acquired by Buyer; provided, however, that the foregoing provision shall in no event obviate or limit Tenant's Property Lease Obligations.

ARTICLE 4
NO PRORATIONS; CLOSING EXPENSES

4.1 **No Prorations**. Because New Property Owner, as landlord, and Seller, as tenant, will enter into the Property Lease in connection with Closing, and having a lease commencement date that occurs simultaneously with Closing, as between Seller and Buyer, there will be no adjustment or proration of income or expenses relating to the Property or the Purchased Assets.

4.2 **Closing Expenses**. Seller shall pay and be responsible for the following costs in connection with the transactions contemplated by this Contract (collectively, "Seller's Expenses"): (a) one half of the Escrow fees; and (b) the title insurance premium allocable to the standard ALTA owner's title policy portion of the Title Policy (*i.e.*, the CLTA portion) and the cost of any endorsements to the Title Policy that Seller agrees to obtain as part of the title curative process. Buyer shall pay and be responsible for the payment of the following costs in connection with the transactions contemplated by this Contract (collectively, "Buyer's Expenses" and, together with Seller's Expenses, the "Closing Expenses"): (i) one half of the Escrow fees; (ii) all real property and other transfer, documentary, sales, use and other such taxes and fees incurred or assessed in connection with the transfer of the Purchased Assets contemplated by this Contract; provided, however, that if there is any transfer tax payable in connection with the transfer of the Property, the Purchase Price shall be reduced by $1,313,250; (iii) except to the extent set forth in clause (b) above, any additional premium for the Title Policy, including extended coverage and for any endorsements to the Title Policy that Buyer may request and any additional premium for the lender's title insurance policy to be delivered by Buyer to the Debt Financing Source (the "Lender's Title Policy"); (iv) the costs of recording the Deed; (v) the cost to prepare any Survey and any Update; (vi) the filing fee required to paid in connection with the pre-merger notification filing under the HSR Act; and (vii) any costs and expenses in connection with any other regulatory filing (including any Buyer's Gaming Approval) required to be made, or any other regulatory clearance, license or approval required to be obtained, by Buyer in connection with the consummation of the transaction contemplated by this Contract. Except as otherwise specifically set forth herein, the fees and expenses of Seller's designated representatives, accountants and attorneys shall be borne by Seller, the fees and expenses of Buyer's designated representatives, accountants and attorneys shall be borne by Buyer, and all other escrow and Closing costs shall be allocated to and paid by Seller or Buyer in accordance with the manner in which such costs are customarily paid by such parties in sales of similar property in Clark County, Nevada as determined by the Escrow Agent. This Section 4.2 shall survive Closing or any termination of this Contract.

4.3 **Closing Statement**. Not less than seven (7) Business Days prior to the Closing Date, the Escrow Agent shall deliver to each of the parties for its review and approval a preliminary closing statement (the "Preliminary Closing Statement") setting forth the Closing Expenses allocable to each of the parties pursuant to Section 4.2. Based on each of the party's reasonable comments, if any, regarding the Preliminary Closing Statement, the Escrow Agent shall revise the Preliminary Closing Statement and each of the parties shall, subject to its reasonable approval, deliver a final closing statement to the Escrow Agent as set forth in Article 12 (the "Closing Statement").

ARTICLE 5
AFFIRMATIVE COVENANTS AND AGREEMENTS

5.1 **AS-IS. THE PARTIES HEREBY ACKNOWLEDGE AND AGREE AS FOLLOWS: (A) BUYER IS A SOPHISTICATED BUYER WHO IS FAMILIAR WITH THIS TYPE OF PROPERTY AND THESE TYPES OF ASSETS; (B) EXCEPT AS MAY BE EXPRESSLY SET FORTH IN THIS CONTRACT AND THE SELLER CLOSING DOCUMENTS, NEITHER SELLER, SELLER'S AFFILIATES NOR ANY OF THEIR RESPECTIVE AGENTS, REPRESENTATIVES, BROKERS, MANAGERS, MEMBERS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS (GENERAL OR LIMITED) OR EMPLOYEES HAVE MADE OR WILL MAKE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY OR THE OTHER PURCHASED ASSETS OR THE NEW PROPERTY OWNER; AND (C) THE PROPERTY AND THE OTHER PURCHASED ASSETS ARE BEING TRANSFERRED IN THEIR PRESENT "AS IS, WHERE IS" CONDITION "WITH ALL FAULTS." BUYER HAS BEEN AFFORDED THE OPPORTUNITY TO MAKE ANY AND ALL INSPECTIONS OF THE PROPERTY AND THE OTHER PURCHASED ASSETS AND SUCH RELATED MATTERS AS BUYER MAY REASONABLY DESIRE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, AND EXCEPT TO THE EXTENT SPECIFICALLY SET FORTH IN THIS CONTRACT:**

5.1.1 **NEITHER SELLER, SELLER'S AFFILIATES NOR ANY OF THEIR RESPECTIVE AGENTS, REPRESENTATIVES, BROKERS, MANAGERS, MEMBERS, OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS (GENERAL OR LIMITED) OR EMPLOYEES HAS MADE OR WILL MAKE ANY REPRESENTATIONS OR WARRANTIES, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, WITH RESPECT TO THE ECONOMIC VALUE OF THE PROPERTY OR THE OTHER PURCHASED ASSETS, ADEQUACY OF UTILITIES SERVING THE PROPERTY, THE FITNESS OR SUITABILITY OF THE PROPERTY OR, EXCEPT TO THE EXTENT SPECIFICALLY SET FORTH IN THIS CONTRACT OR THE SELLER CLOSING DOCUMENTS, THE OTHER PURCHASED ASSETS FOR BUYER'S INTENDED USES OR THE PRESENT USE OF THE PROPERTY OR THE OTHER PURCHASED ASSETS, OR THE PHYSICAL CONDITION, OCCUPATION, OR MANAGEMENT OF THE PROPERTY OR THE OTHER PURCHASED ASSETS, THEIR COMPLIANCE WITH APPLICABLE STATUTES, LAWS, CODES, ORDINANCES, REGULATIONS OR REQUIREMENTS RELATING TO OCCUPANCY, LEASING, ZONING, SUBDIVISION, STRUCTURAL MATTERS, SEISMIC MATTERS, ELECTRICAL, REMOVAL OF ARCHITECTURAL OR COMMUNICATIONS BARRIERS, PLANNING, BUILDING, FIRE SAFETY, HEALTH, COMPLIANCE WITH COVENANTS, CONDITIONS, AND RESTRICTIONS (WHETHER OR NOT OF RECORD), OTHER LOCAL, MUNICIPAL, REGIONAL, STATE OR FEDERAL REQUIREMENTS OR OTHER STATUTES, LAWS, CODES, ORDINANCES, REGULATIONS OR REQUIREMENTS.**

5.1.2 **SELLER EXPRESSLY DISCLAIMS AND NEGATES, AS TO THE PROPERTY AND THE OTHER PURCHASED ASSETS: (a) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY; (b) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; AND (c) ANY IMPLIED WARRANTY WITH RESPECT TO THE CONDITION OF THE PROPERTY OR THE PURCHASED ASSETS, AS APPLICABLE, THE PAST OR PROJECTED FINANCIAL CONDITION OF THE PROPERTY (INCLUDING THE INCOME OR EXPENSES THEREOF, SAVINGS FROM GROUP CONTRACTS, THE RESULT OF TERMINATION OF UTILIZATION OF CAESARS REWARDS (F/K/A TOTAL REWARDS) AT THE PROPERTY AND THE RESULT OF ANY OTHER DISASSOCIATION FROM OTHER ASSETS OF SELLER AND ITS AFFILIATES) OR THE USES PERMITTED ON, THE DEVELOPMENT REQUIREMENTS FOR, OR ANY OTHER MATTER OR THING RELATING TO THE PROPERTY OR THE OTHER PURCHASED ASSETS.**

5.1.3 **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EXCEPT TO THE EXTENT SPECIFICALLY SET FORTH IN THIS CONTRACT OR THE SELLER CLOSING DOCUMENTS, (a) SELLER HAS NOT MADE, IS NOT MAKING, AND WILL NOT MAKE ANY REPRESENTATION, WARRANTY OR PROMISE OF ANY KIND, EXPRESS OR IMPLIED, CONCERNING THE ACCURACY OR COMPLETENESS OF ALL OR ANY PART OF THE DOCUMENTS WITH RESPECT TO THE PROPERTY OR THE OTHER PURCHASED ASSETS MADE AVAILABLE TO BUYER; AND (b) ANY INACCURACY, INCOMPLETENESS OR DEFICIENCY IN ANY PART OF SUCH DOCUMENTS SHALL BE SOLELY THE RISK AND RESPONSIBILITY OF BUYER AND SHALL NOT BE CHARGEABLE IN ANY RESPECT TO SELLER.**

5.1.4 **EXCEPT AS EXPRESSLY SET FORTH IN SECTION 6.5, 8.8, 8.9 AND 8.10 AND WITHOUT LIMITING ANY OBLIGATIONS OF TENANT UNDER THE PROPERTY LEASE, BUYER HEREBY ABSOLUTELY AND UNCONDITIONALLY WAIVES AND RELEASES SELLER, TO THE FULLEST EXTENT PERMITTED UNDER LAW, FROM ANY AND ALL CLAIMS WITH RESPECT TO ALL OBLIGATIONS FOR OR PERTAINING TO THE EXISTENCE OF ASBESTOS, HAZARDOUS MATERIALS, OR ENVIRONMENTAL CONTAMINATION OR CONDITIONS AT, IN, ON, UNDER OR FROM THE PROPERTY OR THE FF&E ARISING UNDER OR BASED UPON ANY FEDERAL, STATE, LOCAL OR FOREIGN LAWS OR REGULATIONS, INCLUDING ENVIRONMENTAL LAW, NOW OR HEREAFTER IN EFFECT, INCLUDING ALL THOSE PROVISIONS OF LAW THAT EXCLUDE OR MAY EXCLUDE UNKNOWN OR UNSUSPECTED CLAIMS FROM GENERAL RELEASE.**

5.2 **CONSPICUOUS. TO THE EXTENT REQUIRED TO BE OPERATIVE, THE DISCLAIMERS OR WARRANTIES CONTAINED HEREIN ARE "CONSPICUOUS" DISCLAIMERS FOR PURPOSES OF ANY APPLICABLE LAW, RULE, REGULATIONS OR ORDER.**

5.3 **Operation of Property**. Between the Effective Date and Closing: (a) Seller shall (i) operate the Purchased Assets and the Gaming Equipment in the ordinary course of business consistent with past practice and shall (A) deliver to Buyer, on a quarterly basis until the Closing Date, an updated list of the Owned Slot Machines and Gaming Tables set forth on Exhibit E attached hereto and (B) maintain and repair (without an obligation to replace, provided that the number of operable gaming machines comprising the Owned Gaming Equipment conveyed to Buyer upon the expiration of the Lease is not less than the number of such machines as of the Effective Date) such Owned Gaming Equipment in the ordinary course of business consistent with past practice since the Lookback Date; (ii) keep the Purchased Assets, the Gaming Equipment, the OS&E and the other personal property owned or leased by Seller and located at the Property as of the Effective Date insured for their respective full replacement cost and otherwise consistent with Seller's practices since the Lookback Date; and (iii) upon reasonable prior written notice from Buyer, grant reasonable access to the Property, and cooperate with the reasonable requests in connection therewith of, Buyer, its architects, contractors, lenders, construction consultants and other Persons involved in the planning, design, financing and pre-development of the Contemplated Redevelopment (which access and cooperation shall be provided and conducted at Buyer's expense, during Seller's normal business hours and under the supervision of Seller's personnel, and Seller agrees to provide such personnel at times reasonably requested by Buyer), provided that such access shall not (A) unreasonably disturb any

tenants, guests or patrons at the Property, (B) unreasonably interfere with Seller's operation of the Property and (C) involve invasive testing or drilling unless the same is conducted with Seller's prior written approval (and at times reasonably approved by Seller and in a manner designed to not unreasonably disturb tenants, guests or patrons at the Property) and Buyer restores any affected portion of the Property to its original condition or as near to its original condition as is practical; and (b) Seller shall not (i) demolish or alter, improve or otherwise physically change or dispose of the Property, in whole or in part, or construct any additional buildings, structures or other improvements on the Property, except in each case to the extent that Seller would be permitted to do the same under the terms of the Property Lease if the Property Lease was in effect; (ii) initiate any change to existing zoning or land use laws affecting the Property; (iii) seek any variances with respect to the Property, except for any variances obtained in the ordinary course of business consistent with past practice; (iv) initiate any tax certiorari or other real estate tax appeals regarding all or any portion of the Property, except in each case to the extent that Seller would be permitted to do the same under the terms of the Property Lease if the Property Lease was in effect; (v) remove or dispose of, or enter into any agreement to remove or dispose of, any Owned Gaming Equipment from the Property unless (A) such removal is required or advisable as part of the ordinary course repair or maintenance of such Owned Gaming Equipment and provided that once such repair or maintenance has been completed, such Owned Gaming Equipment shall be returned to the Property or (B) such removal or disposal is in the ordinary course of business and such removed or disposed equipment is replaced with replacement equipment delivered to the Property that is of equal or better quality and functionality as the removed or disposed equipment and such replacement equipment shall become Owned Gaming Equipment; or (vi) enter into any leasing or brokerage agreements for the leasing of any portion of the Property that would be binding, or impose liability, on Buyer from and after the Lease Termination Date.

5.4 **Buyer's Financing**.

5.4.1 Buyer acknowledges and agrees that its obligations under this Contract are not subject to, or conditioned on, its ability to obtain the Financing.

5.4.2 Buyer shall comply with its obligations under Section 7.3 with respect to the Financing.

5.4.3 Prior to the Closing, Seller shall, and shall cause its Affiliates and use its commercially reasonable efforts to cause its representatives to, provide to Buyer such cooperation as reasonably requested by Buyer that is customary in connection with arranging and obtaining the Debt Financing as contemplated by the Debt Financing Letters, including (but subject in each case to Section 5.4.4): (a) participating in a reasonable number of telephonic meetings, presentations, due diligence sessions with the Debt Financing Sources or any alternative source of debt financing; and (b) furnishing Buyer and its Debt Financing Sources or alternative sources of debt financing as promptly as reasonably practicable with financial and other pertinent information regarding the Purchased Assets as may be reasonably requested by Buyer. The parties acknowledge and agree that the condition set forth in Section 8.1.1, as it applies to Seller's obligations under this Section 5.4.3, shall be deemed satisfied unless Seller commits a knowing and intentional, material breach of its obligations under this Section 5.4.3.

5.4.4 Notwithstanding the foregoing, nothing in Section 5.4.3 or otherwise in this Contract shall require Seller, any of its Affiliates or any of its or their respective representatives to: (a) provide any cooperation to the extent it would interfere unreasonably with the business or operations of Seller, any of its Affiliates or any of its or their respective representatives; (b) pay any commitment or similar fee in connection with the Financing; (c) enter into any agreement, document or instrument in connection with the Financing (other than the SNDA defined in the Property Lease); (d) provide any cooperation, or take any action, that, in the reasonable judgment of Seller, could cause Seller, any of its Affiliates or any of its or their respective representatives to incur any actual or potential material liability; (e) provide any cooperation, or take any action, that, in the reasonable judgment of Seller, would result in a violation of any confidentiality arrangement or material agreement or the loss of any attorney-client or other similar privilege; (f) make any representation or warranty in connection with the Financing or the marketing or arrangement thereof; (g) prepare or deliver any financial statements or other financial information; (h) provide any cooperation, or take any action, that would cause any representation or warranty in this Contract to be breached or any condition to Closing set forth in this Contract to fail to be satisfied; (i) cause any governing body of Seller, any of its Affiliates or any of its or their respective representatives to adopt or approve any written consent, resolution or similar approval in respect of the Financing or any agreements or instruments entered into in connection therewith; or (j) provide any cooperation, or take any action, following Closing (but the foregoing shall not operate to limit the Property Lease Obligations of Tenant).

5.4.5 Buyer shall from time to time, promptly upon request by Seller, reimburse Seller, any of its Affiliates or any of its or their respective representatives for any and all reasonable out-of-pocket fees, costs or expenses (including reasonable out-of-pocket fees, costs and expenses of counsel, accountants and other advisors) incurred by any of them in connection with any of their cooperation or assistance with respect to the Financing or the provision of any information utilized in connection therewith or otherwise arising from the Financing.

5.4.6 Buyer hereby covenants and agrees that all rating agency presentations, bank information memoranda, bank books, offering memoranda, private placement memoranda, offering documents, lender presentations or any other marketing or similar documents prepared in connection with the Financing shall (a) contain disclosures reflecting Buyer and/or one or more post-Closing Affiliates thereof as the obligor(s) and (b) contain disclosures and disclaimers exculpating Seller, its Affiliates and their respective representatives with respect to any liability related to the contents or use thereof by the recipients thereof.

5.4.7 In addition to the Financing, Seller (or one of its Affiliates) shall provide financing at Closing up to a maximum principal amount of $40,000,000 in the form of an unsecured loan to the Affiliate of Buyer described as the "Borrower" in the term sheet (the "Seller Financing Letter") attached hereto as Exhibit S (such financing, the "Seller Financing") on terms substantially consistent with the Seller Financing Letter; provided, however, that Seller shall only be obligated to so provide the Seller Financing if Buyer delivers written notice to Seller no later than 30 days prior to the Closing Date that Buyer elects to obtain the Seller Financing.

5.4.8 Buyer understands and agrees that no contract or agreement providing for any transaction effecting the Seller Financing shall be deemed to exist between Seller or any of its Affiliates, on the one hand, and Buyer or any of its Affiliates, on the other hand, unless and until definitive agreements with respect to the Seller Financing have been executed and delivered by the applicable parties thereto.

5.5 **Guest Data**.

5.5.1 At Closing, Seller shall provide New Property Owner with the Guest Data in the format attached in Exhibit F. Buyer, for itself and on behalf of its Affiliates (including New Property Owner for the periods after the Closing): (a) acknowledges and agrees that Seller and its Affiliates shall be co-owners of the Guest Data; and (b) disclaims any right, title or interest in or to any other guest data or information in the possession or control of Seller or any of its Affiliates.

5.5.2 Following Closing, Buyer shall not and shall cause its Affiliates (including New Property Owner) not to use (directly or indirectly, in any manner or for any reason) the Guest Data until the Property Lease Expiration Date. Following Closing, each of Buyer and Seller shall not and shall cause its respective Affiliates (including New Property Owner in the case of Buyer) not to use the Guest Data (a) in contravention of the terms of the customer agreement, consent, privacy policies or other policies of Seller or any of its Affiliates applicable to such Guest Data (each a "Seller Privacy Policy") but only to the extent that such Seller Privacy Policies (i) are consistent with the privacy policies applicable to data collected at facilities owned or operated by Seller or any of its Affiliates that are located in Nevada and (ii) with respect to modifications, updates or introduction of Seller Privacy Policies after the Effective Date but prior to the Property Lease Expiration Date, do not disproportionately adversely impact the hotel and casino operations at the Property, (b) in any activity that would be reasonably expected to constitute spamming, or (c) to offer, solicit or promote any illegal, obscene, inappropriate, adult oriented, or pornographic material or activity or to engage in any activity in violation of any applicable laws or the terms of the Seller Privacy Policies. Notwithstanding the foregoing, Buyer (and New Property Owner) shall no longer be required to comply with Seller's Privacy Policies following the Property Lease Expiration Date and thereafter following the date that Buyer (or New Property Owner) has notified Persons to whom Guest Data relates of Buyer's or New Owner's customer agreements, consents, privacy policies or other policies applicable to Guest Data (each a "Buyer's Privacy Policy") so long as (i) Buyer's Privacy Policies are no less protective of such Guest Data than Seller's Privacy Policies and (ii) Buyer's Privacy Policies comply with all Legal Requirements. Following the Property Lease Expiration Date, there shall be no restriction on the ability of Buyer, its Affiliates (including New Property Owner) or any successor-in-interest to Buyer (including any lender or any of lender's designees) to, sell or transfer the Guest Data to any other Person or to use the Guest Data in any manner that is not in violation of (x) Seller's Privacy Policies or Buyer's Privacy Policies, as applicable in accordance with the immediately preceding sentence, (y) Legal Requirements or (z) any applicable data sharing opt outs communicated by any relevant customer as documented in the Guest Data records or information provided by Seller to Buyer at any time prior to the Property Lease Expiration Date. Buyer and Seller agree that, in the event of a conflict among, or it is unclear which of, the terms of any such Seller Privacy Policy are applicable, the terms most favorable to and protective of the Persons to whom such Guest Data relates shall apply for purposes of this Section 5.5.2. Notwithstanding the foregoing sentences of this Section 5.5.2, Buyer and Seller agree to obtain consent from the Person(s) to whom the applicable Guest Data relates before materially changing the terms of any customer agreement, consent, privacy policy or other policy applicable to such Guest Data; provided, however, if the change provides materially more protection to the Guest Data, then the applicable party may instead provide sufficiently prominent and robust written notice to such Person at least thirty (30) days prior to making such change and a reasonable period of time for such Person to opt out of such change. Notwithstanding anything contained in this Contract or any Ancillary Agreement to the contrary, the use of the Guest Data by Buyer and Seller and their respective Affiliates shall, in all events, be subject to the covenants, limitations and restrictions set forth in this Contract and applicable law (collectively, the "Use Restrictions"). Buyer and Seller agree to, and to cause their respective Affiliates (including New Property Owner in the case of Buyer) to, maintain commercially reasonable measures to protect the physical safety and data integrity of the Guest Data.

5.5.3 **HSR Clearance**.

5.5.4 The parties shall cooperate with each other and use their commercially reasonable efforts to make all necessary filings, and thereafter make any other required submissions as required under the HSR Act to consummate the transactions contemplated by this Contract (the "HSR Clearance"). The parties and their respective representatives and Affiliates shall file as promptly as practicable, but in no event later than ten (10) days after the Effective Date, all required initial applications and documents in connection with obtaining the HSR Clearance and shall act diligently and promptly and cooperate with each other to obtain the HSR Clearance. Buyer and Seller shall use their commercially reasonable efforts to schedule and attend any hearings or meetings with Governmental Entities to obtain the HSR Clearance as promptly as possible. Buyer and Seller shall, to the extent practicable, consult with the other party on, in each case, subject to applicable laws relating to the exchange of information (including antitrust laws), all the information relating to Buyer or Seller, as the case may be, and any of their respective Affiliates or representatives which appear in any filing made with, or written materials submitted to, any third party or any

Governmental Entity in connection with the transactions contemplated by this Contract, other than personal information on individuals who are filing notifications. Without limiting the foregoing, Buyer and Seller will notify the other party promptly of the receipt of comments or requests or other communications from Governmental Entities relating to the HSR Clearance, and, upon reasonable request, supply the other party with copies of all correspondence between the notifying parties or any of its representatives and Governmental Entities with respect to the HSR Clearance. Buyer agrees that it shall not participate, and not permit any of its Affiliates or representatives to participate, in any meeting with any such Governmental Entity unless it notifies Seller in advance and, to the extent permitted by such Governmental Entity, gives Seller the opportunity to attend and participate at such meeting.

5.5.5 Without limiting Section 5.6.1, Buyer and Seller shall: (a) each use its commercially reasonable efforts to avoid the entry of, or to have vacated or terminated, any decree, order or judgment that would restrain, prevent or delay Closing, including defending through litigation on the merits any claim asserted in any court by any Person; and (b) each use its commercially reasonable efforts to avoid or eliminate each and every impediment under any antitrust, competition or trade regulation law that may be asserted by any Governmental Entity or any other Person with respect to Closing so as to enable Closing to occur as soon as reasonably possible (and in any event no later than the Outside Date), including implementing, contesting or resisting any litigation before any court or administrative tribunal seeking to restrain or enjoin Closing; provided, that Buyer and its Affiliates shall be required to (and nothing in this Contract shall require Seller or any of its Affiliates to) commit to any divestitures, licenses or hold separate or similar arrangements with respect to its or their respective assets or conduct of business arrangements (such arrangements, the "Remedial Actions"), to the extent necessary to obtain any approval from a Governmental Entity required to consummate the transactions contemplated hereby; provided, further, that nothing in this Section 5.6.2 shall require Buyer to take any Remedial Action that constitutes or would reasonably be expected to constitute a Burdensome Condition.

5.5.6 Buyer and Seller shall promptly advise each other upon receiving any communication from any Governmental Entity whose consent or approval is required for consummation of the transactions governed by this Contract. Buyer and Seller shall each use its commercially reasonable efforts to take, or cause to be taken, all actions reasonably necessary to defend any lawsuits or other legal proceedings challenging this Contract or the consummation of the transactions contemplated hereby and shall seek to prevent the entry by any Governmental Entity of any decree, injunction or other order challenging this Contract or the consummation of the transactions contemplated hereby. The parties agree to appeal, as promptly as possible, any decree, injunction or other order challenging this Contract or the consummation of the transaction contemplated hereby and use commercially reasonable efforts to have any such decree, injunction or other order vacated or reversed.

5.5.7 From the Effective Date until the earlier of termination of this Contract and Closing, each party shall promptly notify the other party in writing of any pending or, to the knowledge of Buyer or Seller, as appropriate, threatened action, suit, arbitration or other proceeding or investigation by any Governmental Entity or any other Person (a) challenging or seeking damages in connection with Closing or any other transaction governed by this Contract or (b) seeking to restrain or prohibit the consummation of Closing.

5.5.8 From the Effective Date until the earlier of termination of this Contract and Closing, Buyer shall not, and shall not permit any of its Affiliates to, acquire or agree to acquire by merging or by consolidating with, or by purchasing assets of or a substantial portion of equity in, or any other manner, or otherwise own or operate any business or any corporation, partnership, association or other business organization or division thereof engaged in the gaming business in Las Vegas if such acquisition or agreement to acquire could reasonably be expected to adversely affect Buyer's ability to consummate the transactions contemplated by this Contract.

5.6 **Gaming Law Provisions**.

5.6.1 Buyer acknowledges and agrees that its rights, remedies and powers under this Contract may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of the Gaming Laws and only to the extent that any required approvals (including prior approvals) are obtained from the requisite Gaming Authorities and that Buyer may be subject to being called forward by the requisite Gaming Authorities in order to determine whether Buyer meets suitability standards under applicable Gaming Law (any such approvals, "Buyer's Gaming Approval"). Buyer agrees to cooperate with the applicable Gaming Authorities in connection with the administration of their regulatory jurisdiction over Seller, including, without limitation, the provision of such documents or other information as may be requested by any such Gaming Authorities relating to Buyer, Seller or this Contract.

5.6.2 As a holder of privileged gaming licenses, Seller and its Affiliates are required to adhere to strict laws and regulations regarding vendor and other business relationships or associations. If at any time the Compliance Committee of Caesars Entertainment Corporation (including any successor thereto, the "Compliance Committee') determines in its sole discretion (acting in good faith) that (a) Seller's association with Buyer (or any Person that, directly or indirectly, holds any interest in Buyer or any key principal of Buyer or any such Person) violates or is likely to violate any statutes and/or regulations regarding prohibited relationships with gaming companies or (b) it is in the best interests of Seller and its Affiliates to terminate Seller's relationship with Buyer (or any Person that, directly or indirectly, holds any interest in Buyer or any key principal of Buyer or any such Person) in order to protect any pending licensing applications or any privileged gaming licenses of Seller or any of its Affiliates or protect Seller and its Affiliates from any disciplinary actions by any Gaming Authority (each of clause (a) and (b) above, a "Suitability Problem"), Seller shall provide written notice thereof to Buyer together with (to the extent permitted by applicable law) a

reasonably-detailed description of the facts and circumstances leading Seller to its determination that a Suitability Problem exists and copies of any notices from any Gaming Authority, Governmental Entity or other Person asserting or relating to such determination (a "Suitability Problem Notice"). Following the delivery by Seller of a Suitability Problem Notice, Buyer shall use commercially reasonable efforts to take such actions as would eliminate such Suitability Problem within the time period required by the Compliance Committee or any applicable Gaming Authority. If Buyer is unable to, after using commercially reasonable efforts, eliminate such Suitability Problem within such time period, Seller may terminate this Contract upon written notice to Buyer. Buyer agrees to cooperate with Seller, if requested, to undergo a background investigation to comply with Seller's compliance policies and to continue to cooperate with Seller throughout the term of this Contract to establish and maintain Buyer suitability under applicable Gaming Law. During the term of this Contract, to the extent any prior disclosures become inaccurate, including, but not limited to, due to a new Equity Financing Source or the initiation of any criminal proceeding or any civil or administrative proceeding or process which alleges any violations of law involving Buyer (or any Person that, directly or indirectly, holds any interest in Buyer or any key principal of Buyer or any such Person), Buyer shall disclose to Seller all information regarding such inaccuracies actually known to Buyer at the time within ten (10) calendar days from that event. Buyer agrees to comply, and use diligent efforts to cause third parties to comply, with any background investigation conducted in connection with the disclosure of this updated information. Notwithstanding any other terms of this Contract, in the event of termination of this Contract pursuant to this Section 5.7.2, Seller shall return the Deposit to Buyer (unless the Suitability Problem was a Buyer Bad Act Suitability Problem, in which case Seller shall be entitled to retain the Deposit as its liquidated damages) and thereafter neither Seller nor Buyer shall have any further liability to the other under this Contract except for those rights and obligations that, by their terms, survive the termination of this Contract. Buyer agrees to promptly notify Seller of any Change of Control of Buyer, any Person who will be an Equity Financing Source other than an Identified Equity Financing Source or any knowledge obtained by Buyer of a matter that would reasonably be expected to result in a Buyer Bad Act Suitability Problem. Seller represents to Buyer that, as of the Effective Date, the Compliance Committee (i) is composed entirely of Independent Persons, (ii) has received, for Buyer and each Identified Equity Financing Source, a Business Information Form and such other information that the Compliance Committee may have requested for Buyer and each Identified Equity Financing Source and (iii) has determined prior to the Effective Date, based on the information disclosed in such Business Information Form and, with respect to Buyer only, assuming the representations and warranties of Buyer in Section 5.7.3 are true and correct, that no Suitability Problem exists with respect to Buyer or the Identified Equity Financing Sources. Buyer agrees that it shall not utilize an Equity Financing Source other than an Equity Financing Source (x) identified to Seller no later than November 15, 2019 and (y) that has been approved by the Compliance Committee (an "Approved New Equity Financing Source").

5.6.3 To Buyer's knowledge, as of the Effective Date, none of the information provided to the Compliance Committee referenced in Section 5.7.2 related to any Identified Equity Financing Source contained any material misstatements or material omissions.

5.7 **Guaranty**. Concurrently with the execution and delivery of this Agreement, Caesars Resort Collection, LLC ("Guarantor") has executed that certain guaranty in the form attached hereto as Exhibit G (the "Seller Guaranty") guaranteeing (a) Seller's obligation to return the Deposit if required to do so pursuant to the provisions of this Agreement, (b) Seller's post-closing obligations under this Agreement and (c) Seller's future obligations as Tenant under the Property Lease (including Seller's obligation to transfer the owned Gaming Equipment to Buyer or its designee pursuant thereto).

5.8 **Property Subdivision**. Buyer (a) shall from and after the Effective Date, cause the Surveyor to update the Survey and provide a separate legal description for the Development Parcel and the balance of the Property, (b) prior to the Closing Date, shall deliver to Seller a copy of the revised Survey and separate legal descriptions and (c) may take such steps and obtain such approvals required under Legal Requirements to separate the Development Parcel from the balance of the Property and create separate legal and tax lots for the same; provided, however, that in no case shall such separate legal and tax lots be created prior to the Closing Date. In connection with the foregoing, Seller shall cooperate with the reasonable requests of Buyer as may be required by Governmental Entities to effectuate such subdivision and creation of separate legal and tax lots, including executing such applications, "owner approvals" or other reasonable documentation, and Buyer shall pay all application fees and shall, within fifteen (15) days of demand therefor, reimburse Seller for all reasonable out-of-pocket costs and expenses incurred by Seller in connection therewith. Such reimbursement obligations shall survive Closing or any termination of this Contract.

5.9 **Trademarks**. Seller shall: (a) cause its licensees to limit use of the Rio Secco trademark to that which exists as of the Closing Date and not expand such use of the Rio Secco trademark to any other properties or locations; and (b) immediately upon the expiration or termination of all such licenses existing as of the Closing Date, including any renewals or extensions thereof, assign and transfer to Buyer all right, title and interest in and to the Rio Secco trademark, including the goodwill associated therewith, and execute all documents and agreements reasonably necessary to effectuate such assignment and transfer.

5.10 **Culinary CBA**. From and after the Effective Date, Seller shall not permit any amendments, supplements, modifications or terminations to the Culinary CBA, unless the same are approved by Buyer in writing in its sole discretion; provided, however, that the foregoing shall not apply to any such amendment, supplement, modification or termination that is (a) required by applicable law or (b) made in the ordinary course of business so long as such amendment, supplement, modification or termination does not disproportionately adversely impact the Property as compared to the other properties that are subject to the Culinary CBA.

ARTICLE 6

REPRESENTATIONS OF SELLER

To induce Buyer to execute, deliver and perform under this Contract, Seller hereby represents and warrants to Buyer as of the Effective Date (except for those representations and warranties below that are made as of the Closing Date or some other date):

6.1 **Organization**. Seller is duly organized and validly existing under the laws of its state of organization and has all requisite limited liability company power and authority to own, lease and operate its assets and to carry on its business as now being conducted. Seller is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so qualified, licensed or in good standing has not had or would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

6.2 **Authority; No Conflict; Required Filings and Consents**.

6.2.1 Seller has all requisite limited liability company power and authority to enter into this Contract and each of the Ancillary Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. Seller's execution and delivery of this Contract and each Ancillary Agreement to which it is a party and the consummation by Seller of the transactions contemplated hereby and thereby have been duly authorized by all necessary limited liability company action on the part of Seller. This Contract and each such Ancillary Agreement has been or will be duly executed and delivered by Seller and, assuming this Contract and each such Ancillary Agreement constitutes the valid and binding obligation of each other party thereto, constitutes or when executed will constitute a valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, subject, as to enforcement, to (i) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereinafter in effect affecting creditors' rights generally and (ii) general principles of equity (collectively, the "Enforcement Limitations").

6.2.2 Except as set forth in Schedule 6.2.2, the execution and delivery by Seller of this Contract and each Ancillary Agreement to which it is a party does not, and the consummation by Seller of the transactions contemplated hereby and thereby will not, (a) conflict with, or result in any violation or breach of, any provision of the organization documents of Seller, (b) result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, contract or obligation to which Seller is a party or by which Seller may be bound, or (c) subject to the governmental filings and other matters referred to in Section 6.2.3, conflict with or violate in any material respect any permit, concession, franchise, license, judgment or law applicable to Seller, except in the case of clause (b), for any such breaches, conflicts, violations, defaults, terminations, cancellations, accelerations, losses or failures to obtain any such consent or waiver which would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect or would not materially impair Closing or delay Closing beyond the Outside Date.

6.2.3 No consent, approval, order or authorization of, or registration, declaration, notification or filing with, any court, administrative agency, commission, Gaming Authority or Governmental Entity is required by or with respect to Seller in connection with the execution and delivery of this Contract by Seller or the consummation by Seller of the transactions to which it is a party that are contemplated hereby, except for (a) the filing of the pre-merger notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("HSR Act"), (b) any approvals and filing of notices required under the Gaming Laws, (c) such consents, approvals, orders, authorizations, permits, filings, declarations or registrations related to, or arising out of, compliance with statutes, rules or regulations regulating the consumption, sale or serving of alcoholic beverages or the renaming or rebranding of the operations at the Property, (d) any filing of a notice under the WARN Act (the "WARN Act Notification"), which WARN Act Notification shall be subject to the provisions of Section 6.10.2, (e) such other filings, consents, approvals, orders, authorizations, permits, registrations and declarations as may be required under the laws of any jurisdiction in which Seller conducts any business or owns any assets, the failure of which to make or obtain has not had or would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect and (f) any consents, approvals, orders, authorizations, registrations, permits, declaration or filings required by Buyer or any of its Affiliates or key employees (including under the Gaming Laws).

6.2.4 Except as set forth on Schedule 6.2.4, Seller and its Affiliates are in compliance in all material respects with all applicable laws, rules and regulations governing the collection and use of personal information and such collection and use are in accordance in all respects with the privacy policies under which the information was collected. Seller has the right to transfer the Guest Data as contemplated by this Contract and such transfer does not in any material respect violate any privacy or data security law or regulation, or any other applicable law or regulation, or violate any agreements with any individuals or third parties, including, without limitation, any privacy policies under which the information was collected. Since the Lookback Date, neither Seller nor any of its Affiliates have received any written notice or claim asserting any material violation of any applicable laws, rules and regulations governing the collection and use of personal information or any material violation of any of Seller's privacy policies.

6.3 **New Property Owner**.

6.3.1 From formation through the Closing Date, New Property Owner shall be duly organized (or formed), validly existing and in good standing under the laws of its State of organization.

6.3.2 As of the Closing Date, (a) Seller will be the sole record and beneficial owner of the Membership Interests, free and clear of any lien (other than liens imposed under applicable securities laws or Gaming Laws or for Permitted Exceptions), (b) the Membership Interests constitute all of the outstanding equity securities of New Property Owner, and (c) except for this Contract, there are no outstanding options, warrants, rights, calls, convertible securities or other contracts obligating Seller or New Property Owner to issue, transfer or sell any equity securities of New Property Owner.

6.3.3 As of the Closing Date, New Property Owner will own (or co-own, in the case of the Guest Data) the Purchased Assets, but otherwise will have no assets.

6.3.4 As of the Closing Date, New Property Owner will have all requisite limited liability company power and authority to enter into each of the Ancillary Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. As of the Closing Date, New Property Owner's execution and delivery of each Ancillary Agreement to which it is a party and the consummation by New Property Owner of the transactions contemplated hereby and thereby will have been duly authorized by all necessary limited liability company action on the part of New Property Owner. As of the Closing Date, each such Ancillary Agreement will be duly executed and delivered by New Property Owner and, assuming each such Ancillary Agreement constitutes the valid and binding obligation of each other party thereto, when executed will constitute a valid and binding obligation of New Property Owner, enforceable against New Property Owner in accordance with its terms, subject to the Enforcement Limitations. The execution and delivery by New Property Owner of each Ancillary Agreement to which it is a party does not, and the consummation by New Property Owner of the transactions contemplated thereby will not, (a) conflict with, or result in any violation or breach of, any provision of the organization documents of New Property Owner or (b) subject to the governmental filings and other matters referred to in Section 6.2.3, conflict with or violate in any material respect any permit, concession, franchise, license, judgment or law applicable to New Property Owner, except, in the case of clause (b), for any such breaches, conflicts, violations, defaults, terminations, cancellations, accelerations, losses or failures to obtain any such consent or waiver which (i) would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect or (ii) would not materially impair Closing or delay Closing beyond the Closing Date.

6.4 **Property Trademarks**. Exhibit H attached hereto sets forth a true and complete list of all of the (a) trademark and service mark registrations and applications, (b) material unregistered trademarks and service marks, and (c) internet domain name registrations owned by Seller or any of its Affiliates exclusively related to the Property (collectively, the "Property Marks"). Seller is the sole and exclusive owner of all right, title and interest in the Property Marks free and clear of all liens and encumbrances (other than Permitted Exceptions). Except for as set forth in Schedule 6.4, the Property Marks constitute all of the trademark and branding rights necessary for the Seller to conduct its respective businesses and operations at or in connection with the Property as currently being conducted. None of the registered trademarks included in the Property Marks is now involved in any opposition or cancellation proceeding and, to Seller's knowledge, no such proceeding is or has been threatened in writing with respect thereto. All registered trademarks included in the Property Marks are subsisting, in full force and effect, valid, and enforceable, and none of the registered trademarks included in the Property Marks have been canceled, abandoned, expired or otherwise terminated. Neither Seller nor any of its Affiliates has received any written notice or claim challenging the ownership, validity or enforceability of any of the Property Marks that remains pending or unresolved. To Seller's knowledge, Seller's conduct of its respective businesses and operations at, and in connection with, the Property has not and does not infringe, misappropriate, or otherwise violate any intellectual property rights of any third party. Neither Seller nor any of its Affiliates has received any written notice or claim in which the Seller's or any of its Affiliates' conduct of its respective businesses and operations at, or in connection with, the Property is alleged to infringe, misappropriate, or otherwise violate any intellectual property rights of any third party, except for any such notice or claim that would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect. To Seller's knowledge, (i) no Person has infringed, misappropriated, or otherwise violated, or is infringing, misappropriating, or otherwise violating, any Property Marks, and (ii) no claims asserting that any such infringement, misappropriation or violation are pending or, since the Lookback Date, have been threatened in writing against any Person by the Seller or any of its Affiliates, in each case except for any such infringement, misappropriation or violation that has not had or would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect.

6.5 **Environmental Matters**.

6.5.1 Seller has obtained all material permits, licenses or approvals required pursuant to Environmental Law ("Environmental Permits") necessary to conduct its respective businesses and operations at the Property, and all such Environmental Permits are valid and in full force and effect.

6.5.2 Seller is in compliance in all material respects with all Environmental Laws and all Environmental Permits. To Seller's knowledge, no environmental report relating to the Property has been delivered to Seller since September 1, 2018.

6.5.3 Seller (a) is not subject to any pending or, to Seller's knowledge, threatened (in writing) proceeding regarding Environmental Laws, and (b) is not in receipt of a written notice from a Governmental Entity alleging a violation of or liability under any Environmental Law which has not been addressed and cured in accordance with Environmental Laws.

6.5.4 Except as expressly set forth in the environmental report obtained by Buyer prior to the Effective Date (the "Buyer's Environmental Report"), no Hazardous Materials are located at, on or under the Property that has given rise to any pending obligation to conduct, or would reasonably be expected to require, any cleanup, investigation or other remedial action pursuant any Environmental Law.

6.5.5 Notwithstanding anything to the contrary contained in this Contract, the representations and warranties in this Section 6.5 constitute the sole and exclusive representations and warranties of Seller with respect to any liabilities under or related to any Environmental Law; provided, however, that the foregoing provision shall not obviate or limit any of Tenant's Property Lease Obligations once the same is executed and delivered.

6.6 **Property**.

6.6.1 Schedule 6.6.1 sets forth a true and complete list of all documents and agreements as of the Effective Date pursuant to which Seller leases, licenses, subleases or permits the occupancy of all or any portion of the Property to another Person (each, together with any Person that executes a Lease to occupy all or any portion of the Property after the Effective Date, an "Existing Tenant"), together with all amendments, modifications, extensions, renewals, and replacements thereof, and other documents and agreements relating thereto (collectively, the "Leases"); provided, however, that the foregoing representation is limited to Seller's knowledge for any Leases that are Non-Material Leases. Prior to the Effective Date, Seller has made available to Buyer true and complete (in all material respects) copies of the Leases (including those Non-Material Leases of which Seller has knowledge).

6.6.2 As of the Effective Date, there are no leasing brokerage agreements entered into by Seller with respect to the leasing of space at the Property.

6.6.3 Except as set forth on Schedule 6.6.3, as of the Effective Date, there are no material unpaid tenant improvement allowances, free rent or other monetary obligations owed by Seller as a tenant inducement to any Existing Tenant.

6.6.4 There are no options to purchase or rights of first refusal outstanding for the sale or transfer of all or any portion of the Property. There are no other obligations outstanding for the sale or transfer of all or any portion of the Property, except (a) for the liens and security interests in the Property created pursuant to the Existing Loan, (b) for the leasing or subleasing of space at the Property pursuant to Leases that do not contain options to purchase or rights of first refusal to purchase all or any portion of the Property or (c) obligations that are otherwise permitted or created by this Contract.

6.6.5 In the past five (5) years, Seller has not received written notice of any condemnation or eminent domain proceeding pending or threatened in writing against the Property or any part thereof and no written notice from any Governmental Entity has been received by Seller concerning the possible imposition of any special assessments against the Property except for any special assessments set forth in the Permitted Exceptions.

6.6.6 Seller is not is a "foreign person" within the meaning of Section 1445 of the Code.

6.6.7 As of the Effective Date, there is no action, suit or proceeding, claim, arbitration or investigation pending against Seller or, to Seller's knowledge, threatened in writing against Seller that would prevent the closing of the transactions contemplated by this Contract.

6.7 **Permits**. Seller, and to the knowledge of Seller, each of its directors, managers, officers and Persons performing management functions similar to officers, hold all material permits, registrations, findings of suitability, licenses, variances, exemptions, certificates of occupancy, orders and approvals of all Governmental Entities (including all Gaming Approvals), necessary to conduct the business and operations of the Property conducted by Seller as of the Effective Date, each of which is in full force and effect in all material respects (the "Permits"). Since the Lookback Date, Seller has received no written notice of any and, to the knowledge of Seller, no event has occurred or condition or state of facts exists that permits, or upon the giving of notice or passage of time or both, would permit, revocation, non-renewal, modification, suspension, limitation or termination of any of the Permits that currently are in effect.

6.8 **Tangible Personal Property**. Seller is in possession of and has good title to all tangible personal property owned by Seller and included in the Purchased Assets which are or will be at Closing free and clear of all liens and encumbrances (other than Permitted Exceptions). Exhibit E attached hereto as of the Effective Date is a true and complete inventory list of all Owned Slot Machines and Gaming Tables as of such date.

6.9 **Compliance With Applicable Laws, Rules, Regulations, Contracts or Other Agreements.** Seller and its Affiliates are in compliance in all respects with all applicable laws, rules and regulations and all obligations and requirements imposed by contract or other agreement, related to the Property and the operation of the same, in each case except as has not had or would not reasonably be excepted to have, individually or in the aggregate, a Seller Material Adverse Effect.

Prior to 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 Contract.

6.10 **Labor and Employee Matters.**

6.10.1 On or prior to the Closing Date, Seller shall (or shall cause Tenant to) continue employment at the Property, commencing on the Closing Date, of (a) all of the Employees represented by the Unions who were employed at the Property by Seller (or its Affiliates) on the day immediately preceding the Closing Date on terms and conditions that are in compliance with the Collective Bargaining Agreements and (b) a sufficient number of Employees, including those on vacation, leave of absence, disability or layoff, who were employed at the Property on the day immediately preceding the Closing Date, on such terms and conditions (including without limitation compensation, salary, employee benefits, job responsibility and descriptions, location, seniority and deemed length of service) as is necessary to avoid liability under the WARN Act without the need for giving any WARN Act Notification of any “plant closing,” “mass layoff” or similar notices.

6.10.2 Seller has not, prior to the Effective Date, and shall not, at any time after the Effective Date and prior to Closing Date, effectuate a “plant closing” or “mass layoff” as those terms are defined in the WARN Act, affecting in whole or in part any Employee.

6.10.3 Except as set forth in Schedule 6.10.3 of this Agreement, neither Seller nor, to Seller's knowledge, Tenant is a party to, or bound by, any collective bargaining agreement or similar labor agreement covering any of the Employees or relating to the Property and the Unions are the only unions representing employees at the Property. Seller has delivered or otherwise made available to Buyer a true, correct and complete copy of the Collective Bargaining Agreements. Except as set forth in Schedule 6.10.3, Seller is not making contributions (and does not have an obligation to make contributions), and Tenant (or its Affiliate) is not making contributions on behalf of Seller to any Multiemployer Pension Plans. To Seller's Knowledge, neither the Seller nor Tenant is in default of any material obligation under the Collective Bargaining Agreements. Seller has complied with all notice requirements under the Collective Bargaining Agreements related to the sale of the Property.

6.10.4 To Seller's knowledge, there are no threatened labor strikes or slowdowns, and no work stoppages are pending, or have occurred within the last three years at the Property.

6.10.5 Each Employee Benefit Plan maintained by the Seller and its ERISA Affiliates is operated and administered in compliance in all material respects with, as applicable, the provisions of ERISA, the Code, all regulations, rulings, and announcements promulgated or issued thereunder, and all other applicable laws. All material reports required by any Governmental Entity with respect to the Employee Benefit Plans have been timely filed or are properly on extension. Each group health plan maintained by Seller and its ERISA Affiliates has been operated and administered in compliance in all material respects with the continuation coverage notice requirements of Title I, Subtitle B, Part 6 of ERISA and Code section 4980B and the regulations thereunder. For purposes of this Agreement, the term "group health plan" will have the meaning set forth in Code section 5000(b)(1).

6.10.6 Neither Seller nor, to Seller’s knowledge, its ERISA Affiliates have engaged in any transaction that would subject them to either a civil penalty assessed pursuant to ERISA section 502(i) or tax imposed by Code section 4975.

6.10.7 On or prior to the Closing Date, Buyer shall have executed the Owner & Operator Letter substantially in the form attached hereto as Exhibit Q or in such alternative form as is acceptable to the union, acknowledging (a) that Buyer is aware of the collective bargaining agreement covering members of the union at the Property, (b) that Buyer agrees to assume and comply with the successorship provisions of the collective bargaining agreement which are applicable to owner and (c) that Tenant is the operator and is making contributions to the union's pension fund on behalf of Buyer.

6.10.8 In connection with the Teamsters and Engineers Collective Bargaining Agreements, Seller shall execute and deliver to the Buyer a notice substantially in the form of Exhibit R and shall provide copies to the Teamsters and Engineers unions.

ARTICLE 7
REPRESENTATIONS OF BUYER

To induce Seller to execute, deliver and perform under this Contract, Buyer hereby represents and warrants to Seller as of the Effective Date:

7.1 **Organization**. Buyer is duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate or similar power and authority to carry on its business as now being conducted. Buyer is duly qualified or licensed to do business and is in good standing in each jurisdiction in which the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except where the failure to be so qualified, licensed or in good standing has not had or would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect.

7.2 **Authority; No Conflict; Required Filings and Consents**.

7.2.1 Buyer has all requisite corporate or similar power and authority to enter into this Contract and each of the Ancillary Agreements to which it is a party and to consummate the transactions contemplated hereby and thereby. Buyer's execution and delivery of this Contract and each Ancillary Agreement to which it is a party and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate or similar action on the part of Buyer. This Contract and each such Ancillary Agreement has been or will be duly executed and delivered by Buyer and, assuming this Contract and each such Ancillary Agreement constitutes the valid and binding obligation of each other party thereto, constitutes the valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject, as to enforcement, to the Enforcement Limitations.

7.2.2 The execution and delivery by Buyer of this Contract and each Ancillary Agreement to which it is a party does not, and the consummation by Buyer of the transactions contemplated hereby and thereby will not, (a) conflict with, or result in any violation or breach of, any provision of the organizational documents of Buyer, (b) result in any violation or breach of, or constitute (with or without notice or lapse of time, or both) a default (or give rise to a right of termination, cancellation or acceleration of any obligation or loss of any material benefit) under, or require a consent or waiver under, any of the terms, conditions or provisions of any note, bond, mortgage, indenture, lease, contract or obligation to which Buyer is a party or by which Buyer or any of its properties or assets may be bound, or (c) subject to the governmental filings and other matters referred to in Section 7.2.3, conflict with or violate any permit, concession, franchise, license, judgment or law applicable to Buyer or any of its properties or assets, except, in the case of clauses (b) and (c), for any such conflicts, violations, defaults, terminations, cancellations, accelerations losses or failures to obtain any such consent or waiver which (i) would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect or (ii) would not delay or prevent Closing.

7.2.3 No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity is required by or with respect to Buyer in connection with the execution and delivery of this Contract by Buyer or the consummation by Buyer of the transactions to which it is a party that are contemplated hereby, except for (a) the filing of the pre-merger notification report under the HSR Act, (b) any approvals and filing of notices required under the Gaming Laws, (c) any WARN Act Notification and/or other notification required to be made by Seller pursuant to law, contract or other agreement, (d) such consents, approvals, orders, authorizations, permits, filings, declarations or registrations related to, or arising out of, compliance with statutes, rules or regulations regulating the consumption, sale or serving of alcoholic beverages or tobacco or the renaming or rebranding of the operations at the Property, (e) such other filings, consents, approvals, orders, authorizations, permits, registrations and declarations as may be required under the laws of any jurisdiction in which Buyer conducts any business or owns any assets, the failure of which to make or obtain has not had or would not reasonably be expected to have, individually or in the aggregate, a Buyer Material Adverse Effect and (f) any consents, approvals, orders, authorizations, registrations, permits, declarations or filings required by Seller or its Affiliates or key employees (including under the Gaming Laws).

7.3 **Financing**.

7.3.1 Pursuant to Section 5.7.3, Buyer has delivered to Seller information regarding the Identified Equity Financing Sources. Furthermore, Buyer has delivered to Seller true and complete copies of the executed mortgage loan and senior mezzanine loan term sheet, dated on or prior to the Effective Date, from the lenders described therein relating to the transactions contemplated by this Contract (such lenders, together with certain additional lenders that are expected to provide a junior mezzanine loan pursuant to a Junior Mezzanine Loan Term Sheet, the "Debt Financing Sources" and collectively, such letters together with any executed Junior Mezzanine Loan Term Sheet, the "Debt Financing Letters"), pursuant to which the Debt Financing Sources have agreed, subject to the terms and conditions set forth therein, to provide to Buyer (directly or indirectly) the debt financing described in the Debt Financing Letters (the "Debt Financing", together with the Equity Financing to be provided by the Identified Equity Financing Sources, the "Financing"), in each case for the purposes of funding the transactions contemplated by this Contract and paying Buyer's related fees and expenses. The aggregate amount of the net proceeds contemplated by the Financing, together with the Seller Financing (if timely elected by Buyer pursuant to Section 5.4.7) and any of Buyer's cash on hand, will be sufficient to pay all amounts required to be paid by Buyer hereunder and all related fees and expenses then payable by Buyer under the Financing and in connection with the transactions contemplated by this Contract.

7.3.2 The executed Debt Financing Letters have not been amended, modified, supplemented, terminated or withdrawn in any way. No such amendment, modification, supplement, termination or withdrawal is contemplated. Any and all commitment fees or other fees in connection with the Financing that are payable on or prior to the Effective Date have been paid by or on behalf of Buyer.

7.3.3 The executed Debt Financing Letters have (a) the legal, valid and binding obligation of Buyer and, to the knowledge of Buyer, each of the other parties thereto, (b) enforceable in accordance with its terms against Buyer and, to the knowledge of Buyer, each of the other parties thereto, subject to general principles of equity and to bankruptcy, insolvency, reorganization, moratorium or other similar laws presently or hereafter in effect affecting the rights of creditors or debtors generally, and (c) in full force and effect. No event has occurred that, with or without notice, lapse of time, or both, would or would reasonably be expected to constitute a default or breach under the Debt Financing Letters on the part of Buyer, or, to the knowledge of Buyer, any of the other parties thereto, or result in the failure of any condition precedent under the Debt Financing Letters to be satisfied. Buyer has no reason to believe that any of the conditions to the Financing will not be satisfied or that the Financing will not be made available to Buyer on the Closing Date.

7.3.4 None of the Financings involve, and Buyer has no view or intention to obtain, any financing from, or otherwise assign any or all of its rights under this Contract to, Landscape Acquisition Holdings Limited or any other special purpose acquisition company or cash shell listed on the main market or AIM of the London Stock Exchange or any other similar exchange of any jurisdiction, or otherwise allow any such Person to directly or indirectly participate in the transaction contemplated by this Contract.

7.3.5 Buyer has the financial wherewithal to make the Additional Deposit as such Additional Deposit becomes due pursuant to the terms of this Contract.

7.4 **Litigation**. There are no actions, claims, suits or proceedings pending or, to Buyer's knowledge, threatened against Buyer before any Governmental Entity which, if determined adversely, could prevent or materially delay Buyer from completing the transactions contemplated by this Contract.

7.5 **Solvency**. After giving effect to the transactions contemplated by this Contract (including the payment of all amounts required to be paid by Buyer pursuant hereto and the Financing), each of Buyer and New Property Owner will be Solvent immediately after Closing. For purposes hereof, "Solvent", when used with respect to either Buyer or New Property Owner, means that, as of any date of determination: (a) the amount of the "fair saleable value" of the assets of such entity will, as of such date, exceed the sum of (i) the value of all "liabilities of such entity, including a reasonable estimate of the amount of all contingent and other liabilities," as of such date, as such quoted terms are generally determined in accordance with applicable laws governing determinations of the insolvency of debtors, and (ii) the amount that will be required to pay the liabilities of such entity on its existing debts (including a reasonable estimate of the amount of all contingent and other liabilities) as such debts become absolute and mature; (b) such entity will not have, as of such date, an unreasonably small amount of capital for the operations of the businesses in which it is engaged; and (c) such entity will be able to pay its liabilities, including contingent and other liabilities, as they mature. For purposes of this definition, "not have an unreasonably small amount of capital for the operation of the businesses in which it is engaged" and "able to pay its liabilities, including contingent and other liabilities, as they mature" means that such entity will be able to generate enough cash from operations, asset dispositions or refinancing, or a combination thereof, to meet its obligations as they become due.

7.6 **Waiver of Buyer's Further Due Diligence Investigation**. Buyer acknowledges that it is familiar with the business of Seller and has had the opportunity, directly or through its representatives, to inspect the Property and the other Purchased Assets and conduct due diligence activities with respect to Seller, including with respect to the Property and the other Purchased Assets. Without limitation of the foregoing, Buyer acknowledges that the Purchase Price has been negotiated based on Buyer's express agreement that there would be no conditions or other contingencies to consummation of the transactions contemplated by this Contract other than the conditions set forth in Article 8. Further, without limiting any representation, warranty or covenant of Seller expressly set forth herein, Buyer acknowledges that it has waived and hereby waives as a condition to Closing any further due diligence reviews, inspections or examinations with respect to the Membership Interests, Property, FF&E, Property Marks and Guest Data, including with respect to engineering, environmental, survey, financial, operational, regulatory and legal compliance matters.

7.7 **Investment Purpose**. Buyer is acquiring the Membership Interests solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act of 1933, as amended (the "Securities Act"), or any other applicable securities law. Buyer acknowledges that the Membership Interests are not registered under the Securities Act or any state securities laws, and that the Membership Interests may not be transferred or sold except pursuant to the registration provisions of the Securities Act or pursuant to an applicable exemption therefrom and subject to state securities laws, as applicable. Buyer is able to bear the economic risk of holding the Membership Interests 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. Buyer is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

ARTICLE 8
CONDITIONS PRECEDENT, DEFAULT AND TERMINATION

8.1 **Buyer's Closing Conditions**. The obligation of Buyer to complete the transaction contemplated by this Contract is subject to the following conditions precedent (and conditions concurrent, with respect to deliveries to be made by the parties at the Closing) (collectively, the "Buyer's Closing Conditions"), which conditions may be waived, or the time for satisfaction thereof extended, by Buyer only in a writing executed by Buyer (provided, however, that Buyer's acceptance of the Deed shall be deemed to be a waiver of any unsatisfied conditions regardless of whether Buyer executes a separate written instrument to that effect at the Closing):

8.1.1 **Seller's Due Performance**. (a) The representations and warranties of Seller set forth in Sections 6.1 and 6.2 and the representations and warranties of New Property Owner set forth in Section 6.3 shall be true and correct in all material respects as of the Closing Date, (b) all of the other representations and warranties of Seller set forth in this Contract shall be true and correct in all respects as of the Closing Date, except in the case of this clause (b), where the failure of such representation or warranty to be so true and correct has not had and would not reasonably be expected to have, individually or in the aggregate, a Seller Material Adverse Effect and (c) Seller, on or prior to the Closing Date, shall have complied with and/or performed in all

material respects all of the obligations, covenants and agreements required on the part of Seller to be complied with or performed as of such date pursuant to the terms of this Contract.

8.1.2 **Bankruptcy**. No action or proceeding shall have been commenced by or against Seller, New Property Owner or Guarantor under the federal bankruptcy code or any state law for the relief of debtors or for the enforcement of the rights of creditors and be pending as of the Closing Date.

8.1.3 **Deliveries**. Seller and New Property Owner, as applicable, shall have delivered to the Escrow Agent or Buyer, as the case may be, such documents or instruments as are required to be delivered by Seller or New Property Owner pursuant to the terms of this Contract.

8.1.4 **No Legal Impediment**. There shall not be in effect as of the Closing Date 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 transactions contemplated by this Contract.

8.1.5 **HSR Act**. Any applicable waiting periods, together with any extensions thereof, under the HSR Act shall have expired or been terminated on or prior to the Closing Date.

8.1.6 **Lien or Judgment**. If Buyer shall have timely delivered to Seller written notice (an "Objection Notice") of an Objection with respect to a Lien or Judgment contemplated by clause (iv) of Section 3.2 with a value exceeding $15,000,000 (a "Qualifying LJ") in accordance with Section 3.2, Seller shall have either (at Seller's sole discretion) (a) removed such Qualifying LJ or caused such Qualifying LJ to be removed on or prior to the Closing Date or (b) bonded over such Qualifying LJ, escrowed sufficient funds with the Title Insurer, indemnified the Title Insurer or taken any other similar action at or prior to Closing such that such Qualifying LJ is omitted from the Title Policy (or is otherwise insured over by the Title Insurer) without additional cost to Buyer. Seller may elect not to (in its sole discretion) remove, bond over or otherwise satisfy such Qualifying LJ and must deliver written notice of such election (an "Election Notice") to Buyer within two (2) Business Days following the delivery of the applicable Objection Notice to Seller, in which case Buyer shall have the right to elect to (in its sole discretion), upon written notice to Seller delivered within two (2) Business Days following the delivery of such Election Notice, either (i) waive the closing condition under this Section 8.1.6 and close Escrow in accordance with this Contract with a credit to the Purchase Price in the amount of $15,000,000 or (ii) not waive such closing condition and terminate this Contract (which right must be exercised in such notice from Buyer). If Buyer exercises the termination right contemplated by the foregoing clause (ii) and, at the time of such termination, all of Seller's Closing Conditions were then satisfied (other than (A) the condition set forth in Section 8.4.4 (except where any direct or indirect action or inaction by Buyer or any of its Equity Financing Sources is a cause of such failure), (B) those conditions that by their nature are to be satisfied at Closing and (C) the condition set forth in Section 8.4.6), then (1) the Deposit shall be returned to Buyer and (2) Seller shall pay Buyer's Pursuit Costs (up to $5,000,000).

8.2 **Failure of Buyer's Closing Conditions**. If any of Buyer's Closing Conditions have not been fulfilled within the applicable time periods and such failure to fulfill a condition is not cured by Seller within ten (10) Business Days after written notice thereof from Buyer, Buyer may:

8.2.1 Waive the Buyer's Closing Condition and close Escrow in accordance with this Contract, without adjustment or abatement of the Purchase Price; or

8.2.2 Terminate this Contract by written notice to Seller and the Escrow Agent, in which event (a) all documents and instruments delivered into Escrow shall be returned to the party that delivered the same into Escrow (other than the Deposit, which shall be delivered to Seller (except as contemplated by Section 8.3)), (b) to the extent that the failure of any applicable Buyer's Closing Condition is caused by a Seller default, Seller shall pay for all of the cancellation charges of the Title Insurer and the Escrow Agent, if any, and Buyer shall be entitled to pursue its rights and remedies pursuant to the terms of Section 8.3, and (c) neither party shall have any further liability or obligation hereunder except as to those obligations which provide that they survive the termination of this Contract.

8.3 **Buyer's Remedies**.

8.3.1 In the event that Closing fails to occur as a result of the default of Seller in the performance of its obligations under this Contract where such default has given rise to a failure of the condition set forth in Section 8.1.1(c) to be satisfied within the applicable time period (but only if Seller has failed to cure such default within ten (10) Business Days after written notice thereof from Buyer), then upon notice to Seller and the Escrow Agent to that effect, Buyer may, as its sole remedy, elect to either (a) (i) terminate this Contract, (ii) receive a return of the Deposit and (iii) require Seller to pay to Buyer the Pursuit Costs incurred by Buyer up to a maximum of $5,000,000 or (b) seek the specific performance of this Contract within thirty (30) days following the scheduled Closing Date and recover from Seller its reasonable attorney's fees and costs incurred in connection with such specific performance action as permitted pursuant to Section 17.9; provided, however, that if Seller or any of its Affiliates has taken an action that actually prohibits or frustrates Buyer's ability to obtain the remedy of specific performance, then Buyer may, in addition to recovering such fees and costs pursuant to Section 17.9, proceed under clause (a) above.

8.3.2 In the event that (a) Closing fails to occur as a result of a failure of the conditions set forth in Section 8.1.1(a), 8.1.1(b), 8.1.2, 8.1.3, 8.1.4 (except where any direct or indirect action or inaction by Buyer or any of its Equity Financing Sources is a cause of such failure) or 8.1.6 and (b) the condition set forth in Section 8.1.5 and all of the conditions set forth in Section 8.4 shall have been satisfied other than (i) the condition set forth in Section 8.4.4 (except where any direct or indirect action or inaction by Buyer or any of its Equity Financing Sources is a cause of such failure), (ii) those conditions that by their nature are to be satisfied at Closing, (iii) the condition set forth in Section 8.4.6 and (iv) the condition set forth in Section 8.4.7 (the parties hereto agreeing that Section 5.7.2 governs entitlement to the Deposit in the event of a Suitability Problem), then upon written notice to Seller and the Escrow Agent to that effect, Buyer may, as its sole and exclusive remedy, elect to terminate this Contract and receive a return of the Deposit.

8.3.3 Notwithstanding anything to the contrary herein, the failure of a condition precedent caused by the action or inaction of a third party not in the control of Seller shall not be deemed a default by Seller in the fulfillment of an obligation.

8.4 **Seller's Closing Conditions**. The obligation of Seller to complete the transaction contemplated by this Contract is subject to the following conditions precedent (and conditions concurrent, with respect to deliveries to be made by the parties at the Closing) (collectively, the "Seller's Closing Conditions"), which conditions may be waived, or the time for satisfaction thereof extended, by Seller only in a writing executed by Seller:

8.4.1 **Buyer's Due Performance**. All of the representations and warranties of Buyer set forth in this Contract shall be true and correct in all material respects as of the Closing Date, and Buyer, on or prior to the Closing Date, shall have complied with and/or performed in all material respects all of the obligations, covenants and agreements required on the part of Buyer to be complied with or performed as of such date pursuant to the terms of this Contract.

8.4.2 **Bankruptcy**. No action or proceeding shall have been commenced by or against Buyer under the federal bankruptcy code or any state law for the relief of debtors or for the enforcement of the rights of creditors.

8.4.3 **Deliveries**. Buyer shall have delivered to the Escrow Agent or Seller, as the case may be, such documents or instruments as are required to be delivered by Buyer pursuant to the terms of this Contract.

8.4.4 **No Legal Impediment**. There shall not be in effect as of the Closing Date 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 transactions contemplated by this Contract.

8.4.5 **HSR Act**. Any applicable waiting periods, together with any extensions thereof, under the HSR Act shall have expired or been terminated on or prior to the Closing Date.

8.4.6 **Outside Date**. The Closing shall have occurred no later than the Outside Date.

8.4.7 **Suitability**. (a) There shall have been no determination by Seller that a Suitability Problem exists and/or (b) if Buyer is or becomes required to be licensed by any Gaming Authority in the State of Nevada, Buyer shall be so licensed. If Buyer is required to be licensed by any Gaming Authority in the State of Nevada, then Buyer may begin the application process at any time after the Effective Date and Seller shall cooperate (at no expense to Seller) with any reasonable requests of Buyer or any request of such Gaming Authority in connection therewith.

8.4.8 **Culinary CBA**. On or prior to the Closing Date, Buyer shall have, pursuant to Article 27 of the Culinary CBA, executed and become signatory, as Owner, to the Culinary CBA by executing the Owner & Operator Letter as set forth in Exhibit Q hereto, or in such alternative form as is acceptable to the union, and shall acknowledge in writing that, by and through such execution, Buyer is assuming the Culinary CBA as Owner in accordance with the successorship provision in Article 27 from and after the Closing Date, including the obligation to have Seller make pension contributions on its behalf. On or prior to the Closing Date, Seller shall have executed in writing the Owner and Operator Letter as set forth in Exhibit Q hereto as required by Section 27.02 of the Culinary CBA and thereby acknowledging that Seller continues to have obligations under the Culinary CBA as Operator of the Property.

8.4.9 **Seller Financing**. Buyer shall have delivered to Seller definitive agreements with respect to the Seller Financing, in form reasonably acceptable to Seller, duly executed by each of the parties thereto (other than Seller or any of its Affiliates).

8.5 **Failure of Seller's Closing Conditions**. If any of Seller's Closing Conditions have not been fulfilled within the applicable time periods and such failure to fulfill a condition is not cured by Buyer within ten (10) Business Days after written notice thereof from Seller, Seller may:

8.5.1 Waive the Seller's Closing Condition and close Escrow in accordance with this Contract; or

8.5.2 Terminate this Contract by written notice to Buyer and the Escrow Agent, in which event (a) the Escrow Agent shall deliver any previously undelivered Deposit to Seller (which, together with the amount of the Deposit previously released to Seller, Seller shall retain as liquidated damages, as its sole and exclusive remedy hereunder, in accordance with the

terms of Section 8.6), except as otherwise contemplated by Section 5.7.2, 8.3.1 and 8.3.2, (b) the Escrow Agent shall return all other documents, instruments and funds delivered into Escrow to the party that delivered the same into Escrow, (c) to the extent that the failure of any applicable Seller's Closing Conditions is caused by a Buyer default, Buyer shall pay for all of the cancellation charges of the Title Insurer and the Escrow Agent, if any, and (d) neither party shall have any further liability or obligation hereunder except as to those obligations which provide that they survive the termination of this Contract.

8.6 **Seller's Sole Remedy**. Prior to entering into this Contract, Buyer and Seller have considered the damages that would be suffered by Seller in the event of a default by Buyer of its obligation to purchase the Membership Interests. Given all the factors which directly affect the value and marketability of the Property and the other Purchased Assets, the parties realize that it would be extremely difficult and impracticable, if not impossible, to ascertain with any degree of certainty the amount of damages which would be suffered by Seller in the event of Buyer's failure to perform its obligations under this Contract to purchase the Membership Interests. The parties hereby agree that a reasonable amount of liquidated damages is an amount equal to the Deposit. If this Contract terminates for any reason other than Seller's breach or default of its obligations hereunder, then Buyer shall deliver to Seller, at no charge, any and all documents which Seller may reasonably require for the purpose of removing any cloud on title to the Property or other Purchased Assets created by the execution of this Contract. Notwithstanding the foregoing or anything herein to the contrary, Seller's rights or remedies shall not be limited with respect to: (a) the obligations of Buyer under Article 5, Article 10 and Section 17.9, and (b) those other rights and obligations that, by their terms, survive the termination of this Contract.

8.7 **Limitation on Damages**. Notwithstanding anything in this Agreement to the contrary, in no event shall Buyer or Seller be liable for any consequential, speculative or punitive damages under this Contract.

8.8 **Indemnification for UST Matters**.

8.8.1 **Indemnification**. From the Closing Date until the eighteen (18) month anniversary of the Property Lease Expiration Date, Seller shall indemnify Buyer from all liabilities, losses, damages, fines and reasonable and documented out-of-pocket costs and expenses incurred or suffered by Buyer solely to the extent they constitute UST Liabilities.

8.8.2 **Limitations**. Seller shall not be obligated to provide any indemnification under Section 8.8.1 (a) in excess of $50,000 in the aggregate and (b) to the extent the relevant UST Liability is discovered, caused, triggered, increased or accelerated by (i) any direct or indirect act or omission of Buyer or any of its Affiliates (including any sampling or analysis of any soil, groundwater or vapors) unless a Governmental Entity of competent jurisdiction has required such action or omission to be taken or not taken or (ii) any changes in applicable laws coming into effect following Closing.

8.8.3 **Exclusive Remedy**. Buyer acknowledges that its sole and exclusive remedy against Seller and its Affiliates for any liabilities, losses, damages, fines, costs and expenses that constitute UST Liabilities is under this Section 8.8 and hereby waives, on its behalf and on behalf of its Affiliates, their predecessors, successors and assigns, and their respective officers, directors, employees, agents and partners, to the fullest extent permitted under applicable Law, any claim or remedy against Seller or its Affiliates now or hereafter available with respect to any UST Liability, except as expressly set forth in this Section 8.8.

8.8.4 **General Matters**.

(a) As promptly as is reasonably practicable after becoming aware of a claim for indemnification under Section 8.8.1, but in any event no later than ten (10) Business Days after first becoming aware of such claim, Buyer shall give written notice to Seller of such claim in accordance herewith (a "Claim Notice"); provided, however, that the failure of Buyer to promptly deliver such Claim Notice shall not relieve Seller of its obligations under Section 8.8.1 except to the extent that Seller shall have been prejudiced thereby. The Claim Notice shall set forth in reasonable detail (i) the facts and circumstances giving rise to such claim for indemnification, including all relevant supporting documentation, then known by Buyer, (ii) the nature of the losses suffered or incurred or expected to be suffered or incurred and (iii) the amount of losses actually suffered or incurred and, to the extent the losses have not yet been suffered or incurred, a good faith estimate of the amount of losses that could be expected to be suffered or incurred.

(b) Notwithstanding anything in this Section 8.8 to the contrary, each claim for indemnification asserted in good faith in compliance with Section 8.8.4(a) prior to the eighteen (18) month anniversary of the Property Lease Expiration Date shall survive with respect to such claim until such claim is finally resolved and payment in respect thereof, if any is required to be made under the terms of this Contract, shall have been made.

(c) Buyer shall take, and cause its Affiliates (as applicable) to (i) cooperate with Seller to the extent reasonably requested by Seller, and (ii) take all reasonable measures that are reasonably required to prevent any contingent liability from becoming an actual liability.

(d) Notwithstanding anything to the contrary in this Agreement, the amount of any UST Liabilities incurred or suffered by Buyer shall be calculated after giving effect to (i) any insurance proceeds received from unaffiliated third parties by Buyer (or any of its Affiliates, as applicable) with respect to such UST Liabilities (less Buyer's collection costs and less any applicable deductible) and (ii) any recoveries obtained by Buyer (or any of its Affiliates, as applicable) from any other unaffiliated third party (less Buyer's actual costs of collection). Buyer shall, and shall cause its Affiliates to,

use commercially reasonable efforts to obtain such proceeds, benefits and recoveries, including seeking full recovery under all insurance policies issued by unaffiliated third parties covering any UST Liability, to the same extent as it would if such UST Liability were not subject to indemnification hereunder. If any such proceeds, benefits or recoveries are received by Buyer (or any of its Affiliates, as applicable) with respect to any UST Liability after Seller has made a payment to Buyer with respect thereto, Buyer (or such Affiliate, as applicable) shall promptly pay to Seller the amount of such proceeds, benefits or recoveries (up to the amount of Seller's payment and less Buyer's collection costs and less any deductible).

(e) Upon making any payment to Buyer in respect of any UST Liabilities, Seller will, to the extent of such payment, be subrogated to all rights of Buyer (and its Affiliates) against any third party (excluding any insurer) in respect of the UST Liabilities to which such payment relates. Buyer (and its Affiliates) and Seller will execute upon request all instruments reasonably necessary to evidence or further perfect such subrogation rights.

(f) To the extent permitted by law, any amounts payable under Section 8.8.1 shall be treated by Buyer and Seller as an adjustment to the Purchase Price.

8.9 **Indemnification for Legionella Matters**. Seller and Seller's Affiliates shall jointly and severally indemnify Buyer and its successors and assigns from all liabilities, losses, damages, fines and reasonable and documented out-of-pocket costs and expenses incurred or suffered by Buyer solely to the extent they constitute Legionnaire's Liabilities. The provisions of this Section 8.9 shall expressly survive Closing and shall incorporate by reference Section 8.8.4 (exclusive of clause (b) thereof) with each reference therein to Section 8.8, instead referring to Section 8.9 and each reference therein to UST Liabilities instead referring to Legionnaire's Liabilities.

8.10 **Indemnification for Guest Data/Privacy Matters**. Seller and Seller's Affiliates shall jointly and severally indemnify Buyer and its successors and assigns from all liabilities, losses, damages, fines and reasonable and documented out-of-pocket costs and expenses incurred or suffered by Buyer solely to the extent in connection with the matters set forth on Schedule 6.2.4. The provisions of this Section 8.10 shall expressly survive Closing and shall incorporate by reference Section 8.8.4 (exclusive of clause (b) thereof) with each reference therein to Section 8.8, instead referring to Section 8.10 and each reference therein to UST Liabilities instead referring to the matters set forth on Schedule 6.2.4.

8.11 **Casualty**. As promptly as practicable after the occurrence of a Casualty prior to the Closing Date (but in any event no later than five (5) Business Days thereafter), Seller shall notify Buyer of the occurrence of such Casualty. If such Casualty occurs prior to the Closing Date and such Casualty is a Major Casualty or a Material Business Interruption Casualty (each as defined in the Property Lease), each of Seller and Buyer shall have a period of thirty (30) days after the occurrence of such Casualty within which to elect to terminate this Contract upon written notice to the other party. Notwithstanding any other terms of this Contract, in the event this Contract is terminated pursuant to this Section 8.11, Seller shall return the Deposit to Buyer and thereafter neither Seller nor Buyer shall have any further liability to the other under this Contract except for those rights and obligations that, by their terms, survive the termination of this Contract. If no such election to terminate is timely made with respect to a Major Casualty or Material Business Interruption Casualty, each of Seller and Buyer shall be deemed to have waived its rights under this Section 8.11 with respect to such Casualty and the Closing shall proceed as scheduled subject to and in accordance with the provisions of this Contract (including, without limitation, the execution and delivery of the Property Lease by Seller and Buyer at the Closing); provided, however, that (a) Seller shall promptly submit a claim for insurance proceeds in relation to such Casualty and Seller shall engage one of the insurance adjusters referred to in clause (b)(i)(A) below to handle such claim; (b) at Closing, Seller shall (i) assign to Buyer, and/or, to the extent received by Seller prior to the Closing, credit to Buyer, against the Purchase Price, all insurance proceeds with respect to such damage to the Purchased Assets, less (A) the reasonable costs of adjustment and collection of the claim paid to either McLarens or Crawford & Company (each of which is approved by Seller and Buyer to act as an adjuster of such claim and which adjuster shall be jointly selected by Seller and Buyer and, in the absence of an agreement, one of them shall be selected randomly) which costs shall not exceed six percent (6%) of any proceeds actually received pursuant to such claim, and (B) any proceeds applied to remedy any unsafe conditions at the Property required by applicable law or Governmental Entity and covered by Seller's insurance, and (ii) credit to Buyer, against the Purchase Price, the amount equal to the lesser of (y) the applicable deductible with respect to such damage (to the extent not already paid by Seller) and (z) the estimated cost of restoration and repair of the damaged Purchased Assets, all of which shall constitute full compensation for the damage to the Purchased Assets and Seller shall have no responsibility for restoration or repair of the Purchased Assets or any resultant loss, directly, by subrogation, or otherwise; and (c) after Closing, Buyer shall, promptly following receipt of the insurance proceeds from the insurers, commence and diligently pursue to completion the repair of the affected portions of the Purchased Assets, including, without limitation, the improvements on the Property (but, for the avoidance of doubt, excluding any damaged Gaming Equipment and other personal property belonging to Seller after the Closing which shall be restored or replaced by Seller to the extent Seller receives insurance proceeds (but Seller shall be responsible for paying any deductible) with respect thereto) substantially to their condition immediately preceding the Casualty (or in such other manner as Seller and Buyer may otherwise agree). If a Casualty occurs after the Closing Date, this Contract shall not terminate or be terminable and the rights and obligations of Seller (as Tenant) and the New Property Owner (as Landlord) shall be governed by the applicable casualty provisions set forth in Article 7 of the Property Lease. This Section 8.11 is intended as an express provision with respect to casualty of the Property prior to the Closing which supersedes the provisions of the Nevada Uniform Vendor and Purchaser Risk Act.

8.12 **Outside Date Determination**. As of the Effective Date, the "Outside Date" shall be November 4, 2019 (the "Initial Target Closing Date"). The Outside Date may be extended as follows:

8.12.1 Buyer may, in its sole discretion, extend the Outside Date to December 4, 2019 (the "Extended Target Closing Date") so long as Buyer (i) delivers written notice to Seller on or prior to October 30, 2019 of its intent to make such extension and (ii) delivers the Additional Deposit, in Immediately Available Funds, to the Escrow Agent no later than November 1, 2019 and (iii) delivers to Seller no later than November 1, 2019 either an executed Junior Mezzanine Loan Term Sheet or evidence of equity financing reasonably satisfactory to Seller that, in either case, together with the Debt Financing to be obtained pursuant to the executed Debt Financing Letters, Buyer will have sufficient debt and equity financing to close the acquisition of the Purchased Assets on the Extended Target Closing Date;

8.12.2 If, on the Initial Target Closing Date or the Extended Target Closing Date, as applicable, any of the conditions set forth in Sections 8.1.4 or 8.4.4 (in each case, solely with respect to any law, injunction or order entered pursuant to the HSR Act) or Sections 8.1.5 or 8.4.5 shall have not been satisfied, but all other conditions set forth in Sections 8.1 and 8.4 shall have been satisfied (other than those conditions that by their nature are to be satisfied at Closing), either Buyer or Seller may extend the Outside Date to January 3, 2020 by providing written notice thereof to the other party on or prior to the Business Day immediately preceding the Initial Target Closing Date or the Extended Target Closing Date, as applicable;

8.12.3 If prior to the Initial Target Closing Date or the Extended Target Closing Date, as applicable, (x) a Gaming Authority in the State of Nevada requires that Buyer be licensed by such Gaming Authority in order to own the Purchased Assets, (y) Buyer shall have submitted, within thirty (30) days of first becoming aware of any such licensing requirement all necessary applications, filings or information to obtain such license, and (z) the condition set forth in Section 8.4.7(b) shall not have been satisfied but all of the other conditions set forth in Sections 8.1 and 8.4 shall have been satisfied (other than those conditions that by their nature are to be satisfied at Closing), either Buyer or Seller may extend the Outside Date to September 13, 2020 by providing written notice thereof on or prior to the Business Day immediately preceding the Initial Target Closing Date or the Extended Target Closing Date, as applicable (it being understood that if following such applicable date Buyer fails to (i) timely provide any information required by applicable Gaming Authorities and (ii) comply with the obligations in the third, fourth, fifth and sixth sentences of Section 5.6.1 (as though they applied to obtain such license) and Section 5.6.2 in respect of such license, Seller may terminate this Contract upon written notice to Buyer and such termination shall be treated as though this Contract was terminated due to a Buyer Bad Act Suitability Problem under Section 5.7.2; or

8.12.4 If a Major Casualty or a Material Business Interruption Casualty occurs within thirty (30) days prior to the Initial Target Closing Date or the Extended Target Closing Date, as applicable, the Outside Date will be automatically extended until the date that is thirty (30) days after such Casualty to allow Seller and Buyer to determine its election contemplated by the second sentence of Section 8.11.

ARTICLE 9
ESCROW

9.1 **Escrow.** The Escrow Agent is authorized and agrees by acceptance thereof to deposit the Deposit promptly into an interest-bearing account in an institution insured by the Federal Deposit Insurance Corporation or as otherwise instructed by Seller and Buyer in writing, and to hold same in escrow and in accordance with the terms and conditions of this Contract until same is to be distributed as provided herein. In the event of doubt as to the Escrow Agent's duties or liabilities under the provisions of this Contract, the Escrow Agent may, in the Escrow Agent's sole discretion, continue to hold the subject matter of the Escrow until the parties mutually agree to disbursement thereof, or until a judgment of a court of competent jurisdiction shall determine the rights of the parties thereto, or the Escrow Agent may deposit same with the clerk of the court having jurisdiction of the dispute, and upon notifying all parties concerned of such action, all liability on the part of the Escrow Agent shall fully terminate, except to the extent of accounting for any items theretofore delivered out of Escrow. In the event of any suit between Buyer and Seller wherein the Escrow Agent is made a party by virtue of acting as the Escrow Agent hereunder, or in the event of any suit wherein the Escrow Agent interpleads the subject matter of this Escrow, the Escrow Agent shall be entitled to recover reasonable attorney's fees and costs incurred, said fees and costs to be charged and assessed as court costs awarded to the prevailing party. Seller and Buyer hereby designate the Escrow Agent as the "Reporting Person" for the transaction pursuant to Section 6045(e) of the Code.

9.2 **Opening of Escrow**. Promptly following mutual execution of this Contract, Buyer and Seller shall cause an escrow ("Escrow") to be opened with the Escrow Agent (the "Opening of Escrow") by delivery to the Escrow Agent of a fully executed copy of this Contract. The Escrow Agent shall promptly deliver to Buyer and Seller written notice of the date of the Opening of Escrow. This Contract shall constitute escrow instructions to the Escrow Agent as well as the agreement of the parties. The Escrow Agent is hereby appointed and designated to act as the Escrow Agent and instructed to deliver, pursuant to the terms of this Contract, the documents and funds to be deposited into Escrow as herein provided. The parties shall execute such additional escrow instructions (not inconsistent with this Contract as determined by counsel for Buyer and Seller) as the Escrow Agent shall deem reasonably necessary for its protection, including the Escrow Agent's general provisions (as may be modified by Buyer, Seller and Escrow Agent). In the event of any inconsistency between the provisions of this Contract and such additional escrow instructions, the provisions of this Contract shall govern.

ARTICLE 10
BROKERAGE

Seller hereby represents and warrants to Buyer that Seller has not dealt with any broker or finder with respect to the Purchased Assets or any of the transactions contemplated hereby other than CBRE and Deutsche Bank Securities Inc. (together, "Seller's Broker"), which shall be paid a commission by Seller at and only upon Closing, pursuant to separate agreements between Seller (or an Affiliate of Seller) and Seller's Broker. Buyer hereby represents and warrants to Seller that Buyer has not dealt with any broker or finder with respect to the Purchased Assets or any of the transactions contemplated hereby other than Seller's Broker. Seller shall indemnify, defend and hold Buyer harmless from any claim for brokerage commission or finder's fee asserted by Seller's Broker or any broker or finder or any other Person claiming to have been engaged by Seller. Buyer shall indemnify, defend and hold Seller harmless from any claim for brokerage commission or finder's fee asserted by any broker or finder or any other Person claiming to have been engaged by Buyer. The provisions of this Article 10 shall survive Closing or termination of this Contract, and such indemnities are not limited by any measure of liquidated damages set forth herein.

ARTICLE 11
CONDEMNATION

If, after the Effective Date and prior to the Closing Date, any portion of the Property is taken by exercise of the power of eminent domain or any proceedings are threatened or instituted to effect such a taking, Seller shall promptly give Buyer notice of such occurrence, and if in the commercially reasonable judgment of Buyer such condemnation is material and would frustrate the current use of the Property or any material part thereof or Buyer's Contemplated Redevelopment, Buyer shall, within ten (10) days after receipt of such notice, elect either (a) to terminate this Contract, in which event the Deposit shall be forthwith returned to Buyer and all obligations of the parties hereunder shall cease and this Contract shall have no further force and effect, except as to those obligations which provide that they survive termination of this Contract, or (b) to close the transaction contemplated hereby as scheduled (except that if the Closing Date is sooner than ten (10) days following Buyer's receipt of such notice, Closing shall be delayed until Buyer makes such election), without any abatement of or adjustment to the Purchase Price. If Buyer elects to continue with Closing as provided above or no such election is timely made, then Buyer shall be deemed to have waived its termination rights under this Article 11; provided, however, that Buyer shall be entitled to all of the proceeds of any condemnation award related to the Property and Seller shall execute and deliver all documents reasonably requested of Seller in order to effectuate the foregoing. This Article 11 is intended as an express provision with respect to condemnation of the Property prior to Closing which supersedes the provisions of the Nevada Uniform Vendor and Buyer Risk Act.

ARTICLE 12
CLOSING

12.1 **Closing**. Provided that the satisfaction or waiver of Buyer's Closing Conditions and Seller's Closing Conditions have occurred, Closing shall occur through Escrow on the Closing Date, or on such other date, place and/or time as the parties may mutually agree.

12.2 **Seller's Deposits**. On or before one (1) Business Day prior to the Closing Date, Seller shall deliver to the Escrow Agent the following closing documents, each duly executed by Seller and its Affiliates (including New Property Owner), as applicable, and acknowledged, if applicable (collectively, "Seller's Deposits"):

12.2.1 The executed Organizational Documents;

12.2.2 The Deed, together with the State of Nevada Declaration of Value form setting forth the applicable exemption from the real property transfer tax (the "Declaration of Value");

12.2.3 A bill of sale and assignment and assumption agreement in respect of the transfer of the ownership of the FF&E and a co-ownership interest in the Guest Data (subject to the Use Restrictions) to New Property Owner in the form attached hereto as Exhibit I

12.2.4 A trademark assignment agreement in respect of the transfer of the Property Marks to New Property Owner in the form attached hereto as Exhibit J;

12.2.5 An assignment of interests agreement in respect of the Membership Interests in the form attached hereto as Exhibit K (the "Assignment of Interests Agreement");

12.2.6 A lease in respect of the lease of the Property and the FF&E by Seller to take effect as of the Closing Date in the form attached hereto as Exhibit L (the "Property Lease");

12.2.7 The SNDA (as defined in the Property Lease);

12.2.8 An affidavit executed by Seller substantially in the form attached hereto as Exhibit M;

12.2.9 An updated list of Owned Gaming Equipment;

12.2.10 Documents evidencing the legal status, good standing and authority of Seller and such other documents, instruments, affidavits, certifications and confirmations as may reasonably be required by the Title Insurer or Escrow Agent to fully effect and consummate the transactions contemplated hereby, so long as they do not require Seller to expend any additional money or undertake any additional liabilities not contemplated in this Contract; and

12.2.11 The Closing Statement.

12.3 **Approval of Closing Documents**. All Closing documents to be furnished by Seller or Buyer pursuant hereto the form of which is not attached to this Contract shall be in form and substance reasonably satisfactory to both Seller and Buyer.

12.4 **Buyer's Deposits**. On or before one (1) Business Day prior to the Closing Date, Buyer shall deliver to the Escrow Agent each of the following items, duly executed by Buyer, if applicable, and acknowledged, if applicable (collectively, "Buyer's Deposits"):

12.4.1 The amount of the Purchase Price less the Paid Deposit, together with Buyer's portion of the Closing Expenses pursuant to Section 4.2;

12.4.2 The Declaration of Value;

12.4.3 The Assignment of Interests Agreement;

12.4.4 The Property Lease;

12.4.5 Documents evidencing the legal status, good standing and authority of Buyer and such other documents, instruments, affidavits, certifications and confirmations as may reasonably be required by the Title Insurer or Escrow Agent to fully effect and consummate the transactions contemplated hereby, so long as they do not require Buyer to expend any additional money or undertake any additional liabilities not contemplated in this Contract; and

12.4.6 The Closing Statement.

12.5 **Actions by Escrow Agent**. Provided that the Escrow Agent shall not have received on or before the Business Day immediately preceding the Closing Date written notice from Buyer or Seller of the failure of any condition to the Closing or of the termination of Escrow and this Contract, when Seller has deposited into Escrow the necessary documents and authorized the Escrow Agent to take such actions, the Escrow Agent shall cause the Deed and the Declaration of Value to be recorded in the Land Records and obtain conformed copies thereof for distribution to Buyer and Seller at Closing. Provided that the Escrow Agent shall not have received on or before the Closing Date written notice from Buyer or Seller of the failure of any condition to the Closing or of the termination of Escrow and this Contract, when Buyer and Seller have deposited into Escrow the documents and funds required by this Contract and authorized Closing, the Escrow Agent shall, in the order and manner herein below indicated, take the following actions:

12.5.1 **Funds**. Disburse all funds as follows:

12.5.1.1 pursuant to the Closing Statement, retain for the Escrow Agent's own account all escrow fees and costs, disburse to the Title Insurer the fees and expenses incurred in connection with the issuance of the Title Policy and disburse to any other Persons entitled thereto the amount of any other Closing Expenses;

12.5.1.2 disburse to Seller an amount equal to the Purchase Price, less or plus the net debit or credit to Seller by reason of the allocations of the Closing Expenses set forth on the Closing Statement, less the amount of the Deposit previously released to Seller; and

12.5.1.3 disburse to the party who deposited the same any remaining funds in the possession of Escrow Agent after payments pursuant to Sections 12.5.1.1 and 12.5.1.2 have been completed.

12.5.2 **Recording**. Cause any other documents which the parties hereto may mutually direct to be recorded in the Land Records and obtain (or retain, as applicable) conformed copies thereof for distribution to Buyer and Seller.

12.5.3 **Delivery of Documents**. Deliver: (a) to Seller (i) one original of all documents deposited into Escrow by Buyer, (ii) one copy of all documents deposited into Escrow by Seller (other than any documents being recorded), and (iii) one conformed copy of each document recorded pursuant to the terms hereof; and (b) to Buyer, (i) one original of all documents deposited into Escrow by Seller, (ii) one copy of all documents deposited into escrow by Buyer (other than any documents being recorded), and (iii) one conformed copy of each document recorded pursuant to the terms hereof.

12.6 **Additional Seller Deliveries**. Seller shall use its commercially reasonable efforts to locate the "as built" drawings and all plans, specifications and warranties relating to the Property that are in its possession. At Closing, Seller shall deliver or

make available to Buyer such drawings, plans, specifications and warranties to the extent they have been located by Seller and they are in Seller's possession.

ARTICLE 13
NOTICES

Any notice, request, demand, instruction or other document to be given or served hereunder or under any document or instrument executed pursuant hereto shall be in writing and shall be delivered personally with a receipt requested therefor or by facsimile or sent by a recognized overnight courier service or by United States registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at their respective addresses set forth below, and the same shall be effective (i) upon receipt or refusal if delivered personally, (ii) one (1) Business Day after depositing with such an overnight courier service, (iii) three (3) Business Days after deposit in the mail if mailed; or (iv) upon the date noted on sender's facsimile confirmation if delivered by facsimile, provided such confirmation time is prior to 5:00 p.m. Pacific Time, otherwise the facsimile will be deemed delivered on the next Business Day. A party may change its address for receipt of notices by service of a notice of such change in accordance herewith. All notice by facsimile shall be subsequently confirmed by United States certified or registered mail or by recognized overnight courier service. Notices delivered by an attorney for a party shall be deemed given by such party.

If to Buyer: Milbank LLP
55 Hudson Yards
New York, NY 10001
Attn: Kevin J. O'Shea
FAX: (212) 822-5254

Milbank LLP
2029 Century Park East, 33rd Floor
Los Angeles, CA 90067
Attn: Deborah Conrad
FAX: (213) 629-5063

with a copy to: Imperial Companies
888 Seventh Avenue
27th Floor
New York, NY 10019
Attn: Tom Ellis
FAX: (212) 894-7907

If to Seller: Rio Properties, LLC
c/o Caesars Entertainment Corporation
One Caesars Palace Drive
Las Vegas, NV 89109
Attn: Eric Hession
FAX: (702) 407-6420

with a copy to: Rio Properties, LLC
c/o Caesars Entertainment Corporation
One Caesars Palace Drive
Las Vegas, NV 89109
Attn: General Counsel
FAX: (702) 407-6418

and

corporatelaw@caesars.com

and

Brownstein Hyatt Farber Schreck, LLP
100 North City Parkway, Suite 1600
Las Vegas, Nevada 89106
Attn: Angela Otto
FAX: (702) 382-8135

and

Mayer Brown LLP

71 South Wacker Drive
Chicago, Illinois 60606
Attn: Jodi A. Simala
FAX: (312) 706-8436

ARTICLE 14
ENTIRE AGREEMENT, AMENDMENTS AND WAIVERS

This Contract contains the entire agreement, understanding and specification of rights and obligations of the parties with respect to the subject matter hereof, and supersedes any term sheets relating to the subject matter hereof, and the same may not be amended, modified or discharged nor may any of its terms be waived except by an instrument in writing signed by the party to be bound thereby; provided, that the Confidentiality Agreement, as modified by this Contract, and the Property Lease shall remain in full force and effect after the Closing Date and the Seller Guaranty shall remain in full force and effect after the Effective Date. No amendment or waiver to this Article 14, Section 15.1, Section 5.4, Section 8.6, Section 17.4, Section 17.14 or defined terms used therein (or to any other provision or definition of this Contract to the extent that such amendment or waiver would modify the substance of any such foregoing Section or defined term used therein) that is adverse in any material respect to any Debt Financing Related Party shall be effective as to such Debt Financing Related Party without the written consent of such Debt Financing Related Party.

ARTICLE 15
THIRD PARTY BENEFITS AND ASSIGNMENT

15.1 **Third Party Benefits**. This Contract is for the sole and exclusive benefit of the parties hereto and their respective successors and permitted assigns, and no third party is contemplated to or shall have any rights hereunder. Notwithstanding anything to the contrary contained herein, each Debt Financing Source is intended to be, and shall be, an express third-party beneficiary of this Section 15.1, Section 5.4, Section 8.6, Article 14, Section 17.4 and Section 17.14.

15.2 **Assignment.** Neither all nor any portion of Buyer's interest under this Contract may be sold, assigned, encumbered, conveyed, or otherwise transferred, whether directly or indirectly, voluntarily or involuntarily, or by operation of law or otherwise (including by a transfer of interests in Buyer either directly or indirectly) (collectively, a "Transfer"), without the prior written consent of Seller, which consent may be granted or denied in its sole and absolute discretion, provided that no consent of Seller shall be required for the collateral assignment of this Contract to the Debt Financing Sources. Any attempted Transfer without Seller's required consent shall be null and void. No Transfer shall operate to release Buyer or alter Buyer's primary liability to perform its obligations under this Contract.

ARTICLE 16
TAX DISCLOSURE

Each of Seller and Buyer agree to cooperate fully with the other in completing or filing any disclosure documents or in otherwise satisfying any disclosure requirements of the Code and any state or local taxing authority.

ARTICLE 17
MISCELLANEOUS

17.1 **Further Assurances**. The parties each agree to do, execute, acknowledge and deliver all such further acts, instruments and assurances and to take all such further action before or after Closing as shall be necessary or desirable to fully carry out this Contract and to fully consummate and effect the transactions contemplated hereby.

17.2 **Survival and Benefit**.

17.2.1 All agreements, indemnifications and obligations of the parties which are intended to be performed in whole or in part after Closing shall survive Closing and the same shall inure to the benefit of, and be binding upon, the respective successors and permitted assigns of the parties. Notwithstanding the foregoing, except as otherwise expressly set forth elsewhere in this Contract, all of the representations and warranties of Buyer and Seller set forth in this Contract shall survive the Closing Date for a period of twelve (12) months only; provided, Seller shall not have any liability or obligation with respect to any representation or warranty contained herein unless on or prior to a date which is not later than twelve (12) months following the Closing Date Buyer shall have notified Seller in writing setting forth specifically the representation or warranty allegedly breached, and a description of the alleged breach in reasonable detail. Notwithstanding anything herein to the contrary, in no event shall such liability of Seller for the breach of its representations and warranties set forth in this Contract (a) accrue until the aggregate amount of damages incurred by Buyer exceeds One Million Five Hundred Thousand and No/100 Dollars ($1,500,000) (the "Deductible"), in which case Seller only shall be liable for damages in excess of the Deductible, or (b) exceed, in the aggregate, the sum of Twenty-Five Million and No/100 Dollars ($25,000,000.00). All liabilities and obligations of Seller under any representation or warranty made by Seller under this Contract shall lapse and be of no further force or effect with respect to any matters not contained in a written notice delivered as contemplated above on or prior to twelve (12) months following the Closing Date.

17.2.2 After Closing, the right to damages as limited by Section 17.2.1 shall constitute the sole and exclusive remedy of Buyer for any claim arising out of, resulting from or incurred in connection with any claims regarding matters arising under or otherwise relating to this Contract or the subject matter hereof; provided, that (a) in the event of Fraud by Seller, Buyer shall have all remedies available at law or in equity (including for tort) with respect thereto and (b) in no event shall the Property Lease Obligations, including any representations or warranties by Seller, as Tenant under the Property Lease, be subject to the provisions of this Section 17.2.2. For purposes hereof, "Fraud" means the making by Seller of a statement of fact in the express representations and warranties set forth in Article 6 with intent to deceive Buyer and requires (i) a false representation of material fact, (ii) with knowledge that such representation is false, (iii) with an intention to induce Buyer to act or refrain from acting in reliance upon it, (iv) causing Buyer, in justifiable reliance upon such false representation and with ignorance of the falsity of such representation, to take or refrain from taking action and (v) causing Buyer to suffer damage by reason of such reliance.

17.3 **Interpretation**.

17.3.1 The headings and captions herein are inserted for convenient reference only and the same shall not limit nor construe the paragraphs or sections to which they apply nor otherwise affect the interpretation hereof.

17.3.2 The terms "hereby", "hereof", "hereto", "herein", "hereunder", and any similar terms shall refer to this Contract, and the term "hereafter" shall mean after, and the term "heretofore" shall mean before, the Effective Date.

17.3.3 Words of the masculine, feminine or neuter gender shall mean and include the correlative words of other genders, and words importing the singular number shall mean and include the plural number and vice versa.

17.3.4 Words importing Persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural Persons. No reference herein to Seller or Buyer shall, in and of itself, be deemed to refer to its shareholders or members as such.

17.3.5 The terms "include," "including," and similar terms shall be construed as if followed by the phrase "without being limited to".

17.3.6 This Contract shall not be construed more strictly against one party than against the other merely by virtue of the fact that it may have been prepared primarily by counsel for one of the parties, it being recognized that both Buyer and Seller have contributed substantially and materially to the preparation of this Contract.

17.3.7 In the event that the date for the performance of any covenant or obligation under this Contract shall fall on a Saturday, Sunday or legal holiday in the State of Nevada, the date for performance thereof shall be extended to the next Business Day.

17.3.8 Any condition precedent imposed as a contingency under this Contract may be waived by the party entitled to satisfaction of the condition as a pre-requisite to that party's performance. Any condition precedent which remains unsatisfied upon Closing shall be deemed to be waived by the party entitled to satisfaction.

17.3.9 Unless otherwise expressly provided herein, any agreement, instrument, statute, rule or regulation defined or referred to herein or in any agreement or instrument defined or referred to herein means such agreement, instrument, statute, rule or regulation as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes, rules and regulations) by succession of comparable successor statutes, rules and regulations.

17.3.10 "knowledge" when used in the phrase "knowledge of Seller" or "Seller's knowledge" and words of similar import means the actual knowledge of: Steve Ellis, Michael Massari and Pamela Taylor.

17.4 **Governing Law; Venue; Waiver of Jury Trial**.

17.4.1 This Contract and the transactions contemplated hereby, and all disputes between the parties hereto under or related to this Contract or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Nevada, applicable to contracts executed in and to be performed entirely within the State of Nevada, without regard to the conflicts of laws principles thereof.

17.4.2 Each of the parties hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Nevada state court, or federal court of the United States of America, in each case, sitting in Clark County, Nevada, and any appellate court from any thereof, in any proceeding arising out of or relating to this Contract or the agreements delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each of the parties hereto hereby irrevocably and unconditionally (a) agrees not to commence any such proceeding except in such courts, (b) agrees that any claim in respect of any such proceeding may be heard and determined in such Nevada state court or, to the extent permitted by law, in such federal court, in each case sitting in Clark County, Nevada, (c) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding in any such Clark County, Nevada State or federal court, (d) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such Clark County,

Nevada state or Federal court, and (e) to the extent such party is not otherwise subject to service of process in the State of Nevada, agrees that delivery of a notice to it in accordance with Article 13 shall constitute acceptance of legal process and agrees that service made by such means shall have the same legal force and effect as if served upon such party personally within such state. Each of the parties hereto agrees that a final judgment in any such proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

17.4.3 Notwithstanding anything herein to the contrary, each of the parties hereto (a) submits to the exclusive jurisdiction of the state and federal courts sitting in the Borough of Manhattan within the City of New York, New York and the appellate courts thereof in any action or proceeding against a Debt Financing Related Party arising out of or relating to the Debt Financing or the Debt Financing Letters or its performance or subject matter, (b) agrees that all claims in respect of such proceeding may be heard and determined in any such court and (c) agrees not to bring any action or proceeding against a Debt Financing Related Party arising out of or relating to the Debt Financing or the Debt Financing Letters or its performance or subject matter in any other courts. Each of the parties hereto waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect thereto. Each of the parties hereto agrees that any claims brought against a Debt Financing Related Party arising out of relating to the Debt Financing or the Debt Financing Letters, its performance or its subject matter shall be governed by the laws of the State of New York without giving effect to any choice of law or conflict of law rules or provisions (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.

17.4.4 EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS CONTRACT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS CONTRACT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY HERETO CERTIFIES AND ACKNOWLEDGES THAT (a) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTIES HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTIES WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (b) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (c) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (d) IT HAS BEEN INDUCED TO ENTER INTO THIS CONTRACT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 17.4. THIS SECTION SHALL SURVIVE ANY TERMINATION OF THIS CONTRACT PRIOR TO THE CLOSING AND SHALL ALSO SURVIVE THE RECORDATION OF THE DEED AND SHALL NOT BE DEEMED MERGED INTO THE DEED UPON ITS RECORDATION.

17.5 **Time**. Time is of the essence in this Contract.

17.6 **Cure Periods**. Neither Seller nor Buyer shall avail itself of any remedy granted to it hereunder based upon an alleged default of the other party hereunder unless and until written notice of the alleged default, in reasonable detail, has been delivered to the defaulting party by the non-defaulting party and the alleged default has not been cured on or before 5:00 p.m. (Pacific Time) on the fifth (5^{th}) Business Day next following delivery of said notice of default, except for any different (longer or shorter) cure period as may be otherwise specifically set forth in this Contract. Notwithstanding the foregoing, there shall be no cure period for a party's failure to close on the Closing Date or make its required deposits (i.e., the Seller's Deposits and the Buyer's Deposits, respectively) to Escrow prior to the Closing Date as set forth in Sections 12.2 and 12.4.

17.7 **Waiver of Known Defaults**. Notwithstanding anything to the contrary contained herein, and without limiting Section 17.3.10, in the event that either party hereto has actual knowledge of the default of the other party (a "Known Default"), but nonetheless elects to consummate the transaction contemplated hereby and proceeds to Closing, then the rights and remedies of the non-defaulting party shall be waived with respect to any such Known Default upon the Closing and the defaulting party shall have no liability with respect thereto except for any written agreement that may have been executed and delivered by Seller and Buyer as a condition to such party's agreement to close over such Known Default.

17.8 **No Recording**. Buyer shall not record this Contract or any memorandum or other notice thereof, except that Buyer may record a *lis pendens* in connection with its exercise of its remedies under Section 8.3(b). If such recording shall occur, Seller shall have, in addition to all other remedies for breach by law, the right to terminate this Contract by written notice to Buyer and obtain the Deposit.

17.9 **Attorneys' Fees**. In the event that it is necessary for either party to this Contract to resort to an attorney in order to enforce the provisions of this Contract, the prevailing party shall be entitled to an award of reasonable out-of-pocket attorney's fees and costs. The provisions of this Section 17.9 shall survive any termination of this Contract and the Closing.

17.10 **Severability**. If any portion of this Contract as applied to either party or to any circumstances shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Contract and shall in no way effect the validity or enforceability of the remaining portions of this Contract.

17.11 **Counterparts**. This Contract and any document or instrument executed pursuant hereto may be executed in any number of counterparts, including facsimile and electronic counterparts (including in .pdf form), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

17.12 **Waiver of Conditions**. No waiver of any of the provisions of this Contract shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. Except as expressly provided in this Contract, no waiver shall be binding unless executed in writing by the party making the waiver. Either party may waive any provisions of this Contract intended for its benefit; provided, however, such waiver shall in no way excuse the other party from the performance of any of its other obligations under this Contract.

17.13 **Conflicts**. (a) Each party acknowledges and agrees that Mayer Brown LLP, Brownstein Hyatt Farber Schreck, LLP, Greenberg Traurig, LLP and Akin Gump Strauss Hauer & Feld LLP (each, "Seller's Counsel") has acted as counsel to Seller in connection with the negotiation of this Contract and consummation of the transactions contemplated hereby. Buyer hereby consents and agrees to, and agrees to cause its Affiliates to consent and agree to, Seller's Counsel representing Seller or any of its Affiliates after Closing, including with respect to disputes in which the interests of Seller or any of its Affiliates may be directly adverse to Buyer and its Affiliates. In connection with the foregoing, Buyer hereby irrevocably waives and agrees not to assert, and agrees to cause its Affiliates to irrevocably waive and not to assert, any conflict of interest arising from or in connection with Seller's Counsel's representation of Seller or any of its Affiliates prior to and after Closing.

(b) Each party acknowledges and agrees that Milbank LLP, DLA Piper LLP, Holland & Hart LLP, Korshak, Kracoff, Kong & Sugano, LLP, Employees Benefits Law Group, PC and Alonso Law Limited (each, "Buyer's Counsel") has acted as counsel to Buyer in connection with the negotiation of this Contract and consummation of the transactions contemplated hereby. Seller hereby consents and agrees to, and agrees to cause its Affiliates to consent and agree to, Buyer's Counsel representing Buyer or any of its Affiliates after Closing, including with respect to disputes in which the interests of Buyer or any of its Affiliates may be directly adverse to Seller and its Affiliates. In connection with the foregoing, Seller hereby irrevocably waives and agrees not to assert, and agrees to cause its Affiliates to irrevocably waive and not to assert, any conflict of interest arising from or in connection with Buyer's Counsel's representation of Buyer or any of its Affiliates prior to and after Closing.

17.14 **Debt Financing Sources**. Except for the rights of Buyer and its Affiliates as set forth in the Debt Financing Letters or the definitive agreements with respect to the Debt Financing, no Debt Financing Related Parties shall have any liabilities (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations or liabilities arising under, out of, in connection with or related in any manner to this Contract or based on, in respect of or by reason of this Contract its negotiation, execution, performance or breach. The parties hereto agree that only Buyer and its Affiliates (and not Seller or any of its stockholders, members, partners or Affiliates) shall be permitted to bring or support any claim against any financing source under the Debt Financing Letters or otherwise for failing to satisfy any obligation to fund the Debt Financing pursuant to the terms of the Debt Financing Letters for the purpose of funding the transactions contemplated by this Contract.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, this Contract has been executed and delivered by Seller and Buyer as of the Effective Date.

SELLER:

RIO PROPERTIES, LLC,
a Nevada limited liability company

By: /s/ Eric Hession
Name: Eric Hession
Its: Chief Financial Officer

BUYER:

3700 FLAMINGO ROAD VENTURE LLC,
a Delaware limited liability company

By: /s/ Eric Birnbaum
Name: Eric Birnbaum
Its: Authorized Signatory

ESCROW AGENT:

The undersigned Escrow Agent hereby accepts the foregoing Purchase and Sale Agreement and Joint Escrow Instructions and agrees to act as the Escrow Agent under this Contract in strict accordance with its terms. The Opening of Escrow occurred on September 20, 2019.

FIRST AMERICAN TITLE INSURANCE
COMPANY

By: /s/ Troy Lochhead
Name: Troy Lochhead
Its: Commercial Escrow Manager

LIST OF EXHIBITS AND SCHEDULES TO CONTRACT

Exhibit A Legal Description of the Property

Exhibit B Definitions

Exhibit C Form of Organizational Documents

Exhibit D Form of Deed

Exhibit E Owned Slot Machines and Gaming Tables

Exhibit F Guest Data Delivery Format

Exhibit G Form of Seller Guaranty

Exhibit H Property Marks

Exhibit I Form of Bill of Sale and Assignment and Assumption Agreement (FF&E and Guest Data)

Exhibit J Form of Trademark Assignment Agreement

Exhibit K Form of Assignment of Interests Agreement

Exhibit L Form of Property Lease

Exhibit M Form of Seller's FIRPTA Affidavit

Exhibit N Development Parcel

Exhibit O Purchase Price Allocation Schedule

Exhibit P Culinary CBA

Exhibit Q Form of Owner & Operator Letter

Exhibit R Form of Teamsters and Engineers Union Notice

Exhibit S Seller Financing Term Sheet

Schedule 6.2.2 No Conflicts
Schedule 6.2.4 Personal Information and Privacy
Schedule 6.4 Trademark Matters
Schedule 6.6.1 Existing Leases

EXHIBIT B

DEFINITIONS

"Additional Deposit" means an earnest money deposit (in addition to the Initial Deposit) of Five Million and No/100 Dollars ($5,000,000.00).

"Affiliate" means, with respect to any Person, any Person controlled by, controlling or under common control such first Person.

"Amenity Services" means any food, beverage, hotel, spa, shopping, entertainment, and other services provided at a casino.

"Ancillary Agreements" means the Deed, the Organizational Documents, the Assignment of Interests Agreement, the Property Lease and the other documents to be executed and delivered by Seller, Property Owner and/or Buyer pursuant to this Contract.

"Approved New Equity Financing Source" shall have the meaning set forth in Section 5.7.2.

"Burdensome Condition" means any undertakings, terms, conditions, liabilities, obligations, commitments or sanctions of any kind that, in the aggregate, would have or would reasonably be expected to have a material adverse effect on the business, financial condition, assets or results of operations of Buyer and its subsidiaries, taken as a whole.

"Business Day" means a day that is not a Saturday, Sunday or legal holiday in the State of Nevada.

"Buyer Bad Act Suitability Problem" means a Suitability Problem caused by (a) any Equity Financing Source that is not an Identified Equity Financing Source or an Approved New Equity Financing Source; or (b) with respect to Buyer, the Identified Equity Financing Sources or the Approved New Equity Financing Sources, any fact or circumstance first arising after the submission of such Person's Business Information Form to Seller (or any other information provided to Seller by such Person) prior to such Person's approval by the Compliance Committee or any fact or circumstance resulting from any material misrepresentation or material omission on such Person's Business Information Form as submitted to Seller by such Person (or any other material misrepresentation or material omission in any other information provided by such Person to Seller) prior to such Person's approval by the Compliance Committee.

"Buyer Material Adverse Effect" means changes, events, circumstances or effects that have had or would reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of Buyer and its Affiliates or the ability of Buyer to timely consummate the transactions contemplated by this Contract.

"Casualty" means any damage to or destruction of all or any portion of the Property due to fire or other casualty.

"Change of Control" means the occurrence of any one or more of the following: (a) the accumulation, whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) of 20% or more of the shares of the outstanding equity securities of the applicable Person, whether by merger, consolidation, sale or other transfer of equity or (b) a sale of all or substantially all of the assets of the applicable Person.

"Closing" means the transfer of title to the Property pursuant to this Contract and the consummation of all the other transactions specified in this Contract to occur on the Closing Date.

"Closing Date" means November 4, 2019 or, if applicable, the Outside Date, or such earlier date as may be agreed upon in writing by Seller and Buyer.

"Code" means the Internal Revenue Code of 1986, as amended.

"Collective Bargaining Agreements" means: (i) the agreement between the International Union of Operating Engineers Local 501, AFL-CIO and Rio CERP Manager, LLC on behalf of Rio Properties, Inc. d/b/a Rio All-Suite Hotel and Casino dated April 1, 2018 through March 31, 2021, (ii) the agreement between the General Teamsters, Airline, Aerospace and Allied Employees, Warehousemen, Drivers, Construction, Rock and Sand Teamsters Local Union No. 986 - Front Desk Employees and Rio CERP Manager, LLC on behalf of Rio Properties, Inc., d/b/a Rio All-Suite Hotel and Casino dated April 1, 2016 through March 31, 2019; (iii) the agreement between the General Teamsters, Airline, Aerospace and Allied Employees, Warehousemen, Drivers, Construction, Rock and Sand Teamsters Local Union No. 986 – Back End and Rio CERP Manager, LLC on behalf of Rio Properties, Inc. d/b/a/ Rio All-Suite Hotel and Casino dated April 1, 2016 through March 31, 2019; and (iv) the agreement between the Local Joint Executive Board of Las Vegas, for and on behalf of Culinary Workers Union, Local No. 226 and Bartenders Union,

Local No. 165 and Rio CERP Manager, LLC on behalf of Rio Properties, LLC, d/b/a Rio All Suite Hotel and Casino dated August 1, 2018 until July 31, 2023.

"Confidentiality Agreement" means that certain Confidentiality Agreement, dated August 6, 2018, by and between Caesars Entertainment Corporation and Imperial Companies LLC.

"Contemplated Redevelopment" means the proposed redevelopment, expansion and/or improvement to the Property following the termination of the Property Lease that is contemplated by Buyer as disclosed by Buyer to Seller prior to the Effective Date.

"Culinary CBA" means the collective bargaining agreement entered into between Seller and Local Joint Executive Board of Las Vegas attached hereto as Exhibit P.

"Debt Financing Related Parties" means the Debt Financing Sources, any alternative source of debt financing and each of their respective Affiliates, and of their respective officers, directors, employees, members, managers, limited partners, lenders, investors, managed accounts, partners, controlling Persons, advisors, attorneys, agents and representatives, together each of their respective heirs, executors, successors and assigns.

"Deposit" means, collectively, the Initial Deposit and the Additional Deposit.

"Development Parcel" means a portion of the Land depicted on Exhibit N.

"Employee" means any individual who is employed on a full-time or part-time basis at, or with respect to, the Property.

"Employee Benefit Plan" means each "employee benefit plan," as defined in Section 3(3) of ERISA, each employment agreement, severance agreement or plan, and each other plan, program, fund, or agreement, whether written or unwritten, providing for compensation, bonuses, profit-sharing, equity compensation or other forms of incentive or deferred compensation, insurance (including any self-insured arrangements), health or medical benefits, or post-employment or retirement benefits (including compensation, pension, health, medical or life insurance benefits) which is maintained, administered, or contributed to by Seller or any of its ERISA Affiliates, and covers any current or former Employee or with respect to which Seller or any of its ERISA Affiliates has, or once had, any liability with respect to any current or former Employee (including liability pursuant to a reimbursement, indemnification or related obligation pursuant to any contractual arrangement).

"Environmental Law" means the Clean Air Act, 42 U.S.C. §7401 et seq.; the Federal Water Pollution Control Act of 1977, 33 U.S.C. §1251 et seq., as amended by the Water Quality Act of 1987; FIFRA; the National Environmental Policy Act of 1969, 42 U.S.C. §4321 et seq.; the Noise Control Act of 1972, 42 U.S.C. §4901 et seq.; the Occupational Safety and Health Act of 1970, 29 U.S.C. §651 et seq. U.S.C. §300f et seq.; CERCLA; the Emergency Planning and Community Right-To-Know Act of 1986, 42 U.S.C. §11001 et seq.; the Radon Gas and Indoor Air Quality Research Act of 1986, 42 U.S.C.§7401; RCRA; TSCA; AEA; and NWPA, all as may be amended, with implementing regulations and guidelines. Environmental Laws shall also include all federal, state, regional, county, municipal, and other local laws, regulations, and ordinances with respect to protection of the environment or that are equivalent or similar to the federal laws above or regulate (now or in the future) Hazardous Materials.

"Equity Financing Source" means a Person who provides equity or preferred equity financing (the "Equity Financing") to Buyer for purposes of funding a portion of the equity financing required to consummate the transactions contemplated by this Contract.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the regulations issued thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) which is or has ever been treated as a single employer with a Person under Section 414(b), (c), (m), or (o) of the Code and any entity, whether or not incorporated, that is under common control with a Person within the meaning of Section 4001(a)(14) of ERISA.

"Escrow Agent" means First American Title Insurance Company, Attention: Troy Lochhead, 2500 North Buffalo Suite 150, Las Vegas, Nevada 89128, Direct Line: (702) 251-5280, Facsimile: (702) 966-5848 and Email: tlochhead@firstam.com, or such other escrow agent as may be approved by Seller and Buyer.

"Existing Loan" means that certain loan evidenced or secured by (a) that certain Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing, made by Seller, as grantor, to Fidelity National Title Insurance Company, as trustee, for the benefit of Credit Suisse AG, Cayman Islands Branch, as collateral agent, as beneficiary, dated as of May 21, 2018 and recorded on such date in the Office of the Clark County Recorder as Inst # 20180521-0002784 (the "Deed of Trust"), and (b) the other Loan Documents (as defined in the Deed of Trust)

"Existing Survey" means that certain ALTA/NSPS Land Title Survey for the Property, certified by the surveyor on May 1, 2018, prepared by Blew & Associates, Inc., B&C Project No. [***].

"FCC" means the Federal Communications Commission.

"FCC Licenses" means the FCC-issued licenses to operate a base station or two way security radios at the Property held by Seller or any of its Affiliates.

"FF&E" means furniture, fixtures and equipment used in the ordinary course of operating the Property; provided, however, that FF&E shall not include any WSOP Assets, WSOP Equipment or WSOP OS&E.

"Gaming Authorities" means any Governmental Entity with regulatory control or jurisdiction over the conduct of lawful gaming or gambling within the State of Nevada and, with respect to a Suitability Problem only, outside of the State of Nevada.

"Gaming Equipment" means any and all gaming devices (as defined in the Gaming Laws), gaming device parts inventory and other related gaming equipment and supplies used in connection with the operation of a casino, gaming tables, cards, dice, chips, tokens, player tracking systems, cashless wagering systems (as defined in the Gaming Laws), electronic betting systems, mobile gaming systems (as defined in the Gaming Laws), interactive gaming systems (as defined in the Gaming Laws), inter-casino linked systems (as defined in the Gaming Laws), on-line slot metering systems (as defined in the Gaming Laws), and associated equipment (as defined in the Gaming Laws), together with all improvements and/or additions thereto, in each case, which are located at the Property owned or leased by Seller or any of its Affiliates and used or usable exclusively in the gaming operations conducted at the Property; provided, however, that Gaming Equipment shall not include any WSOP Equipment.

"Gaming Laws" means any federal, state, local or foreign statute, ordinance, rule, regulation, permit, consent, registration, finding of suitability, approval, license, judgment, order, decree, injunction or other authorization, including any condition or limitation placed thereon, governing or relating to the current or contemplated casino and gaming activities and operations and manufacturing and distributing operations in the State of Nevada, including the Nevada Gaming Control Act, as codified in NRS Chapter 463, the regulations promulgated thereunder, and the Clark County Code.

"Gaming Services" means slot, video poker, table gaming, and any other gambling lawfully permitted at a casino.

"Governmental Entity" means any domestic, federal, territorial, state or local governmental authority, quasi-governmental authority, court, commission, board, bureau, body, agency or instrumentality, or any regulatory, legislative, executive, administrative or other department, bureau, commission, arbitral tribunal, arbitrator or other body administering alternative dispute resolution, agency, any political or other subdivision, department, instrumentality or branch of any of the foregoing, or other body exercising similar powers or authority.

"Guest Data" means all information and data falling within the fields set forth in Exhibit F whether stored digitally, electronically, magnetically or in any other format, in the possession, custody, or control of Seller or its Affiliates relating to Persons who were customers of the Property at any time between the Lookback Date and the Effective Date, but only to the extent permitted under applicable law, including the receipt of any required consent from each such Person to the transfer of such information or data to the extent required by applicable law. Notwithstanding anything in this Contract to the contrary, "Guest Data" shall not include (a) any information relating to the Guest Services used by the applicable Person at, or other information relating to the applicable Person generated primarily as a result of such Person's visitation of, any of the facilities owned or operated by Seller or any of its Affiliates other than the Property, (b) any information exclusively originating from participation by a Person in any World Series of Poker event, whether originating from the Property or otherwise, (c) any information generated or extrapolated as part of or derived in connection with the Caesars Rewards Program (formerly known as Total Rewards Program) or any other customer loyalty program of Seller and its Affiliates (it being understood that this exception shall not apply to information merely captured by the Caesars Rewards Program or such other customer loyalty program that would otherwise qualify as Guest Data hereunder), (d) any information originating at the Property to the extent such information relates to activities of such customers at such other facilities owned or operated by Seller or any of its Affiliates that are not located at the Property, (e) any information concerning any histories or use of such other facilities which are owned or operated by Seller or any of its Affiliates that are not located at the Property, (f) any proprietary information, techniques or methods of Seller and its Affiliates related to (i) operating and marketing, gaming, hotel and related businesses (including the Caesars Rewards Program and the World Series of Poker events), (ii) designing, selecting, maintaining, operating, marketing, developing and customizing games used in gaming, hotel and related businesses, (iii) methods of training employees in the gaming, hotel and related businesses, and (iv) proprietary business plans, projections, marketing, advertising and promotion plans, strategies and systems, and (g) any proprietary information, techniques or methods of Seller and its Affiliates used in connection with the Caesars Rewards Program or any other rewards system which is used at facilities owned or operated by Seller or any of its Affiliates.

"Guest Services" means Gaming Services and Amenity Services.

"Hazardous Materials" means any hazardous or toxic substance, material, waste, gas or particulate matter, pollutant, contaminant, explosive or radioactive substance, petroleum or any fraction thereof, petroleum distillates, petroleum products, natural gas, asbestos or asbestos containing materials, polychlorinated biphenyls, mold or radon gas, giving those terms the broadest meaning as accorded by any Environmental Law. Without limiting the generality of the foregoing, the definition of those terms shall include substances, materials and wastes which are regulated under the Comprehensive Environmental Response, Compensation, and

Liability Act, 42 U.S.C. § 9601 et seq., as amended ("CERCLA"); oil and petroleum products and by-products and natural gas, natural gas liquids, liquefied natural gas, and synthetic gas usable for fuel, urea formaldehyde foam insulation, and chlorofluorocarbons; pesticides regulated under the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §136 et seq., as amended ("FIFRA"); asbestos, polychlorinated biphenyl, and other substances regulated under the Toxic Substances Control Act, 15 U.S.C. §2601 et seq., as amended ("TSCA"); chemicals subject to the Occupational Safety and Health Standards, Hazard Communication, 29 C.F.R. §1910.1200, as amended; source material, special nuclear by-product materials, and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act of 1954, 42 U.S.C. §2011 et seq., as amended ("AEA"); or the Nuclear Waste Policy Act of 1982, 42 U.S.C. §10101 et seq., as amended ("NWPA"); industrial process and pollution control wastes whether or not hazardous within the meaning of the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., as amended ("RCRA"); and any other hazardous or toxic substance, material, waste pollutant or contaminant that is regulated or becomes regulated under any other Environmental Laws.

"Identified Equity Financing Source" means Aimbridge Hospitality, The Baupost Group, L.L.C. and Imperial Companies, LLC.

"Immediately Available Funds" means funds deposited by federal funds wire transfer.

"Independent Person" means, with respect to the members of Seller's Compliance Committee, that such member (a) is not an employee, officer or director of Seller or any Affiliate of Seller, (b) is not the spouse or lineal descendant (naturally or by adoption) of an employee, officer or director of Seller or any Affiliate of Seller and (c) is not an individual that, or an employee, officer or director of an entity that, regularly supplies a material amount of goods or services to Seller or any Affiliate of Seller.

"Junior Mezzanine Loan Term Sheet" means a term sheet or a commitment letter from one or more lenders to provide mezzanine financing to a direct or indirect owner of Buyer to fund a portion of the Purchase Price at Closing.

"Land Records" means the records of the Office of the Recorder of Clark County, Nevada.

"Legal Requirements" means with respect to the Property, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Entities affecting the Property or any part thereof (including, without limitation, all Anti-Terrorism Laws, Environmental Laws, Gaming Laws and the WARN Act), or affecting the construction, use, alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, and all permits, licenses and authorizations and regulations relating thereto (including, without limitation, all Operating Permits (as defined in the Property Lease)), and all covenants, agreements, restrictions and encumbrances contained in any instruments promulgated or enacted by a Governmental Entity, either of record or known to Seller or Buyer, at any time in force affecting the Property or any part thereof.

"Legionnaire's Liabilities" means any liabilities, losses, damages, fines, penalties and reasonable and documented out-of-pocket costs and expenses resulting from any personal injury, sickness, disease or death, property damage, cost recovery, damage to the environment, violation of pollution standards, nuisance or remedial actions, in each case solely to the extent related to the Legionnaire's Outbreak.

"Legionnaire's Outbreak" means that certain 2017 outbreak of bacteria at the Property resulting in Legionnaire's disease and/or Pontiac Fever.

"Lookback Date" means September 20, 2017.

"Multiemployer Pension Plan" means any Employee Benefit Plan that is a "multiemployer plan" within the meaning of Section 3(37) of ERISA and subject to Title VI of ERISA.

"Non-Material Lease" means a lease, license, sublease or other agreement that (a) permits an Existing Tenant to occupy not more than 1,000 rentable square feet of space at the Property, (b) does not contain an expansion right permitting such Existing Tenant to occupy more than 1,000 rentable square feet of space at the Property and (c) does not contain any purchase option, right of first refusal or similar preferential purchase right.

"NRS" means the Nevada Revised Statutes, as amended from time to time.

"OS&E" means Operating Supplies (as defined in the current edition of the Uniform System of Accounts for the Lodging Industry published by the American Hotel & Lodging Educational Institute) and operating equipment required for the operation of the Property (other than FF&E).

"Owned Gaming Equipment" means the Gaming Equipment owned by Seller as of the Effective Date.

"Owned Slot Machines and Gaming Tables" means the slot machines and gaming tables that constitute Owned Gaming Equipment that are listed on Exhibit E hereto, as such Exhibit is updated by Seller from time to time as required by this Contract and the Property Lease.

"Permitted Exceptions" means: (a) applicable zoning, building and land use laws, terms and conditions of licenses, permits and other approvals for the Property, and the other laws of any Governmental Entity having jurisdiction over the Property; (b) such state of facts as would be disclosed by a physical inspection of the Property or an update to the Survey of the Property other than any Required Removal Exception; (c) the lien of real estate taxes, assessments and other governmental charges or fees not yet due and payable or which are currently being contested in good faith by appropriate proceedings; (d) the rights of Existing Tenants under any Leases related to the Property as tenants only (with no options to purchase and no other preferential rights to purchase, including no rights of first refusal) and hotel guests whose occupancy may be terminated on short notice; (e) mechanics' and materialman's liens that arise in the ordinary course other than any Required Removal Exception; (f) all matters disclosed by the Title Commitment as the same exists on the Effective Date (except for the deed of trust disclosed as Exception 78 thereon which Seller shall cause to be released prior to or concurrently with the Closing), the Survey and/or the Existing Survey; (g) any lien or encumbrance created, suffered or consented to in writing by Buyer; (h) any matter Title Insurer insures over, or for which it otherwise provides affirmative title coverage, in the Title Policy with no additional cost to Buyer; (i) any restrictions on transfer arising under applicable securities laws or Gaming Laws; (j) easements, leases, reservations or other rights of others in, or minor defects and irregularities in title to, the Property; provided, that such easements, leases, reservations, rights, defects or irregularities do not materially impair the current use of the Property and do not render title to the Property un-marketable; (k) any liens on any assets of Seller imposed pursuant to the Existing Loan, which Seller shall cause to be released prior to or concurrently with the Closing; and (l) any other matter specifically identified in this Contract as a Permitted Exception. For the avoidance of doubt, none of the matters disclosed on the Title Commitment (as the same exists on the Effective Date), the Survey or the Existing Survey constitute, individually or in the aggregate, a Required Removal Exception.

"Person" means any natural person or legal entity, including trustees, representatives, administrators, heirs, executors, partnerships, corporations, limited liability companies, trusts, unincorporated organizations and governmental agencies, departments and branches.

"Property Lease Expiration Date" means the date on which the Property Lease is scheduled to expire, as such date may be extended, as set forth in the Property Lease.

"Property Lease Obligations" means the obligations of Tenant under the Property Lease.

"Purchase Price Allocation Schedule" means the items set forth in Exhibit O attached hereto.

"Pursuit Costs" means all reasonable and documented out-of-pocket costs and expenses incurred and/or paid by Buyer and/or its Affiliates in connection with the pursuit, due diligence and negotiation of this Contract and the Property Lease and the potential Financing of the acquisition of the Purchased Assets, contemplated by this Contract, including any reasonable and documented legal costs and expenses, zoning, appraisal and other third party reports and application fees, legal fee expense deposits, commitment fees and similar amounts paid to prospective Debt Financing Sources.

"Seller Closing Documents" means the documents to be executed and/or delivered by Seller at Closing pursuant to Section 12.2 of this Contract.

"Seller Material Adverse Effect" means changes, events, circumstances or effects that have had or would reasonably be expected to have, individually or in the aggregate, a material adverse effect on the business, financial condition or results of operations of Seller or the ability of Seller to consummate the transactions contemplated by this Contract; provided, that the following, individually and in the aggregate, shall be excluded from the definition of Seller Material Adverse Effect and from any determination as to whether a Seller Material Adverse Effect has occurred: (i) any change, event, condition or effects arising out of or resulting from changes in or affecting the (A) hotels or casinos in Las Vegas, Nevada or Clark County, Nevada, (B) travel, hospitality or gaming industries generally, or in the jurisdiction where Seller operates, (C) the financial, banking, currency or capital markets in general, including changes in interest or exchange rates, or (D) the United States or global economy generally; (ii) political conditions generally of the United States; (iii) any natural disasters, catastrophe events or casualty events, hostility, sabotage, military action or civil disturbance, acts of war (whether or not declared), armed conflict or similar calamity or terrorism or any escalation or worsening of any of the same, in each case in the U.S. or internationally; (iv) any change in United States generally accepted accounting principles or applicable law (including adoption of new regulations with respect to existing laws or changes in interpretation of existing laws, including the impact and effects thereof from time to time) or the enforcement, interpretation or implementation thereof; (v) any change, event or effect resulting from the negotiation, execution, delivery or performance of, or public announcement of the transactions contemplated by, this Contract, including the loss of any employees, clients or client assets following the announcement of this Contract or the transactions contemplated hereby or any action, proceeding, claim, protest or dispute arising therefrom or relating thereto; (vi) any occurrence or condition arising out of the identity of or facts relating to Buyer (including its Affiliates); (vii) actions permitted to be taken or not taken pursuant to this Contract or taken with Buyer's consent or not taken because Buyer did not give its consent; (viii) the effect of any action taken by Buyer or its Affiliates with respect to the transactions contemplated by this Contract (including any communication or disclosure regarding Buyer's plans or intentions with respect to the operation of the Property as well as any other action by Buyer); (ix) any labor strike, work stoppage, picketing, lockout or any other labor dispute, any labor negotiations, the entry into any collective bargaining agreement which results from such labor negotiations or the termination of labor negotiations; and (x) any disruption of or interruption in the conduct of Seller's

business or any of its tenants or counterparties conducted at Property resulting directly or indirectly from any demolition or construction activity on any other property.

"Seller's Financing Liens" means (a) all liens created by the Existing Loan and (b) any financing liens caused, created, or consented to in writing by Seller or any of its Affiliates.

"Tenant" means Seller or any Affiliate of Seller designated by Seller to be the tenant under the Property Lease.

"Title Insurer" means First American National Title Insurance Company, or such other title insurance underwriter as may be approved by Seller.

"Unions" means the International Union of Operating Engineers Local 501, AFL-CIO, the General Teamsters, Airline, Aerospace and Allied Employees, Warehousemen, Drivers, Construction, Rock and Sand Teamsters Local Union No. 986 and the Local Joint Executive Board of Las Vegas, for and on behalf of Culinary Workers Union, Local No. 226 and Bartenders Union, Local No. 165.

"UST" means the 5,000 gallon underground storage tank formerly located on the Property which was removed from the Property on February 13, 1998.

"UST Liabilities" means any liabilities, losses, damages, fines, penalties and reasonable and documented out-of-pocket costs and expenses resulting from any personal injury, sickness, disease or death, property damage, cost recovery, damage to the environment, violation of pollution standards, nuisance or remedial actions, in each case solely to the extent related to the UST.

"WARN Act" means the Worker Adjustment and Retraining Notification Act, as amended.

"WSOP Assets" means the WSOP Equipment, the WSOP OS&E, and the personal property primarily used in connection with the World Series of Poker (including the name "World Series of Poker" and any chips or tokens with any trademark related to the World Series of Poker brand included thereon).

"WSOP Equipment" means the equipment primarily used in connection with the World Series of Poker.

"WSOP OS&E" means Operating Supplies (as defined in the current edition of the Uniform System of Accounts for the Lodging Industry published by the American Hotel & Lodging Educational Institute) primarily used in connection with the World Series of Poker and WSOP Equipment.

The following are defined elsewhere in this Contract, as indicated below:

Term	**Reference**
Assignment of Interests Agreement	Section 12.2.5
Buyer	Introductory Paragraph
Buyer's Closing Conditions	Section 8.1
Buyer's Counsel	Section 17.13
Buyer's Deposits	Section 12.4
Buyer's Environmental Report	Section 6.5.4
Buyer's Expenses	Section 4.2
Buyer's Gaming Approval	Section 5.7.1
Claim Notice	Section 8.8.4(a)
Closing Expenses	Section 4.2
Closing Statement	Section 4.3
Compliance Committee	Section 5.7.2
Contract	Introductory Paragraph
Debt Financing	Section 7.3.1
Debt Financing Letters	Section 7.3.1
Debt Financing Sources	Section 7.3.1
Declaration of Value	Section 12.2.2
Deductible	Section 17.2.1
Deed	Section 2.1
Effective Date	Introductory Paragraph
Election Notice	Section 8.1.6
Enforcement Limitations	Section 6.2.1

Environmental Permits	Section 6.5.1
Escrow	Section 9.2
Existing Tenant	Section 6.6.1
Extended Target Closing Date	Section 8.12.1
Financing	Section 7.3.1
Financing Commitment	Section 7.3.1
Fraud	Section 17.2.2
Guarantor	Section 5.8
HSR Act	Section 6.2.3
HSR Clearance	Section 5.6.1
Initial Deposit	Section 1.3.1
Initial Target Closing Date	Section 8.12
Known Default	Section 17.7
Lease	Section 6.6.1
Lender’s Title Policy	Section 4.2
Lien or Judgment	Section 3.2
Membership Interests	Section 2.1
New Property Owner	Section 2.1
Organizational Documents	Section 2.1
Objection	Section 3.2
Objection Notice	Section 8.1.6
Opening of Escrow	Section 9.2
Outside Date	Section 8.12
Paid Deposit	Section 1.3.1
Permits	Section 6.7
Preliminary Closing Statement	Section 4.3
Property	Recital A
Property Lease	Section 12.2.6
Property Marks	Section 6.4
Purchased Assets	Section 1.1
Purchase Price	Section 1.2
Qualified LJ	Section 8.1.6
Remedial Action	Section 5.6.2
Required Removal Exception	Section 3.2
Securities Act	Section 7.7
Seller	Introductory Paragraph
Seller Guaranty	Section 5.8
Seller Privacy Policy	Section 5.5.2
Seller’s Broker	Article 10
Seller’s Closing Conditions	Section 8.4
Seller’s Counsel	Section 17.13
Seller’s Deposits	Section 12.2
Seller’s Expenses	Section 4.2
Solvent	Section 7.5
Suitability Problem	Section 5.7.2
Suitability Problem Notice	Section 5.7.2
Survey	Section 3.1
Surveyor	Section 3.1
Title Commitment	Section 3.2
Title Policy	Section 3.3
Transfer	Section 15.2
Update	Section 3.2
Use Restrictions	Section 5.5.2
WARN Act Notification	Section 6.2.3

Exhibit 10.2

Certain information and exhibits have been excluded from this form agreement because such information (i) is not material and (ii) would be competitively harmful if publicly disclosed.

FORM OF LEASE AGREEMENT

between

IC 3700 FLAMINGO ROAD LLC,

as Landlord,

and

RIO PROPERTIES, LLC,

as Tenant

Dated: as of [__], 20[19]

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LEASE AGREEMENT

This LEASE AGREEMENT is made as of [__], 20[19] (as the same may be amended, modified and/or restated from time to time in accordance with the terms and conditions hereof, this **"Lease"**), between IC 3700 FLAMINGO ROAD LLC, a Delaware

limited liability company (subject to Section 19.4, **"Landlord"**), and RIO PROPERTIES, LLC, a Nevada limited liability company (subject to Section 19.4, **"Tenant"**).

ARTICLE A
CERTAIN LEASE PROVISIONS

1. Definitions:	
(a) **"Base Term"**:	A term which begins on the Commencement Date and ends on the Base Term Expiration Date.
(b) **"Base Term Expiration Date":**	The two year anniversary of the Commencement Date or such earlier date on which this Lease shall terminate or be terminated pursuant to the terms hereof.
(c) **"Commencement Date":**	[__], 20[19] (the date Landlord acquired record fee title to the Premises).
(d) **"Expiration Date":**	The Base Term Expiration Date or, if the Extension Option is exercised in accordance with Section 1.2, the Extension Term Expiration Date or, if the option to extend is exercised in accordance with Section 15.5, the date that is six (6) months after the Base Term Expiration Date or the Extension Term Expiration Date, as applicable, or, in each case, such earlier date on which this Lease shall terminate or be terminated pursuant to the terms hereof.
(e) **"Term":**	A term which begins on the Commencement Date and ends on the Expiration Date.
2. **"Base Rent"** for the Premises:	$3,750,000 per month, payable in advance in equal consecutive monthly installments on the first (1st) Business Day of each month, except that Rent for any period which is less than one (1) month shall be a prorated portion of the monthly installment herein based upon the actual days in the month. Base Rent shall be allocated 99% to the portion of the Premises comprised of real property and 1% to the portion of the Premises comprised of personal property.
3. Use of Premises:	The operation of the Premises as a hotel casino resort, and uses related or incident thereto, subject to the provisions of Section 5.9.
4. Address for Notice:	As set forth in Section 19.5.

ARTICLE B
CERTAIN DEFINITIONS; PRINCIPLES OF CONSTRUCTION

As used in this Lease, the following terms have the following meanings or are defined in the section of this Lease so indicated:

"Additional Rent" is defined in Section 2.2.

"Affiliate" has the meaning ascribed to such term in the Purchase Agreement.

"Alterations" is defined in Section 5.3.

"Ancillary Agreement" has the meaning ascribed to such term in the Purchase Agreement.

"Anti-Terrorism Laws" shall mean Executive Order 13224 and related regulations promulgated and enforced by the Office of Foreign Assets Control, the Money Laundering Control Act, the United States PATRIOT Act, or any similar law, order, rule or regulation enacted in the future.

"Approved Insurance Adjusters" shall mean (a) McLarens, (b) Crawford & Company and (c) such other insurance adjuster as may be selected by Landlord and, so long as no Event of Default then exists and is continuing, approved by Tenant, such approval not to be unreasonably withheld.

"Assignment Agreement" is defined in Section 18.3.

"Banned Person" shall have the meaning assigned to it in Section 19.20.

"Base Rent" is defined in Article A, Section 2.

"Base Term" is defined in Article A, Section 1(a).

"Base Term Expiration Date" is defined in Article A, Section 1(b).

"Building" and **"Buildings"** respectively mean any one or more of the buildings, structures and other improvements now or hereafter erected on the Land.

"Business Day" has the meaning ascribed to such term in the Purchase Agreement.

"Business Impositions" has the meaning ascribed to such term in Section 3.1

"**Buyer**" means IC 3700 Flamingo Road Venture LLC, a Delaware limited liability company, together with its successors and permitted assigns.

"Capital Costs" means all hard and soft costs, expenses, fees and obligations incurred in connection with the design, development, construction and installation of Work which (a) is considered a capital expenditure, repair, improvement, equipment or replacement under GAAP and (b) is of the type that has historically been capitalized on the balance sheet of Tenant based on its past practice.

"Casualty" is defined in Section 7.1.

"Caesars Intellectual Property" means all trademarks, trademark registrations, trademark applications, service marks, trade names, business names, brand names, logos, marks, copyrights, copyright registrations, design or design registrations, trade secrets, know-how, other intellectual property, or any right to any of the foregoing, in each case, owned or used by Tenant or any of its Affiliates other than the Property Marks (as defined in the Purchase Agreement).

"CEC" means Caesars Entertainment Corporation, and its successors.

"Change of Control" means the occurrence of the accumulation, whether directly, indirectly, beneficially or of record, by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended) of 20% or more of the shares of the outstanding equity securities of the applicable Person, whether by merger, consolidation, sale or other transfer of equity.

"Claim" is defined in Section 11.1(c).

"Closed Business" is defined in Section 15.2.

"Code" has the meaning ascribed to such term in the Purchase Agreement.

"Collective Bargaining Agreements" has the meaning ascribed to such term in the Purchase Agreement.

"Commencement Date" is defined in Article A, Section 1(c).

"**Complete Taking**" is defined in Section 8.1.

"Compliance Committee" is defined in Section 19.22.

"Contemplated Redevelopment" has the meaning ascribed to such term in the Purchase Agreement.

"Culinary CBA" has the meaning ascribed to such term in the Purchase Agreement.

"De-Branding Actions" means Tenant undertaking such de-branding actions as are necessary to preclude confusion on the part of the public as to whether the Premises is a Caesars-branded hotel casino resort, including, without limitation, removing all exterior and interior signage containing Caesars Intellectual Property.

"Default Rate" means a rate per annum equal to the Prime Rate plus four percent (4%) per annum, but in no event in excess of the amount that may be legally charged and collected by Landlord from Tenant.

"**Designated Lender**" means the Lender designated by Landlord in writing to Tenant as the "Designated Lender" for each of the Mortgage Loan Documents and the Senior Mezzanine Loan Documents; provided, however, that (a) there shall be no more than one Designated Lender (which may be an agent for one or more other lenders) for each of the Mortgage Loan and the Senior Mezzanine Loan and (b) for purposes of this Lease, (i) the rights afforded to such Designated Lenders shall be limited to one Designated Lender (which may be an agent for one or more other lenders) for each of the Mortgage Loan and the Senior Mezzanine Loan and (ii) with respect to Tenant's obligation in certain circumstances to reimburse any costs and expenses incurred by the

Designated Lenders pursuant to the provisions of this Lease, such obligation shall be limited to one counsel for each such Designated Lender (which may be an agent for one or more other lenders).

"Development Parcel" means a portion of the Land described and depicted on Schedule D.

"Elective Capital Improvement" is defined in Section 5.5.

"Employee" means any individual who is employed on a full-time or part-time basis at, or with respect to, the Premises.

"Employee Benefit Plan" means each "employee benefit plan," as defined in Section 3(3) of ERISA, each employment agreement, severance agreement or plan, and each other plan, program, fund, or agreement, whether written or unwritten, providing for compensation, bonuses, profit-sharing, equity compensation or other forms of incentive or deferred compensation, insurance (including any self-insured arrangements), health or medical benefits, or post-employment or retirement benefits (including compensation, pension, health, medical or life insurance benefits) which is maintained, administered, or contributed to by Tenant or any of its ERISA Affiliates, and covers any current or former Employee or with respect to which Tenant or any of its ERISA Affiliates has, or once had, any liability with respect to any current or former Employee (including liability pursuant to a reimbursement, indemnification or related obligation pursuant to any contractual arrangement).

"Environmental Law" has the meaning ascribed to such term in the Purchase Agreement.

"Entertainment Contracts" means all existing or future contracts, as the same may be amended from time to time, between Tenant and third parties providing for live entertainment on-site at the Premises in connection with the conduct of Tenant Operations, including but not limited to, concerts, comedy shows, theater performances, magic acts, sporting events and/or other live performances.

"ERISA" has the meaning ascribed to such term in the Purchase Agreement.

"ERISA Affiliate" has the meaning ascribed to such term in the Purchase Agreement.

"Event of Default" is defined in Section 12.1.

"Expiration Date" is defined in Article A, Section 1(d).

"Extension Fee" is defined in Section 1.2.

"Extension Notice" is defined in Section 1.2.

"Extension Option" is defined in Section 1.2.

"Extension Term" is defined in Section 1.2.

"Extension Term Expiration Date" is defined in Section 1.2.

"FCC" is defined in Section 18.3.

"FF&E" has the meaning ascribed to such term in the Purchase Agreement.

"Force Majeure" is defined in Section 19.10.

"GAAP" means (a) generally accepted accounting principles consistently applied in the United States and (b) when used in Section 5.5, generally accepted accounting principles consistently applied in the United States by Tenant at the Premises during the three years preceding the commencement of the Term.

"Gaming Authorities" has the meaning ascribed to such term in the Purchase Agreement.

"Gaming Equipment" has the meaning ascribed to such term in the Purchase Agreement.

"Gaming Laws" has the meaning ascribed to such term in the Purchase Agreement.

"Gaming License" means any license, qualification, approval, administrative approval, registration, permit, finding of suitability or other authorization relating to gaming, the gaming business, the operation of a casino, or for the sale or purchase of the Owned Gaming Equipment under the Gaming Laws or required by the Gaming Authorities or otherwise necessary for the operation of gaming, the gaming business, or a casino, or for the sale or purchase of the Owned Gaming Equipment.

"Governmental Entity" has the meaning ascribed to such term in the Purchase Agreement.

"Guarantor" means Caesars Resorts Collection, LLC, a Delaware limited liability company, together with its successors.

"Guaranty" means that certain Guaranty, dated as of the date of the Purchase Agreement, provided by Guarantor to Landlord and Buyer, as the same may be amended from time to time in accordance with its terms.

"Guest Data" means all information and data falling within the fields set forth in Exhibit L to the Purchase Agreement, whether stored digitally, electronically, magnetically or in any other format, in the possession, custody, or control of Tenant or its Affiliates relating to Persons who were customers of the Premises at any time during the Term, but only to the extent permitted under applicable law, including the receipt of any required consent from each such Person to the transfer of such information or data to the extent required by applicable law. Notwithstanding anything in this Lease to the contrary, "Guest Data" shall not include (a) any information relating to the Guest Services (as defined in the Purchase Agreement) used by the applicable Person at, or other information relating to the applicable Person generated primarily as a result of such Person's visitation of, any of the facilities owned or operated by Tenant or any of its Affiliates other than the Premises, (b) any information exclusively originating from participation by a Person in any World Series of Poker event, whether originating from the Premises or otherwise, (c) any information generated or extrapolated as part of or derived in connection with the Caesars Rewards Program (formerly known as Total Rewards Program) or any other customer loyalty program of Tenant and its Affiliates (it being understood that this exception shall not apply to information merely captured by the Caesars Rewards Program or such other customer loyalty program that would otherwise qualify as Guest Data hereunder), (d) any information originating at the Premises to the extent such information relates to activities of such customers at such other facilities owned or operated by Tenant or any of its Affiliates that are not located at the Premises, (e) any information concerning any histories or use of such other facilities which are owned or operated by Tenant or any of its Affiliates that are not located at the Premises, (f) any proprietary information, techniques or methods of Tenant and its Affiliates related to (i) operating and marketing, gaming, hotel and related businesses (including the Caesars Rewards Program and the World Series of Poker events), (ii) designing, selecting, maintaining, operating, marketing, developing and customizing games used in gaming, hotel and related businesses, (iii) methods of training employees in the gaming, hotel and related businesses, and (iv) proprietary business plans, projections, marketing, advertising and promotion plans, strategies and systems, and (g) any proprietary information, techniques or methods of Tenant and its Affiliates used in connection with the Caesars Rewards Program or any other rewards system which is used at facilities owned or operated by Tenant or any of its Affiliates.

"Hazardous Materials" has the meaning ascribed to such term in the Purchase Agreement.

"Immaterial Use" is defined in Section 17.1.

"Impositions" means, collectively, the Property Impositions and the Business Impositions.

"Indemnified Party" is defined in Section 11.1(c).

"Indemnifying Party" is defined in Section 11.1(c).

"**Junior Mezzanine Borrower**" means the owner of 100% of the equity interests in Senior Mezzanine Borrower.

"**Junior Mezzanine Loan Agreement**" means that certain [Junior Mezzanine Loan Agreement, dated as of the Commencement Date, between Junior Mezzanine Borrower, as borrower, and [__], as lender], as the same may be amended from time to time in accordance with its terms.

"**Junior Mezzanine Loan Documents**" means the Junior Mezzanine Loan Agreement and other "Loan Documents" (as defined in the Junior Mezzanine Loan Agreement) and other documents and instruments (including all amendments, modifications, side letters and similar ancillary agreements) relating thereto.

"Land" means those certain plots, parcels and pieces of real property described on Schedule A hereto.

"Landlord" is defined in the introductory paragraph hereof.

"Landlord Indemnified Party" and **"Landlord Indemnified Parties"** are defined in Section 11.1(a).

"Landlord Parties" is defined in Section 11.1(a).

"Landlord Proposed Licensed Parties" is defined in Section 15.7.

"Landlord's Privacy Policy" is defined in Section 18.5(b).

"Landlord's Repair Notice" is defined in Section 7.2.

"**Landlord's Share**" is defined in Section 5.5(a).

"Lease" is defined in the introductory paragraph hereof.

"Legally-Required Capital Improvement" is defined in Section 5.5.

"Legal Requirements" means, with respect to the Premises, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Entities affecting the Premises or any part thereof (including, without limitation, all Anti-Terrorism Laws, Environmental Laws, Gaming Laws and the WARN Act), or affecting the construction, use, alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, and all permits, licenses and authorizations and regulations relating thereto (including, without limitation, all Operating Permits), and all covenants, agreements, restrictions and encumbrances contained in any instruments promulgated or enacted by a Governmental Entity, either of record or known to Tenant or Landlord, at any time in force affecting the Premises or any part thereof.

"Lender" means any lender (including any agent for such lender) under any Loan Documents.

"Licensed Designee" means any of the following Persons that Landlord designates to Tenant in writing no later than thirty (30) days prior to the end of the Term (a) Landlord or its Affiliate (or, if an event of default exists under the Loan Documents, Lender or its Affiliate) if Landlord or such Affiliate (or, if applicable, Lender or its Affiliate) and Tenant have obtained all applicable Gaming Licenses necessary for Tenant to sell, and Landlord or its Affiliate (or, if applicable, Lender or its Affiliate) to acquire, the Owned Gaming Equipment; or (b) any Person designated by Landlord (or, if an event of default exists under the Loan Documents, Lender) that has obtained all applicable Gaming Licenses necessary for Tenant to sell, and such Person to acquire, the Owned Gaming Equipment, including any such Person that Tenant can sell the Owned Gaming Equipment to who will store it in accordance with applicable Gaming Laws for Landlord or its Affiliate (or, if applicable, Lender or its Affiliate) once Landlord or its Affiliate (or, if applicable, Lender or its Affiliate) has obtained all applicable Gaming Licenses necessary to acquire the Owned Gaming Equipment.

"Licensed Third Party Designee" means any Person designated by Landlord (or, if an event of default exists under the Loan Documents, Lender) that has obtained all Gaming Approvals and/or Liquor Approvals (each as defined in the Operating Business Schedule) that are the subject of a Likely Disapproval/Delay.

"Lien" means any mortgage, deed of trust, lien, pledge, hypothecation, assignment, security interest, or any other encumbrance, charge or restriction on transfer of, on or affecting the Premises, any portion thereof or any interest therein, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances, in each case whether arising by contract, operation of law, or otherwise.

"**Likely Disapproval/Delay**" is defined in Section 15.7.

"Loan Documents" means the Mortgage Loan Documents, the Senior Mezzanine Loan Documents and the Junior Mezzanine Loan Documents.

"**Losses**" means any and all liabilities, obligations, losses, penalties, costs, grievances, charges, judgments, claims, causes of actions, suits, damages, fees and expenses (including attorneys' fees and expenses); provided that in no event shall Losses include consequential or punitive damages or diminution of value except to the extent that a Landlord Indemnified Party or a Tenant Indemnified Party, as applicable, is held liable for such damages to a third party due to the actions of a Person obligated to provide indemnification to a Landlord Indemnified Party or a Tenant Indemnified Party, as applicable.

"**Major Casualty**" is defined in Section 7.1.

"Material Alteration" means any Alteration (a) with an estimated cost of $2,000,000 or more or (b) that is structural in nature or (c) that affects in any material way any building systems, including life safety systems.

"**Material Business Interruption Casualty**" means a Casualty that is not a Major Casualty but that results in damage or destruction of any portion or portions of the Buildings and/or the Premises (which may include reasonable means of ingress and egress within the Premises, including, without limitation, reasonable means of ingress and egress to the Buildings from the Premises) such that the remaining area of the Buildings and/or the Premises is not reasonably sufficient for Tenant to continue conducting hotel and casino operations within a majority of the floor area of the Buildings used for such operations at the Premises in a manner consistent with such operations immediately prior to such Casualty, as reasonably determined by Tenant.

"Mortgage" means any mortgage or deed of trust granted by Landlord pursuant to the terms of the Mortgage Loan Documents, and all renewals, modifications, consolidations, replacements, restatements and extensions thereof.

"Mortgage Loan Agreement" means that certain [Loan Agreement, dated as of the Commencement Date, between Landlord, as borrower, and [__], as lender], as the same may be amended from time to time in accordance with its terms.

"**Mortgage Loan Documents**" means the Loan Agreement, Mortgage and other "Loan Documents" (as defined in the Mortgage Loan Agreement) and other documents and instruments (including all amendments, modifications, side letters and similar ancillary agreements) relating thereto

"Multiemployer Pension Plan" has the meaning ascribed to such term in the Purchase Agreement.

"NRS" is defined in Section 5.8(a).

"Operating Business" is defined in Section 15.2.

"**Operating Business Election**" means an election by Landlord to cause Tenant to deliver the Premises as an Operating Business pursuant to Section 15.2.

"Operating Business Schedule" is defined in Section 15.2.

"Operating Permits" is defined in Section 18.3.

"**Owned Gaming Equipment**" means the Gaming Equipment owned by Tenant that does not constitute WSOP Assets, which Gaming Equipment includes the equipment listed in Exhibit E to the Purchase Agreement, as such Exhibit may be updated from time to time prior to the Commencement Date pursuant to the Purchase Agreement and thereafter pursuant to Section 5.6 of this Lease, together with any repairs thereto and/or replacements thereof. For the avoidance of doubt, the term Owned Gaming Equipment shall not include any Owned Gaming Equipment which has been replaced by other Owned Gaming Equipment even if it is listed on such Exhibit or any updates thereto.

"**Partial Taking**" is defined in Section 8.1.

"**Permitted Exceptions**" has the meaning ascribed to such term in the Purchase Agreement except that for purposes of this Lease if Landlord elects to have the Premises delivered as a Closed Business at the end of the Term pursuant to Section 15.2, then "Permitted Exceptions" shall not include the rights of Subtenants under any Subleases related to the Premises unless Landlord has elected to extend such Subleases pursuant to the provisions of Section 5.10 and the same are in fact extended prior to the end of the Term.

"**Permitted Equity Transfer**" means any transfer, lease, sublease, mortgage, pledge, hypothecation or other encumbrance of any direct or indirect equity interest in Tenant in connection with (a) the merger or consolidation of Tenant with another Person or the sale of all or substantially all of the equity interests and/or assets of any of Tenant's direct or indirect parent company(ies) but only to the extent that such parent company(ies) directly or indirectly own or lease at least one hotel or hotel casino in addition to Tenant's leasehold interest in the Premises; (b) the merger transaction between CEC and Eldorado Resorts, Inc. which was publicly announced on June 24, 2019; and/or (c) the Existing Loan (as defined in the Purchase Agreement).

"**Permitted Uses**" means the operation of a hotel casino resort consistent with the Premises' use immediately prior to the Commencement Date, and for such uses as may from time to time be necessary, incidental and ancillary thereto, including, without limitation, restaurant, nightclub, entertainment and bar uses, poker and other gaming tournaments, and for conference and event space uses.

"Person" has the meaning ascribed to such term in the Purchase Agreement.

"**Pledge Agreement**" means that certain Mezzanine Pledge and Security Agreement dated as of the Commencement Date between the Senior Mezzanine Borrower, as pledgor, and the lender under the Senior Mezzanine Loan Agreement, as pledgee, as the same may be amended from time to time in accordance with its terms.

"Premises" means the Land and Buildings, all easements and other appurtenances thereto, the FF&E and all other Purchased Assets, but, for the avoidance of doubt, does not include: (a) the Gaming Equipment, which shall, at all times (even after the end of the Term), continue to be owned or leased by Tenant, except that the Owned Gaming Equipment shall be transferred at the end of the Term to a Licensed Designee subject to the provisions of Section 15.4 or the Operating Business Schedule, as applicable; and (b) the WSOP Assets, which shall, at all times (even after the end of the Term), continue to be owned by Tenant.

"Premises Delivery Notice" is defined in Section 15.2.

"Prime Rate" means the prime or reference rate announced from time to time by Bank of America, N.A. (or if Bank of America, N.A. ceases to exist or ceases to announce a prime or reference rate, then the prime or reference rate announced from time to time by the then-largest chartered bank based in the United States, in terms of assets).

"Prohibited Use" means, except to the extent a use is existing at the Premises as of the Effective Date of the Purchase Agreement and such use is not prohibited by Legal Requirements: (a) a "strip club" or similar club or establishment; (b) a methadone clinic; (c) a retail discount store or similar establishment; or (d) any other use that is prohibited pursuant to then applicable Legal Requirements.

"Property Impositions" has the meaning ascribed to such term in Section 3.1

"Property Marks" has the meaning ascribed to such term in the Purchase Agreement.

"Purchase Agreement" means that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of September 20, 2019, by and between Buyer and Tenant.

"Purchased Assets" has the meaning ascribed to such term in the Purchase Agreement.

"Relevant Dollar Amount" means the amount of real property tax attributable to the jointly assessed land on a per acre per day basis determined in the same manner as the amount set forth in Section 3.1(c)(ii)(A)(x) for the 2019-2020 tax year. A spreadsheet showing how such amount was calculated is attached hereto as Schedule G.

"Remedial Work" is defined in Section 17.7.

"Rent" means Base Rent and Additional Rent.

"Request for Payment" is defined in Section 5.5(b).

"**Senior Mezzanine Borrower**" means the owner of 100% of the equity interests in Landlord.

"**Senior Mezzanine Loan Agreement**" means that certain [Mezzanine Loan Agreement, dated as of the Commencement Date, between Senior Mezzanine Borrower, as borrower, and [__], as lender], as the same may be amended from time to time in accordance with its terms.

"**Senior Mezzanine Loan Documents**" means the Senior Mezzanine Loan Agreement, Pledge Agreement and other "Loan Documents" (as defined in the Senior Mezzanine Loan Agreement) and other documents and instruments (including all amendments, modifications, side letters and similar ancillary agreements) relating thereto.

"Service Contracts" means any service, management, security, cleaning or other similar contracts relating to the operation and/or management of the Premises.

"**Service Providers**" means (a) the architects, engineers, consultants and other design professionals that have provided or are providing design or engineering services required for the Work and plans supporting the Work; (b) the contractors and subcontractors that have performed or are performing Work resulting in Capital Costs; and (c) suppliers who have supplied or are supplying materials in connection with the construction of the Work.

"SNDA" is defined in Section 10.1.

"Subject Contract" is defined in Section 5.10.

"Sublease" means any existing or future lease, sublease, license or other agreement permitting a third party with the right to occupy all or any portion of the Premises, including any Lease (as defined in the Purchase Agreement) in effect as of the Commencement Date that has, because of the existence of this Lease, become a sublease.

"**Subtenant**" means any tenant, subtenant or other Person entitled to occupy all or any portion of the Premises pursuant to a Sublease.

"Suitability Problem" is defined in Section 19.22.

"Suitability Problem Notice" is defined in Section 19.22.

"Taking" is defined in Section 8.1.

"Target Date" is defined in Section 1.1.

"Tenant" is defined in the introductory paragraph hereof.

"Tenant Employees" is defined in Section 18.2.

"Tenant Indemnified Party" and **"Tenant Indemnified Parties"** are defined in Section 11.1(b).

"Tenant Operations" means the operations of Tenant conducted at the Premises.

"Tenant Parties" is defined in Section 11.1(a).

"Tenant Privacy Policy" is defined in Section 18.5(b).

"Tenant's Share" is defined in Section 5.5.

"Term" is defined in Article A, Section 1(e).

"Transfer" is defined in Section 9.1.

"Transferred Personal Property" means, to the extent assignable, all tangible personal property owned by Tenant and located at the Premises as of the Expiration Date; provided, however, that the Transferred Personal Property shall not include (a) the Owned Gaming Equipment, (b) the WSOP Assets, (c) any and all personal property subject to removal from the Premises pursuant to the De-Branding Actions, (d) any and all cash, cash equivalents, checks, travelers' checks and bank drafts, (e) any information or data, whether stored digitally, electronically, magnetically or in any other format, in the possession, custody, or control of Tenant or any of its Affiliates relating to Persons who were customers of the Premises at any time (other than Guest Data); and (f) any intellectual property rights of Tenant or any of its Affiliates (other than the Property Marks).

"Use Restrictions" has the meaning ascribed to such term in the Purchase Agreement.

"WARN Act" means the Worker Adjustment and Retraining Notification Act, as amended.

"Wind Down Notice" is defined in Section 15.5.

"Work" is defined in Section 5.4.

"WSOP Assets" has the meaning ascribed to such term in the Purchase Agreement.

Principles of Construction. In this Lease, except to the extent otherwise provided or the context otherwise requires: (a) when a reference is made in this Lease to an Article, Section, Exhibit or Schedule, such reference is to an Article or Section of, or an Exhibit or Schedule to, this Lease unless otherwise indicated; (b) the headings for this Lease are for reference purposes only and do not affect in any way the meaning or interpretation of this Lease; (c) whenever the words "include," "includes" or "including" are used in this Lease, they are deemed to be followed by the words "without being limited to"; (d) the words "hereof," "herein" and "hereunder" and words of similar import, when used in this Lease, refer to this Lease as a whole and not to any particular provision of this Lease; (e) all terms defined in this Lease have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein; (f) the definitions contained in this Lease are applicable to the singular as well as the plural forms of such terms; (g) any reference to "days" means "calendar days" unless otherwise specified; (h) if a notice is to be given on a specified day, unless otherwise specifically provided herein, it must be given prior to 5.00 p.m., Las Vegas time; (i) references to a Person are also to its successors and permitted assigns; (j) the use of "or" is not intended to be exclusive unless expressly indicated otherwise; (k) any reference "$" and "dollars" is to the lawful money of the United States of America; and (l) unless otherwise expressly provided herein, any agreement, instrument, statute, rule or regulation defined or referred to herein or in any agreement or instrument defined or referred to herein means such agreement, instrument, statute, rule or regulation as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes, rules and regulations) by succession of comparable successor statutes, rules and regulations.

Article 1
PREMISES AND TERM

1.1 Lease of Premises.

(a) Landlord, in consideration of the Rent herein reserved and of the terms, provisions, covenants and agreements on the part of Tenant to be kept, observed and performed, does hereby lease and demise the Premises unto Tenant for the Term, and Tenant does hereby hire and take the Premises from Landlord for the Term, subject to those matters affecting title to the Premises as of the date hereof, any other matters affecting title to the Premises hereafter created by Tenant and consented to by Landlord and such other matters affecting title to the Premises hereafter created by Landlord and, to the extent the same either (i) interferes in any material respect with Tenant's rights under Article 14 or (ii) would impose upon Tenant any monetary obligation (unless Landlord has agreed to reimburse Tenant for any such monetary obligation) or any material non-monetary obligation, consented to by Tenant; provided, however, that Tenant shall not be required to comply with or perform any matter affecting title to the Premises hereafter created by Landlord unless Tenant has consented to it. Tenant hereby consents to any lien or other matter affecting title to the Premises created by the Loan Documents, including, without limitation, any Mortgage recorded in connection therewith; provided, however, that Landlord shall be solely responsible for (and Tenant shall have no responsibility for) performing all obligations under, and complying with all provisions, of such Loan Documents including the Mortgage. For the avoidance of doubt, the foregoing sentence shall not release Tenant from performing or complying with any of its obligations pursuant to the SNDA.

(b) Notwithstanding the foregoing provisions of this Section 1.1, in the event that Landlord plans to sell, develop and/or separately finance the Development Parcel, Landlord shall provide Tenant with at least thirty (30) days' prior written notice of the same and the proposed date after which the Premises shall no longer constitute a portion of the Premises, which in no event shall be earlier than August 31, 2020 (such date, the "**Target Date**") and after the Target Date: (i) the Development Parcel shall no longer constitute a portion of the Premises hereunder; (ii) Tenant shall execute such documentation as may be reasonably requested by Landlord or any purchaser or lender of the Development Parcel to acknowledge that the Development Parcel is no longer a part of the Premises; (iii) if Tenant desires to use the Development Parcel for an event occurring at the Premises after the Target Date and Landlord or any of its Affiliates still owns the Development Parcel at the time of such event, Tenant will provide Landlord with no fewer than thirty (30) days' notice of the dates of such event and the portions of the Development Parcel it desires to use and Landlord will (or will cause its Affiliate to) use good faith efforts to permit Tenant to use the requested portions of the Development Parcel so long as such use would not adversely affect the development of the Development Parcel, and (iv) if Landlord sells the Development Parcel prior to August 31, 2020, Landlord shall, at no expense to Tenant, cause the purchaser of the

Development Parcel to execute a license agreement or other documentation reasonably required by Tenant to permit Tenant's exclusive use of the Development Parcel at all times prior to August 31, 2020. From and after the date the Development Parcel is no longer part of the Premises, Tenant shall no longer be obligated to perform or comply with any provisions of this Lease with respect to the Development Parcel, including, without limitation, maintaining insurance coverage or paying Property Impositions with respect to the Development Parcel, but, for the avoidance of doubt, the Base Rent shall not be reduced as a result of the Development Parcel no longer being part of the Premises. In the event Landlord sells or plans to develop the Development Parcel, Landlord assumes all risk and responsibility under the Culinary CBA for such sale or development, including, but not limited to, any litigation or disputes arising from such sale or development.

1.2 Extension Option. So long as no default of this Lease on the part of Landlord has occurred and is continuing on the date of the delivery of the Extension Notice or the Base Term Expiration Date, Landlord shall have the one-time right and option (the "**Extension Option**"), exercisable upon (a) written notice (the "**Extension Notice**") to Tenant not later than twelve (12) months prior to the scheduled expiration of the Base Term, to extend the Base Term by a period (the "**Extension Term**") of not less than one (1) month, and not more than twelve (12) months, as such Extension Term is specified by Landlord in such Extension Notice (the date on which the Extension Term is scheduled to end is the "**Extension Term Expiration Date**"), and (b) payment to Tenant of an amount (the "**Extension Fee**") equal to the number of months in the Extension Term (as specified by Landlord in its Extension Notice) multiplied by $583,333.33, which Extension Fee shall be prorated for any partial months and shall be paid as follows: (i) one-half of the Extension Fee shall be paid to Tenant concurrently with delivery of the Extension Notice and (ii) one-half of the Extension Fee shall be paid to Tenant in equal monthly installments, commencing on the first day of the calendar month after the Extension Notice is delivered and on the first day of each calendar month thereafter until the Base Term Expiration Date. In the event that Landlord fails to timely pay Tenant any monthly portion of the Extension Fee, Tenant may offset the amount of such fee from its next payment of monthly Rent. If so extended, the Base Term shall be extended to the end of the Extension Term and Tenant shall continue to lease the Premises pursuant to the terms of this Lease including the provisions of Article 2 and Section 5.10; provided, however, that Landlord shall have no further option or right to extend the Term.

ARTICLE 2
RENT

2.1 Base Rent. Tenant shall pay to Landlord as Base Rent for the Premises during the Term the amount stated in Article A, Section 2. Base Rent shall be payable in monthly installments in advance on the Commencement Date and the first (1st) Business Day of each and every month thereafter during the Term, without previous demand, notice or presentment therefor and without abatement, offset or deduction of any kind whatsoever, other than as expressly provided for in Section 3.1, Section 5.5, Section 7.1 or Section 8.1. If Tenant fails to pay any installment of Base Rent on or before the date when due hereunder, Tenant shall owe Landlord, in addition to the installment of Base Rent, interest on such installment at the Default Rate, computed from the date such payment was due and including the date of payment.

2.2 Additional Rent; Triple Net Lease. This Lease is a triple net lease. Accordingly, except for any payments expressly required to be made by Landlord pursuant to the terms of this Lease, in addition to the payment of Base Rent, Tenant shall pay, as additional rent for the Premises during the Term, any and all amounts required to be paid by Tenant to Landlord pursuant to the provisions of this Lease, including Tenant's obligation to reimburse Landlord for one-half of its annual premiums for the insurance specified on Schedule C not to exceed $700,000 (collectively, the "**Additional Rent**"). Additional Rent shall be payable when due, without previous demand, notice or presentment therefor and without abatement, offset or deduction of any kind whatsoever, other than as expressly provided for in Section 3.1, Section 5.5, Section 7.1 or Section 8.1. If Tenant fails to pay any installment of Additional Rent on or before the date when due hereunder and such failure shall continue for thirty (30) days after written notice of such failure from Landlord, Tenant shall owe Landlord, in addition to the payment of Additional Rent, interest on such amount at the Default Rate, computed from the date such payment was due and including the date of payment.

ARTICLE 3
UTILITIES AND TAXES

3.1 Taxes.

(a) Tenant agrees to pay directly to the applicable Governmental Entities, before delinquency, all real and personal property taxes, impositions, assessments, water and sewer rates and charges, and other governmental taxes or charges, general and special, ordinary and extraordinary, of any kind and nature whatsoever, that are assessed, levied, imposed or are or may become a lien upon the Premises or any portion thereof, the Buildings, the FF&E, Gaming Equipment and/or any other personal property belonging to Tenant and which become payable during the Term (together with interest and/or penalties thereon in the event the same are not timely paid, collectively, "**Property Impositions**"), but excluding any income taxes payable by Landlord. Notwithstanding the foregoing, in the event that any Property Imposition relates to a fiscal period of the taxing authority, a part of which period is included within the Term and a part of which is included in a period of time after the Term, such Property Imposition shall (whether or not it shall be assessed, levied, imposed or become a lien upon the Premises, the Buildings and/or Tenant's personal property, or shall become payable, during the Term) be adjusted between Landlord and Tenant as of the last day of the Term so that Landlord shall pay that portion of such Property Imposition that relates to that part of the fiscal period from and after the last day of the Term, and Tenant shall pay that portion of which relates to the period prior to the last day of the Term; provided, however, that no adjustment shall be made with respect to Property Impositions assessed on any Gaming Equipment or

other personal property belonging to Tenant which Landlord or other Licensed Designee does not acquire at the end of the Term. Landlord and Tenant shall in good faith jointly determine any such adjustments and payments, and such resulting adjustment and payment obligations shall survive the expiration of the Term. In the event that any such jointly-determined adjustments and payments in favor of Tenant have not been made prior to the last month of the Term, Tenant may, if Landlord has not paid any such jointly-determined adjustments or payments to Tenant within five (5) Business Days following Tenant's written notice for such payment, offset the amount of such adjustments and payments from its last payment of monthly Rent. Further, Tenant may elect, upon written notice to Landlord, to take commercially reasonable steps to file and enforce tax appeal proceedings to reduce such Property Impositions, all at Tenant's expense; provided, however, that to the extent that the Property Impositions relate to (y) any portion of the Premises and (z) a fiscal period of the taxing authority, a part of which period is included within the Term and a part of which is included in a period of time after the Term, Tenant may not file and enforce such tax appeal proceedings without Landlord's prior written consent, which consent may not be unreasonably withheld, conditioned or delayed.

(b) Tenant agrees to pay directly to the applicable Governmental Entities, before delinquency, all sales, excise, gaming and other taxes, impositions, assessments, and other governmental fees and charges, ordinary and extraordinary, of any kind and nature whatsoever, that arise out of Tenant's business operations during the Term, including the sale of goods and services by Tenant (but excluding the Property Impositions), whether payable or assessed during the Term or after the Term (together with interest and/or penalties thereon in the event the same are not timely paid, "**Business Impositions**"), but excluding any income taxes payable by Landlord. Further, Tenant may elect to take commercially reasonable steps to file and enforce tax appeal proceedings to reduce such Business Impositions, all at Tenant's expense. Further, to the extent Landlord owes Nevada commerce tax with respect to the amount of the Rent paid to or accrued in favor of Landlord hereunder, Tenant shall reimburse Landlord the amount of such tax promptly upon Landlord's request for such payment, together with reasonable supporting documentation.

(c) In the event that the Development Parcel no longer constitutes a portion of the Premises during the Term and the Development Parcel and the remainder of the Premises are jointly assessed for real property tax and assessment purposes, (i) Tenant shall pay all real property taxes and assessments for the Premises and the Development Parcel for the remainder of the fiscal period of the taxing authority (subject to adjustment pursuant to subsection (a) above if such fiscal period extends beyond the Term); and (ii) Landlord shall promptly reimburse Tenant as follows: (A) with respect to the tax period July 1, 2019 through June 30, 2020, the amount equal to (x) $14.24 multiplied by (y) the total number of acres comprising the Development Parcel multiplied by (z) the number of days within such tax period from and after the Target Date; and (B) with respect to any subsequent tax year period, the amount equal to (x) the Relevant Dollar Amount multiplied by (y) the total number of acres comprising the Development Parcel multiplied by (z) the number of days within such tax period from and after the Target Date. Landlord and Tenant shall in good faith jointly determine the foregoing amounts, and such resulting payment and reimbursement obligations shall survive the expiration of the Term. In the event that any such jointly-determined payments and reimbursements in favor of Tenant have not been made with thirty (30) days of the Target Date, Tenant may, if Landlord has not paid any such jointly-determined adjustments or payments to Tenant within five (5) Business Days following Tenant's written notice for such payment, offset the amount of such adjustments and payments from its next payment of monthly Rent.

3.2 Utilities. Tenant shall be responsible for all fees and charges for use or consumption for sewer, gas, electricity, water, heat, conditioned cold air supply or chilled water supply, telephone, cable, Internet, sanitation, solid waste disposal and all other utility services furnished to the Premises. Tenant shall pay for all utilities directly to the respective utility provider prior to delinquency thereof. If any such utilities are not separately metered or separately billed to the Premises from other property not constituting the Premises, then Tenant shall pay an equitable share, to be reasonably determined by Landlord, of all charges jointly metered with other premises.

3.3 Impound Accounts. At Landlord's option following the occurrence and during the continuation of an Event of Default described in Section 12.1(a) (to be exercised by fifteen (15) days' written notice to Tenant), Tenant shall be required to deposit, at the time of any payment of Base Rent, an amount equal to one-twelfth of the sum of (a) Tenant's estimated annual Impositions required pursuant to Section 3.1 hereof (as reasonably estimated by Landlord) and (b) Tenant's estimated annual insurance premium costs (as reasonably determined by Landlord). Such amounts shall be applied by Landlord 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 delinquent. Interest, if any, carried on such amounts shall accrue for the benefit of and be payable to Tenant at the end of the Term. The reasonable cost of administering such impound account shall be paid by Tenant. Nothing in this Section 3.3 shall be deemed to affect any right or remedy of Landlord hereunder.

ARTICLE 4
NO LANDLORD WORK

Landlord shall not have any obligation to construct any improvements on the Premises prior to delivering the Premises to Tenant and Tenant accepts the Premises in its present "AS-IS, WHERE IS" condition as of the Commencement Date.

ARTICLE 5
USE AND OPERATION OF PREMISES; ALTERATIONS AND REPAIRS

5.1 Compliance with all Legal Requirements. Tenant shall promptly comply in all material respects with all Legal Requirements with respect to the Premises (or any part thereof) and the use and occupation thereof by Tenant. Tenant shall not

create or permit to exist any waste on or with respect to the Premises.Maintenance. Subject to the provisions of Section 5.5, Article 7 and Article 8, Tenant shall, at Tenant's sole cost and expense, maintain and repair the Buildings, the FF&E and the Gaming Equipment consistent with Tenant's ordinary course of business for the three (3) years prior to the Commencement Date except for ordinary wear and tear and any such damage that arises from any Landlord Parties' acts or omissions, including negligence or intentional misconduct. Landlord shall not be required to maintain and, except for Landlord's obligations under Section 5.5, Article 7, Article 8, Section 16.1 and Section 16.2, Landlord shall not be required to make any repairs or alterations to the Premises during the Term.

5.2 Alterations. Tenant shall have the right at any time and from time to time during the Term to make, at its sole cost and expense, changes, repairs, restorations, alterations, additions, improvements, or other work in or to the Premises (collectively, **"Alterations"**), subject, however, in the case of any Material Alteration, to the prior written consent of Landlord or Designated Lender (to the extent required by the Loan Documents), which shall not be unreasonably withheld, conditioned or delayed so long as such Material Alterations are not structural and do not affect in any material way building systems (in which case Landlord's and Designated Lender's consent may be withheld in its sole discretion). Notwithstanding the foregoing, if a Material Alteration also constitutes a Legally-Required Capital Improvements, then neither Landlord nor any Lender shall have any approval rights pursuant to this Section 5.3 and the Parties shall instead be governed by the provisions of Section 5.5).

5.3 Cost of Work. Subject to the provisions of Section 5.5, Tenant agrees that all Alterations which Tenant shall be required or permitted to do under the provisions of this Lease with respect to the Premises (each hereinafter called the **"Work"**) shall be at Tenant's sole cost and expense, performed in a good, workmanlike manner, in compliance in all material respects with applicable Legal Requirements and in accordance with Section 5.8.

5.4 Reimbursement for Capital Costs.

(a) Notwithstanding anything herein to the contrary, Tenant shall not be obligated to make any capital improvements, repairs or replacements with respect to the Premises; provided, however, that (i) Tenant shall be obligated to make any capital improvement, repair or replacement with respect to the Premises which is required in order to comply with Legal Requirements (each a "**Legally-Required Capital Improvement**"); and (ii) subject to the provisions of Section 5.3, Tenant may make any capital improvement, repair or replacement with respect to the Premises which is not a Legally-Required Capital Improvement in its sole discretion (each an "**Elective Capital Improvement**"). Tenant shall be responsible for (A) all of the Capital Costs incurred for any Elective Capital Improvement, and (B) a percentage of the Capital Costs incurred for any Legally-Required Capital Improvement ("**Tenant's Share**"), which percentage is calculated by (y) taking the number of months in the Term remaining after the completion of such Legally-Required Capital Improvement, and (z) dividing it by the number of months in the estimated useful life for such Legally-Required Capital Improvement, as such estimated useful life is reasonably determined pursuant to GAAP. Upon completion of a Legally-Required Capital Improvement and receipt of evidence of payment of the related Capital Costs, Landlord shall reimburse Tenant for the Capital Costs incurred for such Legally-Required Capital Improvement less Tenant's Share (such share paid by Landlord, "**Landlord's Share**"). As an example, if a Legally-Required Capital Improvement had a useful life of five (5) years and such Legally-Required Capital Improvement was done with one (1) year left in the Term, Landlord would reimburse Tenant eighty percent (80%) of the Capital Costs incurred for such Legally-Required Capital Improvement.

(b) No more frequently than monthly, Tenant may submit to Landlord a request for reimbursement of the Capital Costs to be reimbursed by Landlord pursuant to Section 5.5(a) above (each a **"Request for Payment"**), which request shall (i) set forth the amount of Capital Costs to be reimbursed by Landlord in connection with such Request for Payment, (ii) include a copy of any invoice or invoices from the applicable Service Providers for such Capital Costs being covered by the Request for Payment, and (iii) any allocation to reasonable out-of-pocket soft costs actually incurred in connection with such Capital Costs being covered by the Request for Payment. Landlord shall pay to Tenant the amount payable under each Request for Payment on or before thirty (30) days after such Request for Payment was delivered to Landlord. Notwithstanding anything herein to the contrary, to the extent that Landlord does not timely pay Tenant the amount properly payable under any Request for Payment, Tenant shall, if such failure is not cured by Landlord within an additional ten (10) days after a second written notice, be permitted to deduct such amount payable from the next payment of Base Rent owing to Landlord. The foregoing reimbursement obligations shall survive the expiration or earlier termination of this Lease.

(c) Notwithstanding the foregoing provisions of this Section 5.5, if Tenant reasonably expects Landlord's Share of the Capital Cost of a Legally-Required Capital Improvement to exceed $375,000 in the aggregate, (i) Landlord and Tenant shall consult with each other in good faith and use commercially reasonable efforts to (A) determine if a less expensive alternative or other solutions (including contesting the applicability or need for such Legally-Required Capital Improvement to the extent such contest does not violate Legal Requirements) are available to avoid, mitigate or defer such Capital Costs and still comply with Legal Requirements; and (B) jointly-determine the appropriate scope of the work, taking into account the remaining balance of the Term, improvements to be made pursuant to the Contemplated Redevelopment, the time required to complete such Legally-Required Capital Improvement in order to comply with applicable Legal Requirements and other relevant factors; and (ii) such Capital Costs shall be bid out to not less than three qualified independent contractors; provided, however, that (1) if the Legally-Required Capital Improvement is required to be made by any Legal Requirement or Governmental Entity within fifteen (15) days or less or is a "life/safety" Legally-Required Capital Improvement, Tenant shall not be required to comply with the provisions of this Section 5.5(c) if Tenant notifies Landlord thereof promptly after receiving notice of such required Legally-Required Capital

Improvement and in any event prior to commencing performance of such Legally-Required Capital Improvement; and (2) if the provisions of this Section 5.5(c) are applicable but, after exercising their respective good faith efforts to do so, Landlord and Tenant are unable to agree upon the appropriate scope of work, the appropriate contractor or any other material issue relating to the performance of such Legally-Required Capital Improvement within sixty (60) days or such shorter period as may be required by the Legal Requirement or Governmental Entity to make such Legally-Required Capital Improvement, Tenant shall have the right, upon providing written notice of such inability to agree, Tenant's intention to perform the related work and the estimated cost of the related work, to perform such Legally-Required Capital Improvement to the extent that a continued failure to do so would violate Legal Requirements.

(d) For the avoidance of doubt, Landlord shall not be required to reimburse Tenant for any portion of the Capital Costs for any Legally-Required Capital Improvement for which Tenant received notice of the need for such Legally-Required Capital Improvement from a Governmental Entity prior to the Commencement Date.

5.5 Property of Landlord; Gaming Equipment. All Alterations and FF&E (exclusive of Gaming Equipment and other personal property belonging to Tenant) shall immediately upon their installation or placement on or within the Premises become the property of Landlord, without the need for any further instrument (but at Landlord's request, Tenant shall confirm the same from time to time in a writing reasonably satisfactory to Landlord), and shall remain upon and be surrendered with the Premises. All Gaming Equipment, including any replacements thereof (which, in the case of Owned Gaming Equipment, shall be of the same or better quality and functionality) or additions thereto made during the Term, shall be owned or leased by Tenant at all times, subject to the provisions set forth in Section 15.4. Within thirty (30) days after the end of each calendar quarter during the Term, Tenant shall deliver to Landlord an update to the most recent list of Owned Slot Machines and Gaming Tables (as defined in the Purchase Agreement) provided to Landlord or its Affiliates.

5.6 Legal Requirements of Work. Tenant shall be responsible at its own expense for determination and assurance that all Work is in compliance with all Legal Requirements in all material respects or have been waived by the appropriate Governmental Entities and for obtaining any approvals or consents of Governmental Entities required in connection with any and all Work.

5.7 Liens.

(a) Pursuant to Nevada Revised Statutes (**"NRS"**) 108.234, Landlord hereby informs Tenant that if Tenant undertakes any "work of improvement" (as such term is defined in NRS 108.22188), Tenant must comply with the requirements of NRS 108.2403 and NRS 108.2407 prior to contracting for and commencing any work of improvement in, on or about the Premises. Tenant shall take all actions necessary under Nevada law to ensure that no Liens encumbering the Premises arise as a result of any such work of improvement, which actions shall include, without limitation, the recording of a notice of posted security in the Office of the County Recorder of Clark County, Nevada, in accordance with NRS 108.2403 and either (i) the establishment of a construction disbursement account pursuant to NRS 108.2403(1)(b)(1) that is funded in an amount equal to one hundred percent (100%) of the total cost of the contract for the construction of such work of improvement, or (ii) the furnishing and recording, in accordance with NRS 108.2403(1)(b)(2), of a surety bond for the contract for the construction of any such work of improvement, which surety bond shall meet the requirements of NRS 108.2415. Tenant shall notify Landlord promptly upon the signing of any contract with the contractor for any work of improvement, and concurrently with such notice, shall provide Landlord with such contractor's mailing address and other contact information. Tenant's contractors may not enter the Premises to begin any work in the Premises until Tenant has delivered evidence satisfactory to Landlord that Tenant has complied with the terms of this Section. Further, Landlord shall have the right to post and maintain any notices of non-responsibility.

(b) If at any time during the Term, any mechanic's or other Lien or order for payment of money, which shall have been either created by, caused by, or suffered against Tenant or any Person acting through or under Tenant, shall be filed against the Premises or any part thereof, Tenant, at its sole cost and expense, shall cause the same to be discharged by payment, bonding or otherwise, within the earlier to occur of (i) thirty (30) days after Tenant receives notice of the filing thereof unless such Lien or order is being contested by Tenant in good faith and (ii) the end of the Term; provided, however, that in the event there has been commencement of a foreclosure sale of any portion of the Premises, or any other enforcement action, on account of such Lien being contested by Tenant, Tenant shall remove such Lien, either by payment, bonding or otherwise within ten (10) days of the commencement of such foreclosure or such other enforcement action.

5.8 Permitted Uses. Tenant shall use the Premises solely for the Permitted Uses. Tenant shall not use the Premises or any portion thereof for any Prohibited Use or any other use without the prior written consent of Landlord, which consent for any use (other than a Prohibited Use) shall not be unreasonably withheld, conditioned or delayed.

5.9 Continuous Use; Wind Down. Except in instances of casualty or condemnation or as otherwise provided in this Section, Tenant shall during the Term continuously conduct hotel and casino operations at the Premises consistent with the manner of its hotel and casino operations at the Premises for the three (3) year period prior to the Commencement Date; provided, however that (i) Tenant shall not be required to hold the World Series of Poker event at the Premises after its 2020 occurrence; (ii) Tenant may at any time, in its sole discretion, cease operating the entertainment shows and/or venues at the Premises, including Chippendales, Penn & Teller and WOW –The Vegas Spectacular, and may relocate them to other properties operated by Tenant's Affiliates; (iii) after the first anniversary of the Commencement Date, Tenant may cease or terminate certain food and beverage retail operations at the Premises which are not reasonably required to support Tenant's hotel and casino operations at the Premises

and may relocate them to other properties operated by Tenant's Affiliates; and (iv) from and after the date Landlord elects for the Premises to be delivered as a Closed Business pursuant to Section 15.2, Tenant shall have the right to wind down and cease all Tenant Operations at the Premises in a manner as Tenant determines in its sole discretion consistent with applicable Collective Bargaining Agreements. At the request of Landlord, Tenant shall reasonably cooperate with Landlord by requesting the continuance of any Subleases, any service contracts or other vendor arrangements excluding, for the avoidance of doubt, all Entertainment Contracts (collectively, "**Subject Contracts**") at or to the Premises after the Term on a month-to-month or other basis agreed to between Landlord and the applicable third party to the applicable Subject Contract, provided that (a) Tenant shall have no liability whatsoever to Landlord if (1) such Subject Contract has already expired or been terminated, or (2) any such third party to the applicable Subject Contract fails to agree to extend its Subject Contract beyond the Term, (b) Tenant shall have no liability whatsoever under any extended Subject Contract for any period after the end of the Term, and (c) Landlord shall reimburse Tenant, within thirty (30) days of request therefor, for the reasonable out-of-pocket costs or expenses incurred by Tenant in connection with such cooperation. The foregoing reimbursement obligations and exclusions of liability shall survive the expiration or earlier termination of this Lease.

5.10 Quarterly Reporting. Tenant shall furnish to Landlord on or before thirty (30) days after the end of each calendar quarter during the Term the following items, accompanied by a certificate from an authorized officer of Tenant, stating that such items are true, correct, accurate in all material respects, and complete and fairly present the financial condition and results of the operations of the Tenant and the Premises in all material respects (subject to normal year-end adjustments) as applicable: (a) an occupancy report for the subject month, including an average daily rate and revenue per available room; (b) monthly and year-to-date operating statements prepared for each calendar month, noting net operating income, gross income, and operating expenses and other information necessary and sufficient to fairly represent the financial position and results of operation of the Tenant and the Premises during such calendar month, and containing a comparison of budgeted income and expenses and the actual income and expenses; (c) a balance sheet for Tenant; (d) a report on and breakdown of the food and beverage and other revenue for the Premises for such calendar month; (e) a capital expenditure report for such month; and (f) a planned booking pace report for the Premises.

5.11 Post-Term Management Services. If Landlord has exercised its Extension Option in accordance with Section 1.2, Landlord has elected to be delivered the Premises as an Operating Business pursuant to Section 15.2 and Landlord desires to have Tenant manage the Premises for Landlord following the Extension Term Expiration Date, Landlord shall deliver written notice to Tenant not later than one (1) year prior to the Extension Term Expiration Date specifying such desire and the anticipated term of such management (which management term shall not be longer than twelve (12) months after the Extension Term Expiration Date). Promptly following receipt of such notice, Tenant shall deliver to Landlord the form of management agreement pursuant to which Tenant would be willing to manage the Premises for Landlord. Landlord and Tenant agree that such form of management agreement (a) shall not be required to be comparable to any "arms-length" management agreements; (b) shall not impose any obligation upon Tenant to maximize revenues or profits at the Premises; (c) shall not impose any obligation to either steer players and/or guests from other properties owned and/or operated by Tenant or its Affiliates to the Premises or to refrain from steering players and/or guests at the Premises to other properties owned and/or operated by Tenant or its Affiliates; and (d) shall permit Tenant to continue to allocate centralized costs to the Premises. Landlord acknowledges that it will only be electing to have Tenant manage the Premises following the Extension Term Expiration Date as a last resort. If, on or before the date that is thirty (30) days prior to the Extension Term Expiration Date, (i) Landlord has not executed or delivered to Tenant the form of management agreement provided by Tenant, then Tenant shall have no obligation to manage the Premises following the Extension Term Expiration Date; and (ii) Landlord has executed and delivered to Tenant the form of management agreement provided by Tenant, but Landlord has not obtained all applicable Gaming Licenses, Gaming Approvals (as defined in the Operating Business Schedule) and Liquor Approvals (as defined in the Operating Business Schedule) and any other licenses and permits necessary to enter into such management agreement or be entitled to the benefits thereunder, then (1) Tenant shall have no obligation to manage the Premises following the Extension Term Expiration Date, (2) Landlord shall be deemed to have failed to consummate the transactions contemplated by the Operating Business Schedule, and (3) the terms of Section 15.5 of this Lease shall apply (and, for the avoidance of doubt, Tenant shall have the ability to exercise its rights under clause (ii) of Section 15.5 of this Lease). Notwithstanding anything herein to the contrary, Tenant shall have no obligation to manage the Premises following the Extension Term Expiration Date in the event that Landlord elects to retain a Licensed Third Party Designee.

5.12 Transition Services Upon Expiration of the Lease. If Landlord has elected to be delivered the Premises as an Operating Business pursuant to Section 15.2 and Landlord has provided to Tenant written notice, no later than twelve (12) months prior to the end of the Term, as such Term may be extended, that it desires Tenant to provide transition services at the end of the Term, Landlord and Tenant shall (and Landlord shall cause Buyer to, and Tenant shall cause Guarantor to), upon the expiration of the Term, as such Term may be extended, enter into a Transition Services Agreement substantially in the form attached hereto as Schedule I.

ARTICLE 6
INSURANCE

6.1 Tenant's Insurance. Throughout the Term, Tenant shall, at its sole cost and expense, (a) obtain and keep in force the insurance specified on Schedule B attached hereto and (b) comply with its obligations under such Schedule B.

6.2 Landlord's Insurance. Throughout the Term, Landlord (a) shall, at Landlord's sole cost and expense, (i) obtain and keep in force the insurance specified on Schedule C attached hereto; provided, however, that Tenant shall reimburse Landlord for one-half of its annual premiums for the insurance specified on Schedule C, which reimbursement obligation shall not exceed $700,000 per annum, and (ii) comply with its obligations under such Schedule C, and (b) may, at Landlord's sole cost and expense, obtain and keep in force such additional insurance as Landlord may elect, including any additional insurance required by any Loan Documents. Further, Landlord shall pay all costs and expenses to comply with any and all engineering requirements of its insurance carriers and, if such requirements are not completed to its insurance carriers' satisfaction and coverage is withdrawn, Landlord is solely responsible for paying for replacement coverage and any losses which occur in the interim period.

6.3 Waivers of Subrogation Rights. All policies of insurance required hereunder shall include waivers of subrogation. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a Person even though that Person would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the Person had an insurable interest in the property damaged.

ARTICLE 7
DAMAGE OR DESTRUCTION

7.1 Total or Substantial Destruction. Tenant shall promptly notify Landlord in case of damage to or destruction of the Premises due to fire or other casualty (collectively, **"Casualty"**). In the event that such Casualty causes the destruction of all or substantially all of the Buildings on the Premises ("**Major Casualty**"), Landlord or Tenant may terminate this Lease effective as of the date of such Major Casualty, by so notifying the other party in writing within fifteen (15) days after the date of such Major Casualty and such termination shall be effective as of the date of such notice. If this Lease is terminated by Landlord or Tenant pursuant to this Section 7.1 or Section 7.2, (a) Tenant shall pay Landlord (or, as directed by Landlord, its Lender) the amount of all Base Rent and Additional Rent for the remainder of the Term from the proceeds of Tenant's rental/business interruption insurance, (b) Tenant shall assign to Landlord (or, as directed by Landlord, its Lender) the proceeds, if any, of Tenant's property insurance required by Schedule B except to the extent that the proceeds relate to personal property that Landlord or a Licensed Designee does not own or acquire at the end of the Term, (c) Tenant shall pay to Landlord the amount equal to the lesser of (i) the deductible under Tenant's and Landlord's property insurance policies or (ii) the estimated cost of restoration and repair of the Buildings and the contents owned by Landlord or acquired by Landlord or a Licensed Designee at the end of the Term, (d) Tenant shall refund to Landlord the portion of any Extension Fee paid by Landlord to Tenant for the portion of the Extension Term subsequent to the termination date, (e) such termination shall be effective as of the date such termination notice is given, and (f) neither Tenant nor Landlord shall have any further liability to the other under this Lease except for those rights and obligations that, by their terms, survive the termination of this Lease.

7.2 Partial Destruction; Restoration. If the Premises shall be damaged by Casualty but such Casualty is not a Major Casualty or if such Casualty is a Major Casualty and neither Landlord nor Tenant elects to terminate the Lease as provided in Section 7.1, Landlord shall, within sixty (60) days after such Casualty, determine and provide Tenant with its good faith estimate of the time to complete the restoration of the affected portions of the Buildings and Premises (but, for the avoidance of doubt, excluding any Gaming Equipment and other personal property belonging to Tenant) (**"Landlord's Repair Notice"**). If such Casualty constitutes a Material Business Interruption Casualty, then Tenant may terminate this Lease by so notifying Landlord in writing within fifteen (15) days after the date of delivery of Landlord's Repair Notice. Further, if the estimated time to complete such repairs will leave six (6) months or less remaining until the end of the Term (as the same may be extended pursuant to the Extension Option), then Landlord or Tenant may terminate this Lease by so notifying the other in writing within fifteen (15) days after the date of delivery of Landlord's Repair Notice.

7.3 Repair. If this Lease is not terminated in accordance with Section 7.1 or Section 7.2, (a) Landlord shall submit a claim for insurance proceeds in relation to such Casualty, and (b) Landlord shall, promptly following its receipt of the insurance proceeds from the insurers, commence and diligently pursue to completion, at its sole cost (including such proceeds), the repair of the affected portions of the Buildings and the Premises (but, for the avoidance of doubt, excluding any Gaming Equipment and other personal property belonging to Tenant) substantially to their condition immediately preceding the Casualty (or in such other manner as Landlord and Tenant may otherwise agree), in which case this Lease shall not terminate, but shall continue in full force and effect, and Rent shall continue to be paid by Tenant either directly by Tenant or from the proceeds of Tenant's rental/business interruption insurance notwithstanding such restoration of the affected portions of the Premises. Whether or not this Lease is terminated, if a Casualty damages any Owned Gaming Equipment, Tenant shall either, at its option, by the end of the Term (a) restore or replace such damaged Owned Gaming Equipment (which repair or replacement shall be of the same or better quality and functionality as the damaged equipment) using any insurance proceeds that may be received by Tenant (but whether or not such insurance proceeds are sufficient to make such repairs or replacements); or (b) assign to Landlord the proceeds, if any, of Tenant's property insurance relating to such damaged Owned Gaming Equipment and pay to Landlord (i) the amount of the deductible for such insurance and (ii) to the extent that Tenant has failed to insure such damaged Owned Gaming Equipment for its full replacement value, pay any deficiency to Landlord; provided, however, that if Tenant does not proceed as described in clause (a) above and the cost of the repair or replacement of the damaged Owned Gaming Equipment is less than the amount of the deductible for such insurance, Tenant shall pay to Landlord the amount of the cost of such repair or replacement.

7.4 Insurance Proceeds. All insurance proceeds payable under any insurance policies carried by Landlord shall be payable solely to Landlord, and Tenant shall have no interest therein.

7.5 Express Agreement. This Lease shall be considered an express agreement governing any case of damage to or destruction of the Premises by fire or other Casualty, and any present or future law the purpose of which is to govern the rights of Landlord and Tenant in such circumstances in the absence of express agreement, shall have no application.

ARTICLE 8
CONDEMNATION

8.1 Complete and Partial Taking. If (a) the whole of the Buildings are taken by condemnation, eminent domain or in any other manner for any public or quasi-public purpose (each a **"Taking"**), or (b) any portion of the Buildings and/or the Premises (which may include reasonable means of ingress and egress to and from the Premises or material easements benefitting the Premises) is taken by a Taking such that the remaining area of the Buildings and/or the Premises is not reasonably sufficient for Tenant to conduct Tenant Operations as reasonably determined by Tenant in a written notice to Landlord delivered not later than thirty (30) days after Tenant obtains knowledge of the portion of the Premises that will be subject to such Taking (each of clause (a) and clause (b), a **"Complete Taking"**), this Lease shall terminate on the earlier to occur of (i) the date that the Term is scheduled to end, and (ii) the later to occur of (A) the date of such Complete Taking, and (B) the date that Tenant's Operations at the Premises are suspended as a result of the Complete Taking, and the Rent shall be prorated to such date of termination. The date of any Taking shall be the date possession of the Premises is granted to the applicable Governmental Entity or other Person. If a Taking occurs that is not a Complete Taking (a "**Partial Taking**"), this Lease shall be unaffected by such Partial Taking and the Rent shall be equitably adjusted according to the remaining rentable areas of the Premises, taking the loss of any access and material easements benefiting the Premises into account.

8.2 Proceeds. In the event of any Taking, partial or whole, all of the proceeds of any award, judgment or settlement payable by the condemning Governmental Entity shall be the exclusive property of Landlord, and Tenant hereby assigns to Landlord any and all of its right, title and interest in any award, judgment or settlement from the condemning Governmental Entity; provided, however, that Tenant shall have the right to claim from the condemning Governmental Entity such compensation as may be recoverable by Tenant in its own right for relocation expenses, damage to or loss of Tenant's leasehold estate in any Premises and damage to Tenant's personal property, and/or any other separate damages that Tenant may suffer if a separate award for such items is made to Tenant. In pursuing their respective rights to such awards, Landlord and Tenant will reasonably cooperate with one another toward the aim of maximizing each party's recovery of the award to which it would be entitled as a matter of applicable law. Notwithstanding anything herein to the contrary, in the event of any temporary requisition of the use or occupancy of the Premises or any part thereof by any Governmental Entity, Tenant shall retain any award or payment therefor, whether the same shall be paid or payable in respect of Tenant's leasehold interest hereunder or otherwise, but there shall be no abatement or reduction of the Rent due hereunder.

8.3 Landlord's Restoration Obligation. In the event of a Partial Taking, Landlord shall, at its sole cost, promptly commence and diligently pursue to completion the restoration or repair to the remaining portion of the Premises necessary for the Premises to be returned as nearly as practicable to their condition prior to the Partial Taking, including, without limitation, exercising its commercially diligent efforts to secure alternative appurtenant easements benefiting the Premises as may be necessary, all to Tenant's reasonable satisfaction but excluding, for the avoidance of doubt, the restoration or repair of any Gaming Equipment and other personal property belonging to Tenant.

ARTICLE 9
ASSIGNMENT AND SUBLETTING

9.1 Consent Required. Notwithstanding any references herein to successors, assigns, sub-tenants and licensees, Tenant shall not, directly or indirectly, assign or in any manner transfer, lease, sublease, mortgage, pledge, hypothecate or otherwise encumber (a) all or any portion of this Lease, (b) all or any right to the Land, the Buildings and/or any appurtenances related thereto, (c) all or any portion of the Owned Gaming Equipment (other than (i) pursuant to the Existing Loan (as defined in the Purchase Agreement) and (ii) Tenant may, in Tenant's discretion, repair and/or replace such equipment with the same or better quality equipment in the ordinary course of Tenant Operations) and/or (d) any equity interest in Tenant except for a Permitted Equity Transfer (each a **"Transfer"**) without in each case the prior written consent of Landlord and, to the extent required by the terms of the Loan Documents, Designated Lender, each such consent shall not be unreasonably withheld, conditioned or delayed. Notwithstanding anything to the contrary contained herein, Tenant may, without Landlord's or Designated Lender's prior written consent (i) after written notice to Landlord and Designated Lender, assign, sublease or license this Lease or any portion of the Premises to an Affiliate of CEC; (ii) assign, sublease, license or otherwise enter into new Subleases for space, and amend existing Subleases for space, within the Premises in the ordinary course of business, including for retail, concession, advertising, dining, entertainment or other non-lodging purposes; and (iii) assign, sublease or license this Lease or any portion of the Premises, or otherwise enter into agreements with respect to the Premises, in connection with any third-party branding or with retaining a third-party operator of the Premises or any portion thereof; provided, however, that in each case of clauses (i), (ii) and (iii) above, (1) Tenant is not being released from its obligations hereunder, (2) the Guaranty remains in full force and effect and, if requested by Landlord, Guarantor reaffirms its obligations under the Guaranty in writing at the time of any such transaction, and (3) any such new Subleases or amendments of existing Subleases (v) shall not impose any liability, including any termination fee or penalty, on Landlord, any Lender or any of their respective Affiliates unless Landlord has requested any such Subleases to be extended beyond the end of the Term pursuant to Section 5.10 and such Subtenants have agreed to such extension, (w) shall not include an

option to purchase, right of first refusal to purchase or similar preferential purchase rights for the Subtenant, (x) shall not permit the Subtenant to record the Sublease or a memorandum thereof, (y) shall be subject and subordinate in all respects to the rights and remedies of Landlord under this Lease (and shall contain a provision to such effect within any such agreement), and (z) shall expressly provide that any such new Sublease or amendments of existing Subleases shall automatically terminate as to its space at the Premises at the end of the Term unless Landlord has requested any such Subleases to be extended beyond the end of the Term pursuant to Section 5.10 and such Subtenants have agreed to such extension. Notwithstanding anything to the contrary contained herein, upon the execution of this Lease, all Subleases shall automatically become subleases, which shall be subject to and subordinate to this Lease.

9.2 Request for Transfer. With respect to any Transfer requiring Landlord's and, if applicable, Designated Lender's consent, Tenant shall make a written request for consent from Landlord and, if applicable, Designated Lender not less than fifteen (15) days' prior to the proposed Transfer, which request shall be delivered to Landlord and, if applicable, Designated Lender together with (i) a true and complete copy of the proposed instrument(s) of the Transfer, and (ii) such other information and documents with respect to such Transfer as Landlord and, if applicable, Designated Lender may reasonably request. In the event that Landlord or, if applicable, Designated Lender fails to respond in writing within an additional fifteen (15) days after a second written request for consent (which second request contains the following legend in all capital letters at the top and is sent via overnight courier to the notice address of Landlord and if provided by Landlord, Designated Lender: THIS IS A SECOND REQUEST FOR CONSENT AND YOUR APPROVAL WILL BE DEEMED GIVEN IF YOU DO NOT RESPOND BY [INSERT DATE THAT IS 15 DAYS LATER]), such request shall be deemed such Person's consent to such request. Tenant shall reimburse Landlord and Designated Lender for their actual reasonable out-of-pocket costs and expenses (including reasonable out-of-pocket legal expenses) incurred in connection with any such Transfer requiring Landlord's and, if applicable, Designated Lender's consent (whether or not such consent is granted).

ARTICLE 10
SUBORDINATION AND LANDLORD FINANCING

10.1 Subordination of Lease. This Lease shall be subject and subordinate in all respects to all Loan Documents now or hereafter in effect; provided, however, that the subjection and subordination of this Lease and Tenant's leasehold interest hereunder to any Loan Documents shall be conditioned upon the execution and delivery by Designated Lender, one Lender, or one agent of the Lenders, under the Junior Mezzanine Loan Documents and Tenant of a subordination, non-disturbance and attornment agreement (an "**SNDA**") substantially in the form attached hereto as Schedule E. At the request of Tenant and with Tenant agreeing to reimburse Landlord, Designated Lender and one Lender, or one agent of the Lenders, under the Junior Mezzanine Loan Documents for their actual reasonable out-of-pocket costs and expenses (including its reasonable out-of-pocket legal expenses) incurred in connection therewith (whether or not such agreements are executed), Landlord, Designated Lender and one Lender, or one agent of the Lenders, under the Junior Mezzanine Loan Documents will provide to Subtenants of Tenant who are subleasing space on commercially reasonable terms, a recognition, non-disturbance and attornment agreement in commercially reasonable form and otherwise acceptable to Landlord, Designated Lender, one Lender, or one agent of the Lenders, under the Junior Mezzanine Loan Documents and Tenant, providing, among other things, that Landlord and Lenders will not disturb such Subtenant's use and possession of its subleased premises upon the termination of this Lease other than due to the occurrence of the Expiration Date or upon the earlier to occur of (a) the foreclosure of the Mortgage or the recording of a deed in lieu thereof, (b) the foreclosure of the collateral pledged under the Pledge Agreement or the acceptance of an assignment in lieu thereof or (c) to the extent affecting such Subtenant's use and possession, any similar exercise of remedies by a Lender under the Junior Mezzanine Loan Documents. Nothing in the foregoing however shall prevent or limit the right of Landlord, or any successor landlord (including any Lender), to enforce the terms of such Sublease upon any default by the Subtenant thereunder.

10.2 Landlord Financing. Without the consent of Tenant, Landlord may from time to time, directly or indirectly, create or otherwise cause to exist any Mortgage upon the Premises or any portion thereof or interest therein or any Pledge Agreement. If, in connection with obtaining any financing for the Premises or any portion thereof or interest therein, a Lender or prospective lender shall request reasonable cooperation from Tenant, Tenant shall provide the same at no cost or expense to Tenant, it being understood and agreed that Landlord shall be required to, within thirty (30) days of demand, reimburse Tenant for the reasonable out-of-pocket costs and expenses so incurred by Tenant, including, but not limited to, its reasonable out-of-pocket legal fees. Such reimbursement obligation shall survive the expiration or earlier termination of this Lease.

10.3 Attornment. If Landlord's interest in the Premises or any portion thereof or interest therein is sold, conveyed or terminated upon the exercise of any remedy provided for in any Loan Documents (or in lieu of such exercise), or otherwise by operation of law, at the request and option of the new owner, Tenant shall attorn to and recognize the new owner as Tenant's "landlord" under this Lease or enter into a new lease substantially in the form of this Lease with the new owner and, to the extent applicable, subject to the provisions set forth in the SNDA.

10.4 Tenant Cooperation. Tenant agrees to cooperate with the reasonable requests of Landlord and its Lender in connection with Landlord's compliance of its obligations under the Loan Documents, provided that such cooperation shall not (a) obligate Tenant to expend any funds unless Landlord agrees to reimburse Tenant for the same, (b) increase Tenant's non-monetary obligations under this Lease in any material respect, or (c) diminish Tenant's rights under this Lease in any material respect. Such reimbursement obligation shall survive the expiration or earlier termination of this Lease.

ARTICLE 11
INDEMNIFICATION OBLIGATIONS

11.1 Indemnification.

(a) Tenant shall defend, protect, indemnify and save harmless Landlord, its Affiliates and their respective partners, members, managers, officers, stockholders, directors and employees (each a **"Landlord Indemnified Party"** and collectively, **"Landlord Indemnified Parties"**) from and against, and shall reimburse such Landlord Indemnified Parties for, any and all Losses by reason of or in connection with any of the following, except to the extent caused by the gross negligence or willful misconduct of Landlord or any of its agents, servants, contractors or employees (collectively with Landlord, the **"Landlord Parties"**): (i) the use, possession, occupation, operation, maintenance or management of the Premises, or any part thereof, during the Term; (ii) any act on the part of Tenant or any of its agents, servants, contractors, or employees (collectively with Tenant, the **"Tenant Parties"**) during the Term; (iii) any accident, injury, death or damage to any person or property occurring in, on or about the Premises, or any part thereof, during the Term; (iv) any failure on the part of Tenant to perform or comply in all material respects with any of the agreements, obligations, covenants, conditions or limitations contained in this Lease on its part to be performed or complied with, or any representations or warranty made by Tenant hereunder is false in any material respect; (v) the employment of Tenant Employees at all times prior to the expiration of the Term (including, without limitation, by reason of or in connection with the sale of the Premises to Landlord pursuant to the Purchase Agreement) or, if Landlord makes the Operating Business Election, then through any later date of Tenant's transfer of such employees to Landlord (or its Affiliates), except as otherwise provided in Section 4 of the Operating Business Schedule; (vi) any salary continuation payments or employee severance or separation pay to Tenant Employees related to the transfer of the Premises to Landlord on the Commencement Date or the termination of Lease; and/or (vii) any withdrawal liability under any Employee Benefit Plan, including, without limitation, any Multiemployer Pension Plan, relating to or triggered by the transactions contemplated by the Purchase Agreement or this Lease, including, to the extent applicable, the Operating Business Schedule.

(b) Landlord shall defend, protect, indemnify and save harmless Tenant, its Affiliates and their respective partners, members, managers, officers, stockholders, directors and employees (each a **"Tenant Indemnified Party"** and collectively, **"Tenant Indemnified Parties"**) from and against, and shall reimburse such parties for, any and all Losses by reason of or in connection with any of the following, except to the extent caused by the gross negligence or willful misconduct of any of the Tenant Parties: (i) any work, activity or other things done or performed by or at the direction of Landlord in, on or about the Premises; (ii) any act on the part of any of the Landlord Parties; (iii) the sale, financing or development of the Development Parcel; (iv) any failure on the part of Landlord to perform or comply in all material respects with any of the agreements, obligations, covenants, conditions or limitations contained in this Lease on its part to be performed or complied with, or any representations or warranties made by Landlord hereunder is false in any material respect; and/or (v) after the Expiration Date, Landlord's (1) sale, lease, closure, or redevelopment of the Premises; or (2) transfer, layoff, hiring or termination of employees.

(c) A party to be indemnified hereunder (each an **"Indemnified Party"**) shall give prompt written notice to the indemnifying party (each an **"Indemnifying Party"**) of the existence of any claim for which it seeks indemnification hereunder (each a **"Claim"**), but delay in providing such notice shall not relieve the Indemnifying Party of its indemnification obligations, except to the extent such delay materially prejudiced the Indemnifying Party's ability to defend such Claim. Upon receipt of such notice, the Indemnifying Party shall, at its sole cost and expense, resist and defend such Claim by counsel to be selected by the Indemnifying Party but otherwise satisfactory to such Indemnified Party in its reasonable discretion. The Indemnifying Party or its counsel shall keep the Indemnified Party fully apprised at all times of the status of such defense. If the Indemnifying Party shall fail to defend such Claim, such Indemnified Party may retain its own attorneys to defend or assist in defending any such Claim, and the Indemnifying Party shall pay the actual and reasonable fees and disbursements of such attorneys. The Indemnifying Party shall not enter into any settlement of a Claim which would impose a monetary liability on, or require an admission of liability, fault or other responsibility by, any Indemnified Party without the written consent of such Indemnified Party. Any insurance proceeds actually received by an Indemnified Party shall be credited against the indemnification otherwise to be provided herein. The terms and provisions of this Article 11 shall not in any way be affected by the absence of insurance covering such occurrence or claim or by the failure or refusal of any insurance company to perform any obligation on its part. The provisions of this Article 11 shall survive the expiration or earlier termination of this Lease. Nothing contained herein shall be construed to create a benefit for a third party except for other Indemnified Parties.

ARTICLE 12
DEFAULT; REMEDIES

12.1 Tenant's Event of Default. Each of the following shall be deemed an event of default and a breach of this Lease by Tenant (an **"Event of Default"**):

(a) The failure of Tenant to pay (i) any portion of any installment of Base Rent due from Tenant under this Lease for seven (7) days after written notice by Landlord to Tenant describing such default or (ii) any portion of any installment of Additional Rent due from Tenant to Landlord under this Lease for thirty (30) days after written notice by Landlord to Tenant describing such default;

(b) Tenant makes or causes a Transfer in violation of Article 9 of this Lease that, unless such Transfer results in a Change of Control of Tenant prohibited by Article 9 (in which case no notice or cure period shall apply), continues for ten (10) days after written notice from Landlord;

(c) The failure of Tenant to comply with or observe any of the other provisions, agreements, conditions, covenants or terms contained in this Lease for thirty (30) days after written notice by Landlord to Tenant describing such default with reasonable specificity, or if such default is a non-monetary default and of such a nature that it cannot be completely remedied within said thirty (30) day period, the failure of Tenant to commence the cure of such default within such thirty (30) day period and thereafter diligently prosecutes such cure to completion;

(d) (i) Tenant or Guarantor shall commence any case, proceeding or other action (A) under any existing or future Legal Requirement relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to Tenant or Guarantor, or seeking to adjudicate Tenant or Guarantor bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution, composition or other relief with respect to Tenant or Guarantor or Tenant's or Guarantor's debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for Tenant or Guarantor or for all or any substantial part of their respective property; or (ii) Tenant or Guarantor shall become insolvent or make a general assignment for the benefit of their respective creditors or shall make a transfer in fraud of creditors; or (iii) there shall be commenced against Tenant or Guarantor any case, proceeding or other action of a nature referred to in clause (i) above (including involuntary bankruptcy) or seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of Tenant's or Guarantor's property, which case, proceeding or other action (A) results in the entry of an order for relief or (B) remains undismissed, undischarged or unbonded for a period of ninety (90) days; or (iv) Tenant or Guarantor shall take any action consenting to or approving of any of the acts set forth in clause (i) or (ii) above that it does not revoke or withdraw within ninety (90) days thereof; or (v) Tenant or Guarantor shall admit in writing its inability to generally pay its debts as they become due; and

(e) Any representation or warranty made by Tenant herein or in any certificate, or other instrument, agreement or document furnished to Landlord shall have been materially false or misleading in any material respect as of the date such representation or warranty was made and if susceptible to cure is not cured within the time periods set forth in clause (b) of this Section 12.1.

12.2 Landlord Remedies. Upon the occurrence of an Event of Default, Landlord may, at any time thereafter, without limiting Landlord in the exercise of any right or remedy at law or in equity or under this Lease that Landlord may have by reason of such Event of Default, at its option pursue any one or more of the following non-exclusive remedies without any further notice or demand whatsoever, in each case, to the extent permitted by applicable law:

(a) Landlord may terminate the Lease, in which case Tenant shall immediately surrender possession of the Premises to Landlord, and Landlord shall recover from Tenant all damages actually incurred by Landlord by reason of such Event of Default including, but not limited to: (i) the cost of recovering possession of the Premises; (ii) expenses of reletting, including repairs, renovation and alteration of the Premises (exclusive of the Contemplated Redevelopment); (iii) reasonable attorneys' fees; (iv) the unpaid Rent which had been earned at the time of termination; (v) the amount by which the unpaid Rent for the balance of the Term after the time of the termination exceeds the amount of rent for the same period that Landlord actually receives (less all amounts incurred by Landlord to relet the Premises and less all amounts listed in Section 12.2(a)(i)-(iv) that have not been paid by Tenant); and (vi) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which in the ordinary course of things would be likely to result therefrom. Landlord shall have no duty to mitigate any damages it may incur as a result of any default of Tenant under this Lease except for any non-waivable duty to mitigate damages that Landlord might have under NRS 118.175.

(b) Landlord may terminate Tenant's right to possession and reenter and take possession of the Premises or any part thereof, without demand or notice, and repossess the same and expel Tenant and any party claiming by, under or through Tenant, and remove the effects of both using such force for such purposes as may be necessary, without being liable for prosecution on account thereof or being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Rent or right to bring any proceeding for breach of covenants or conditions. No such reentry or taking possession of the Premises by Landlord shall be construed as an election by Landlord to terminate this Lease unless a written notice of such intention is given to Tenant. After recovering possession of the Premises, Landlord shall use commercially reasonable efforts to relet the Premises, or any part thereof, for the account of Tenant for the balance of the Term, it being acknowledged and agreed by Tenant that (i) Landlord intends to undertake its Contemplated Redevelopment of the Premises promptly after the scheduled end of the Term and it shall have no obligation whatsoever to seek to relet the Premises for a period of time that extends beyond such date, (ii) the commercial real estate market for a reletting of the Premises on a short-term basis will make it extremely difficult for Landlord to relet the Premises, and (iii) no assurance can be given that, under the circumstances, any reletting will occur or the rent for such reletting will be equal to or greater than the Rent payable by Tenant under this Lease. Landlord may make such repairs, alterations or improvements as Landlord may consider reasonably appropriate to accomplish such reletting (exclusive of the Contemplated Redevelopment), and Tenant shall reimburse Landlord upon demand for all reasonable costs and expenses (including, but not limited to, the costs of such repairs, alterations or improvements, leasing commissions and attorneys' fees) which Landlord may incur in connection with such reletting (exclusive of the Contemplated Redevelopment). Landlord may collect and receive the rents for such reletting but Landlord shall in no way be responsible or liable for any failure to relet the Premises, or any part thereof, or

for any failure to collect any rent due upon such reletting. Notwithstanding Landlord's recovery of possession of the Premises, Tenant shall continue to pay on the dates herein specified, the Rent which would be payable hereunder if such repossession had not occurred, less a credit for the net amounts, if any, actually received by Landlord through any reletting of the Premises.

(c) Landlord, in its discretion, may continue to enforce all of Landlord's rights and remedies under this Lease, including the right to recover Rent as it becomes due under this Lease. Landlord shall have the right, but shall not be obligated, to cure any Event of Default by Tenant, and any sums expended by Landlord in order to cure an Event of Default shall be due and payable within ten (10) days of written demand from Landlord.

(d) Suit or suits for the recovery of the amounts and damages set forth herein may be brought by Landlord, from time to time, at Landlord's election; and nothing herein shall be deemed to require Landlord to await the date that this Lease or the Term hereof would have expired had there been no such Event of Default by Tenant, or no such termination, as the case may be. Each right and remedy provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, including, but not limited to, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

(e) Suit or suits for the recovery of the amounts and damages set forth herein may be brought by Landlord, from time to time, at Landlord's election, against Guarantor under the Guaranty and without first proceeding against Tenant and nothing herein shall be deemed to require Landlord to await the date that this Lease or the Term hereof would have expired had there been no such Event of Default by Tenant, or no such termination, as the case may be, and upon any such Event of Default, Landlord shall have the right to immediately proceed against Guarantor.

12.3 No Waiver . No failure by Landlord to insist upon the strict performance of any covenant, agreement, term or condition of this Lease or to exercise any right or remedy consequent upon an Event of Default, or receipt or acceptance of Rent with knowledge of or during the continuance of any such Event of Default, shall constitute a waiver or relinquishment of any such Event of Default or of such covenant, agreement, term or condition. No covenant, agreement, term or condition of this Lease to be performed or complied with by Tenant, and no breach thereof, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, but each and every covenant, agreement, term and condition of this Lease shall continue in full force and effect with respect to any other then existing or subsequent breach thereof.

ARTICLE 13
ESTOPPEL CERTIFICATE

Each party agrees that it shall, at any time and from time to time, but no more than quarterly, upon not less than ten (10) days' prior notice by the other party, execute, acknowledge and deliver to the requesting party a statement in writing certifying (a) that this Lease is unmodified and in full force and effect (or if there have been any modifications, that this Lease is in full force and effect as modified and stating the modifications), (b) the Rent payable and the dates to which the Rent has been paid, (c) the amount of Rent actually paid on the last date such Rent was paid, (d) that the address for notices to be sent to such party is as set forth in this Lease, (e) whether to such party's actual knowledge, it or the other party is in default in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease and, if in default, specifying each default, and (f) the Commencement Date and Expiration Date, and any other matters reasonably requested by the requesting party, it being intended that any such statement delivered pursuant to this Article 13 may be relied upon by the requesting party, any purchaser and any Lender.

ARTICLE 14
QUIET ENJOYMENT

So long as no Event of Default has occurred and is continuing, Tenant shall and may at all times during the Term peaceably and quietly have, hold and enjoy the Premises without hindrance of and from any Person claiming by, through or under Landlord, subject, nevertheless, to the terms and provisions of this Lease.

ARTICLE 15
SURRENDER

15.1 Cooperation. During the last month of the Term, Tenant shall reasonably cooperate with Landlord to transition the Premises to Landlord at the end of the Term, including providing reasonable assistance to Landlord as necessary for Landlord to establish utilities for the Premises in its name.

15.2 Notice as to Delivery of Premises. No later than twelve (12) months prior to the end of the Term, Landlord shall provide notice to Tenant (the "**Premises Delivery Notice**") as to whether Tenant is to deliver to Landlord the Premises at the end of the Term as a closed business (the "**Closed Business**") or as an operating business (the "**Operating Business**"). If Landlord elects for the Premises to be delivered as an Operating Business, each of Landlord and Tenant shall be bound by the provisions set forth

on the attached Schedule H (the "**Operating Business Schedule**") and Section 15.7. For the avoidance of doubt, if Landlord elects for the Premises to be delivered as a Closed Business, then the provisions of the Operating Business Schedule and Section 15.7 shall not apply.

15.3 Tenant's Surrender of the Premises. Regardless of Landlord's election in Section 15.2, Tenant shall, on the last day of the Term, (a) quit and surrender to Landlord the Premises in a similar level of condition and repair as on the Commencement Date, excepting reasonable wear and tear, casualty and condemnation, De-Branding Actions and any Work which is considered (i) the maintenance, repair and replacement of all FF&E in the Premises, and/or (ii) a capital expenditure, repair, improvement, equipment or replacement under GAAP; and (b) deliver, to the extent in Tenant's possession, all keys, security codes, combinations and other information or equipment necessary to gain access to all portions of the Premises to a Person at the Premises designated in writing by Landlord.

15.4 Closed Business. If Landlord elects for the Premises to be delivered as a Closed Business:(a) Tenant shall wind down and cease all Tenant Operations at the Premises in a manner as Tenant determines in its sole discretion consistent with applicable Collective Bargaining Agreements, except to the extent Landlord has elected to extend any Subject Contracts pursuant to the provisions of Section 5.10 and the same are in fact extended on or before the end of the Term and are assumed by Landlord pursuant to the provisions of Section 15.4(f).

(b) On the last day of the Term, Tenant shall (i) remove or cause to be removed from the Premises all Gaming Equipment and other personal property belonging to Tenant, in each case, to the extent not transferred to Landlord or a Licensed Designee pursuant to the provisions of Section 15.4(c) or Section 15.4(d); and (ii) deliver the Premises free and clear of any and all Service Contracts, Entertainment Contracts, Subleases and other encumbrances other than Permitted Exceptions, except (y) for the Culinary CBA which was assumed by Landlord as of the Commencement Date and (z) to the extent Landlord has elected to extend any Subject Contracts pursuant to the provisions of Section 5.10 and the same are in fact extended on or before the end of the Term and are assumed by Landlord pursuant to the provisions of Section 15.4(f).

(c) On the last day of the Term, subject to the receipt of all applicable Gaming Licenses to sell and acquire the Owned Gaming Equipment, Tenant shall (i) convey to the Licensed Designee all of Tenant's right, title and interest in and to the Owned Gaming Equipment by a bill of sale, in substantially the form of the bill of sale delivered by Tenant in connection with the Purchase Agreement, and (ii) deliver such Owned Gaming Equipment to the Licensed Designee at the Premises.

(d) On the last day of the Term, subject to the receipt of all licenses and permits, and the making of all filing and notices, in each case, required under applicable Legal Requirements, including, without limitation, liquor licenses that Landlord or its Licensed Designee may be required to obtain under applicable Legal Requirements, Tenant shall (i) convey to Landlord or its Licensed Designee all of Tenant's right, title and interest in and to the Transferred Personal Property by a bill of sale, in substantially the form of the bill of sale delivered by Tenant in connection with the Purchase Agreement, and (ii) deliver such Transferred Personal Property to Landlord or its Licensed Designee at the Premises; provided, that, to the extent any such licenses, permits, filings and notices have not been received by Landlord or its Licensed Designee, only the Transferred Personal Property for which such licenses, permits, filings and/or notices have been obtained or made by Landlord or its Licensed Designee, along with any Transferred Personal Property for which no such items are required, will be conveyed on the last day of the Term.

(e) On or prior to the last day of the Term, Tenant (i) shall either transfer from the Premises, or terminate the employment or services of, all Tenant Employees, and (ii) shall issue any notifications with respect to such termination or transfer required under the provisions of any Collective Bargaining Agreement, including under Article 35 of the Culinary CBA, and all Legal Requirements, including the issuance of any WARN Act notifications. Tenant shall (as between Tenant and Landlord) be responsible for paying to Tenant Employees all compensation, separation or severance pay and employment benefits to which such Tenant Employees are entitled in accordance with and pursuant to applicable Legal Requirements and Collective Bargaining Agreements and the terms of the applicable benefit plans, programs or arrangements. The provisions of this Section 15.4(e) are for the benefit of Tenant and Landlord only, and no employee of Tenant or any other Person shall have any rights hereunder. Nothing herein express or implied shall confer upon any employee of Tenant or any other Person (including any Tenant Employee), or any legal representatives or beneficiaries thereof, any rights or remedies, including any right to employment or continued employment. Following the termination or transfer of Tenant's Employees, Landlord shall have sole responsibility for and control over the terms and conditions of employment for any Persons performing services for Landlord.

(f) To the extent Landlord has elected to extend any Subject Contracts pursuant to the provisions of Section 5.10 and the applicable third parties are willing to extend such contracts, then on the last day of the Term (i) (A) Landlord and Tenant shall execute and deliver a mutually acceptable assignment and assumption agreement whereby Tenant shall assign such contracts to Landlord, and Landlord shall assume the obligations of Tenant arising thereunder from and after the Expiration Date and (B) Tenant shall deliver notice letters jointly approved by Landlord and Tenant to the applicable third parties informing such party of the assignment of the applicable contract; and (ii) all income and expenses pursuant to such contracts shall be prorated between Landlord and Tenant as of the Expiration Date and such pro-rations shall be set forth on a closing statement. Tenant shall receive a credit on the closing statement for the amount of any prepaid rents or other amounts related to the period from and after the Expiration Date and security deposits and other deposits previously paid by Tenant pursuant to such contracts, provided that such credit shall be reduced by any such rents, amounts or deposits paid to and collected by Tenant pursuant to such contracts which relate to the period from and after the Expiration Date. The net amount payable to Landlord or Tenant, as applicable, pursuant to

the closing statement shall be paid within three (3) Business Days following the Expiration Date. Provided that Tenant has paid Base Rent in full and all other monetary obligations pursuant to this Lease, any amounts received by Landlord following the Expiration Date pursuant to such contracts related to any period prior to the Expiration Date shall be promptly paid to Tenant. Provided that Landlord has paid any and all monetary obligations to Tenant pursuant to this Lease, any amounts received by Tenant following the Expiration Date pursuant to such contracts related to any period after the Expiration Date shall be promptly paid to Landlord. The payment obligations under this paragraph shall survive the Expiration Date.

(g) Landlord shall (i) pay, or cause to be paid, to the applicable Governmental Entity all sales, use, transfer and other such taxes and fees incurred or assessed in connection with the transfer of all assets it or the Licensed Designee acquires pursuant to the provisions of this Section 15.4; and (ii) prepare and file with the applicable Governmental Entity all tax returns, reports, documents, declarations or filings with respect to such taxes and fees. The provisions of this paragraph shall survive the Expiration Date.

(h) Landlord and Tenant hereby agree that the assets transferred pursuant to the provisions of this Section 15.4 are being transferred in their present "AS IS, WHERE IS" CONDITION "WITH ALL FAULTS" and are subject in all respects to the provisions of Section 5.1 and Section 5.2 of the Purchase Agreement (which provisions are incorporated herein by this reference) as if such assets were specifically referenced therein and as if Landlord constituted the Buyer thereunder. The provisions of this paragraph shall survive the Expiration Date.

15.5 Failure to Consummate Operating Business Transaction. If Landlord elects for the Premises to be delivered as an Operating Business and fails to consummate the transaction contemplated by the Operating Business Schedule by the end of the Term, then (i) Landlord will be deemed to have elected for the Premises to be delivered as a Closed Business such that the provisions of Section 15.4 shall apply and (ii) at Tenant's option, the Term may be extended for six (6) months to allow for Tenant's orderly winding up of Tenant Operations, upon written notice (a "**Wind Down Notice**") to Landlord from Tenant delivered prior to the expiration of the Term and, if Tenant elects to extend following Landlord's failure to consummate the transaction contemplated by the Operating Business Schedule, Landlord shall pay Tenant, via wire transfer of immediately available funds to an account designated by Tenant, a one-time payment in the amount of Ten Million Dollars ($10,000,000.00), within fifteen (15) Business Days of the Base Term Expiration Date, or the Extension Term Expiration Date, as applicable. In the event that Landlord fails to timely pay Tenant any portion of such payment, Tenant may offset the amount of such fee from its next payments of monthly Rent. If so extended, the Term shall be extended to the date that is six (6) months after the Base Term Expiration Date or the Extension Term Expiration Date, as applicable, and Tenant shall continue to lease the Premises pursuant to the terms of this Lease, excluding the provisions of Section 5.10, provided that Tenant's winding up of Tenant Operations shall be done consistent with applicable Collective Bargaining Agreements. For the avoidance of doubt, no extension by Tenant pursuant to this Section 15.5 shall constitute a holdover pursuant to Section 15.6.

15.6 Holdover. Landlord has advised Tenant that if possession of the Premises is not surrendered to Landlord upon the expiration or sooner termination of the Term, such holdover may likely expose Landlord to a risk of reduction or loss of Landlord's committed financing for the Contemplated Redevelopment and possibly other damages (although Landlord acknowledges that there are circumstances in which Landlord may delay or not undertake the Contemplated Redevelopment). As such, Tenant has agreed that if it does not surrender the Premises to Landlord upon the expiration or sooner termination of the Term, (a) Tenant shall pay to Landlord a sum equal to 3.0 times the monthly Base Rent that was payable under this Lease during the last month of the Term for thirty (30) days of such holdover, (b) thereafter, if Tenant is still in possession of the Premises, Tenant shall continue to pay Landlord a sum equal to 3.0 times the monthly Base Rent that was payable under this Lease during the last month of the Term for each additional thirty (30) days of such holdover, and (c) Landlord shall, in addition to any and all rights and remedies that Landlord may have under this Lease, at law or in equity, immediately upon such holdover, have the right to commence eviction of Tenant from the Premises by providing written notice under applicable provisions of Legal Requirements which may include NRS 40.250 (unlawful detainer for possession after expiration of term, provided that Landlord acknowledges that it will provide no less than thirty (30) days' notice for such unlawful detainer under NRS 40.250), NRS 40.2512 (unlawful detainer for possession after default in payment of rent) or Section 1 of Senate Bill 151, 80th Session of the Nevada Legislature (summary eviction for failure to pay rent), and Tenant shall reimburse Landlord for all of Landlord's actual, reasonable and documented out-of-pocket costs and expenses incurred in connection with any eviction or unlawful detainer proceeding. Nothing in this Section 15.6 shall be construed as an authorization for Tenant to holdover after the expiration of the Term. This provision shall survive the expiration or earlier termination of this Lease.

15.7 Licensing Matters. If Landlord intends to make the Operating Business Election, Landlord and all of its applicable Affiliates and representatives (such parties, "**Landlord Proposed Licensed Parties**") shall make, no later than (i) fifteen (15) months prior to the Base Term Expiration Date or (ii) if Landlord has exercised the Extension Option in accordance with Section 1.2, no later than fifteen (15) months prior to the Extension Term Expiration Date, all applications and filings with the applicable Governmental Entities as necessary to obtain all Gaming Approvals and Liquor Approvals (each as defined in the Operating Business Schedule). Landlord shall promptly provide to Tenant evidence of the making of all such applications and filings with the applicable Governmental Entities. Landlord shall, and shall cause the other Landlord Proposed Licensed Parties to, act diligently and promptly to pursue such Gaming Approvals and Liquor Approvals. Landlord shall use commercially reasonable efforts to schedule and attend any hearings or meetings with the applicable Governmental Entities to obtain the Gaming Approvals and Liquor Approvals as promptly as possible. To the extent practicable, and subject to applicable Legal Requirements, each party will consult with the other party with regard to the exchange of information relating to Landlord Proposed Licensed Parties or Tenant,

as the case may be, which appear in any filing made with, or written materials submitted to, the Governmental Entities in connection with the transactions contemplated by the Operating Business Schedule. Without limiting the foregoing, Landlord and Tenant will promptly notify the other party of the receipt of comments or requests or other communications from any Governmental Entity relating to the Gaming Approvals or Liquor Approvals, and shall supply the other party with copies of all correspondence between the notifying parties or any of its representatives and the applicable Governmental Entities with respect to the Gaming Approvals or Liquor Approvals (with any competitively sensitive information or personal information of individual applicants being provided on a redacted basis only). Notwithstanding anything in this Section to the contrary, in no event will Landlord or Tenant be entitled to review (a) confidential information regarding any individual who is an employee, officer, director, member, manager or investor of Landlord Proposed Licensed Parties or Tenant, as applicable, or (b) the other party's confidential business records, plans, uses or strategies or marketing strategies for the Premises. Landlord and Tenant shall promptly notify each other upon receiving any communication from a Governmental Entity regarding hearings before Governmental Entities related to the Gaming Approvals or Liquor Approvals or which causes such party to reasonably believe that there is a reasonable likelihood that such Gaming Approvals or Liquor Approvals will not be obtained or that the receipt of any such Gaming Approvals or Liquor Approvals will be materially delayed (a "**Likely Disapproval/Delay**"). In the event that a Likely Disapproval/Delay arises six (6) months prior to the Expiration Date, Landlord shall have the right to elect to retain a Licensed Third Party Designee and cause such Licensed Third Party Designee to apply for and obtain such Gaming Approvals and/or Liquor Approvals that are the subject of the Likely Disapproval/Delay no later than thirty (30) days prior to the Expiration Date, in which event such Licensed Third Party Designee shall become a Landlord Proposed Licensed Party subject to the above provisions of this Section 15.7.

ARTICLE 16
ACCESS

16.1 Landlord's Access. Subject to compliance with the Gaming Laws, Landlord shall at all times during the Term have the right and privilege to enter the Premises upon prior notice to Tenant during business hours and in compliance with reasonable security requirements of Tenant (except in the case of an emergency to life or property) for the purpose of (a) inspecting the same, (b) showing the same to prospective purchasers, new tenants or lenders thereof or (c) permitting Landlord, its architects, contractors, expediters, consultants and other designees to plan and/or prepare for the Contemplated Redevelopment so long as such planning and preparing does not interfere with Tenant Operations in any material respect; provided (i) Tenant may accompany such Persons and all such inspections and shall provide personnel to accompany Landlord and such Persons if Tenant requires to accompany them, (ii) showings shall be performed in such a manner so as not to disturb or interfere with Tenant Operations in any material respect, and (iii) Landlord shall be liable for all actual out-of-pocket damages or injuries caused by the conduct or action of Landlord or any of its agents, servants, contractors, subcontractors or employees. Landlord shall also have the right and privilege at all times during the Term to post reasonable notices of non-responsibility for work performed by or on behalf of Tenant.

16.2 Access for Repairs and Alterations. Landlord shall at all times during the Term have the right to enter the Premises or any part thereof for the purpose of making such repairs as Landlord otherwise deems necessary or advisable following the failure of Tenant to make any such repairs which Tenant is required to make pursuant to the terms hereof beyond any applicable notice and cure period, but such right of access shall not be construed as obligating Landlord to make any repairs to the Premises or as obligating Landlord to make any inspection or examination of the Buildings and provided (a) Tenant may accompany such Persons and all such inspections (and, if Tenant desires to accompany such Persons, Tenant shall make available personnel to accompany such Persons), (b) such access and repairs shall be performed in such a manner so as not to unreasonably disturb or unreasonably interfere with Tenant Operations, (c) Landlord shall be liable for all actual out-of-pocket damages or injuries caused by the conduct or actions of Landlord or any of its agents, servants, contractors, subcontractors or employees during such inspections, and (d) Landlord shall exercise such rights in compliance with reasonable security requirements of Tenant and in compliance with any applicable Gaming Laws.

ARTICLE 17
ENVIRONMENTAL MATTERS

17.1 Use of Hazardous Materials. Tenant will not use, generate, treat, hold, possess, refine, handle, abate, remove, control, manage, manufacture, produce, store, release, discharge or dispose of in, on, under, from or about the Premises or transfer or transport to or from the Premises any Hazardous Material and will not allow or instruct any other Person to do so (except for non-material quantities of substances which are customarily used in the ordinary operation of a hotel casino resort and are used and disposed of in compliance with Environmental Laws and for which Tenant has obtained any necessary permits, collectively, **"Immaterial Use"**).

17.2 Compliance with Environmental Laws. Tenant shall keep and maintain the Premises in compliance with, and shall not cause, permit or suffer the Premises to be in violation of, any Environmental Law.

17.3 Environmental Liens. Tenant shall cause the Premises to be kept free and clear of all Liens imposed pursuant to any applicable Environmental Law, whether due to any act or omission of Tenant or any other Person.

17.4 Notice to Landlord. Tenant shall give prompt written notice to Landlord (which notice shall provide reasonable detail of all related facts, events or circumstances) of:

(a) any use, generation, manufacture, production, storage, release, discharge or disposal of any Hazardous Material by Tenant (and, upon obtaining actual knowledge thereof, its Subtenants, agents, servants, contractors, subcontractors or employees) in, on, under, from or about the Premises or the migration thereof to or from other property, in each case, during the Term (other than Immaterial Use);

(b) the commencement, institution or threat of any proceeding, inquiry or action by or written notice from any Governmental Entity with respect to the use, generation, manufacture, production, storage, release, discharge, disposal or presence of any Hazardous Material by Tenant in, on, under, from or about the Premises or the migration thereof from or to other property, in each case, during the Term;

(c) all claims made or threatened by any third party against Tenant or the Premises relating to any damage, contribution, cost recovery, compensation, loss or injury resulting from the use, generation, manufacture, production, storage, release, discharge, disposal or presence of any Hazardous Material in, on, under, from or about the Premises caused by Tenant, in each case, during the Term; and

(d) any release, occurrence or condition on the Premises caused by Tenant or, upon obtaining actual knowledge thereof, any other Person (other than Landlord, agents, servants, contractors, subcontractors or employees), in each case, during the Term, that could cause the Premises or any part thereof to be subject to any restrictions on the ownership, occupancy, transferability or use under any Environmental Law or require, any cleanup, investigation or other remedial action pursuant to any Environmental Law.

If Landlord receives written notice from any Governmental Entity of any facts, events or circumstances relating to matters described in Section 17.4, including all claims under Environmental Laws commenced or threatened against Landlord with respect to the Premises during the Term, Landlord shall promptly deliver such notice to Tenant.

17.5 Legal Proceedings. Landlord shall have the right, but not the obligation, to join and participate in, as a party if it so elects, any legal proceedings or actions initiated with respect to the use, generation, manufacture, production, storage, release, discharge, disposal or presence of Hazardous Materials in, on, under, from or about the Premises in connection with any Environmental Law. In the event that Tenant refuses or fails to defend any such legal proceedings or actions concerning matters for which Tenant has primary responsibility under this Article 17, Landlord shall have the right, but not the obligation, to defend proceedings or actions using counsel chosen by Landlord, as applicable, and Tenant shall reimburse Landlord for its actual, customary and reasonable attorneys' fees incurred in connection with such defense.

17.6 Consent to Remedial Action. Without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed, Tenant shall not take any Remedial Work in response to the release or presence of any Hazardous Material in, on, under, from or about the Premises, nor enter into any settlement, consent or compromise which might, in Landlord's judgment, impair the value of, respectively, Landlord's interest in the Premises; provided, however, that such prior consent shall not be necessary to the extent the release or presence of Hazardous Material in, on, under, from or about the Premises either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate Remedial Work response is necessary and it is not reasonably practical or possible to obtain such consent before taking such action. In such event Tenant shall notify Landlord as soon as practicable of any action so taken. Such consent shall not be withheld, where such consent is required hereunder or if a particular remedial action is ordered by a court or any Governmental Entity of competent jurisdiction.

17.7 Remedial Work. In the event that any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the **"Remedial Work"**) is required by any Legal Requirement, or by any Governmental Entity as a result of the actions of Tenant or any other Person (other than Landlord, agents, servants, contractors, subcontractors or employees) occurring during the Term, Tenant shall within thirty (30) days after written demand for performance thereof by Landlord (or such shorter period of time as may be required under any Legal Requirement or material agreement), commence to perform, or cause to be commenced, and thereafter diligently prosecute to completion within such period of time as may be required under any Legal Requirement or agreement with Tenant related thereto, all such Remedial Work at Tenant's sole expense in accordance with the requirements of any applicable Legal Requirement or Governmental Entity, including any Environmental Law. All such Remedial Work shall be performed by one or more contractors, approved in advance in writing by Landlord, which approval shall not be unreasonably withheld or delayed, and under the supervision of a consulting engineer approved in advance in writing by Landlord, which approval shall not be unreasonably withheld or delayed. All costs and expenses of such Remedial Work shall be paid by Tenant, including, without limitation, the charges of such contractor(s) and/or the consulting engineer, and Landlord's actual, customary and reasonable attorneys' fees and costs incurred in connection with monitoring or review of such Remedial Work. In the event Tenant shall fail to timely commence, or cause to be commenced, or fail to complete such Remedial Work within the time required above, Landlord may, but shall not be required to, cause such Remedial Work to be performed and all reasonable costs and expenses thereof incurred in connection therewith shall be paid by Tenant to Landlord promptly upon demand, together with interest at the Default Rate from the date the same was expended and until paid. For the avoidance of doubt, Tenant shall not be required to perform any Remedial Work with respect to the UST (as defined in the Purchase Agreement) or any other matter that resulted from actions of any Person occurring prior to the Commencement Date.

17.8 Landlord's Right to Inspect. In the event that Landlord reasonably believes that there may be a violation or threatened violation by Tenant of any Environmental Law or of any covenant under this Article 17, Landlord is authorized, but not obligated, by itself, its agents, employees or workmen to enter at any reasonable time following notice to Tenant during business hours and in compliance with reasonable security requirements of Tenant upon any part of the Premises for the purposes of inspecting the same for the presence of Hazardous Materials and Tenant's compliance with this Article 17, and such inspections may include, without limitation, soil or groundwater borings; provided (a) Tenant may accompany such Persons and all such inspections, (b) all inspections and related work shall be performed in such a manner so as not to unreasonably disturb or unreasonably interfere with Tenant Operations, and (c) Tenant shall have no obligation to repair or restore the Premises with respect to any damage resulting from such inspections. If such inspection reveals any violation by Tenant of any Environmental Law or of any covenant under this Article 17, Tenant agrees to pay to Landlord, within ten (10) days after Landlord's written demand, all actual, customary and reasonable out-of-pocket expenses, costs or other amounts incurred by Landlord in performing any inspection for the purposes set forth in this Section 17.8.

17.9 Landlord's Costs. Except as otherwise provided in this Article 17, all costs and expenses reasonably incurred by Landlord under this Article 17 shall be due and payable by Tenant within ten (10) days after written demand and shall bear interest at the Default Rate from the date that is ten (10) days after receipt of written demand of such payment by Tenant until repaid.

ARTICLE 18
OPERATIONS

18.1 Independent Contractors. Landlord and Tenant shall be independent contractors and nothing in this Lease shall be construed as creating a partnership, joint venture, employment, agency, license or franchise relationship. Neither Landlord nor Tenant shall have any authority to create any obligation binding upon the other party.

18.2 Tenant Employees.During the Term, all employees and independent contractors providing services at the Premises and the use and operation thereof shall (as between Tenant and Landlord) be deemed to be employees or independent contractors of Tenant and not of Landlord (such employees or independent contractors, collectively, "**Tenant Employees**"). During the Term, (i) Tenant shall comply with the terms and conditions of the Collective Bargaining Agreements; provided, however, that Landlord is the entity with the ultimate obligation to make pension contributions required under the Collective Bargaining Agreements and Tenant will make such contributions on Landlord's behalf, (ii) Tenant shall have sole responsibility for and control over the terms and conditions of employment for Tenant's Employees and/or any other Persons performing services for Tenant; and (iii) Tenant shall have the right to offer to Tenant Employees a transfer to any of the properties of Tenant's Affiliates. After the Term, Landlord shall assume or cause its manager to assume the Collective Bargaining Agreements.

(a) During the Term, Tenant shall comply, in all material respects, with all applicable laws relating to employment matters, including, but not limited, to laws relating to discrimination in employment, except that if Landlord makes the Operating Business Election, then in connection with any action or inaction by Landlord which occurs after the Term, Landlord assumes all responsibility and liability for compliance and non-compliance with the WARN Act. Tenant shall be responsible for the following liabilities to or respecting Tenant Employees having accrued and vested prior to the expiration of the Term: all employees' wages, accrued vacation days, accrued sick days, bonuses, pension benefits, any COBRA rights, together with F.I.C.A. unemployment and other taxes and benefits due from any employer of such Tenant Employees. Tenant shall be responsible for any and all payments and benefits due to or on behalf of Tenant Employees (including but not limited to wages, accrued vacation days, accrued sick days, bonuses, pension benefits, severance payments, COBRA rights and any F.I.C.A. unemployment and other taxes and benefits due from any employer of such Tenant Employees) for Tenant Employees arising during the Term, and for all Tenant Employees not offered continued employment by Tenant as of the Commencement Date on the terms required by the Collective Bargaining Agreements or other applicable law; provided, however, that it is understood that, as of the Commencement Date, Tenant will make the contributions to the various pension funds listed in Schedule 6.10.3 of the Purchase Agreement on behalf of Landlord.

(b) Tenant shall not effectuate a "plant closing" or "mass layoff," as those terms are defined in the WARN Act, affecting in whole or in part any Tenant Employee, without complying with the notification requirements and other provisions of the WARN Act.

(c) During the Term, except as required by applicable Legal Requirements, Tenant shall not be party to or become bound to any collective bargaining agreement or similar labor agreement covering any of the Tenant Employees except for such agreements set forth on Schedule 6.10.3 of the Purchase Agreement.

(d) During the Term, except as required by applicable Legal Requirements, Tenant shall not make contributions (and shall not have any obligations to make contributions) to any Multiemployer Plans, except as set forth on Schedule 6.10.3 of the Purchase Agreement.

(e) During the Term, (i) Tenant and its ERISA Affiliates shall maintain, operate and administer each Employee Benefit Plan in compliance in all material respects with, as applicable, the provisions of ERISA, the Code, all regulations, rulings, and announcements promulgated or issued thereunder, and all other applicable laws; (ii) Tenant shall timely file all material reports required by any Governmental Entity with respect to the Employee Benefit Plans, and (iii) Tenant and its ERISA Affiliates shall operate and administer each group health plan in compliance in all material respects with the continuation coverage notice

requirements of Title I, Subtitle B, Part 6 of ERISA and Code section 4980B and the regulations thereunder. For purposes of this Lease, the term "group health plan" will have the meaning set forth in Code section 5000(b)(1).

(f) Neither Tenant nor its ERISA Affiliates shall engage in any transaction that would subject them to either a civil penalty assessed pursuant to ERISA section 502(i) or tax imposed by Code section 4975.

18.3 Operating Permits. Tenant possesses all licenses (including Gaming Licenses except for those relating to the sale of the Owned Gaming Equipment as contemplated pursuant to Section 15.3), permits, franchises, authorizations, certificates, approvals and consents, including, without limitation, all environmental, liquor, gaming, health and safety licenses, of all Governmental Entities which are material to the conduct of its business and the use, occupation and operation of the Premises (collectively, **"Operating Permits"**). Each such Operating Permit is and will be in full force and effect (unless, in the case of any Operating Permit, such Operating Permit is no longer necessary or advisable for the conduct of Tenant Operations). Tenant is in compliance in all material respects with all such Operating Permits, and no event has occurred which would be reasonably likely to lead to the revocation or termination of any such Operating Permit or the imposition of any restriction thereon. Sixty (60) days prior to the Expiration Date or earlier termination of this Lease, Landlord and Tenant shall execute the Assignment Agreement in the form attached hereto as Schedule G (the "**Assignment Agreement**"). As set forth in the Assignment Agreement, Landlord and Tenant shall, as applicable, within five (5) days of the execution date of the Assignment Agreement execute and file all necessary applications with the Federal Communications Commission ("**FCC**") to seek the consent of the FCC for the assignment of the Communications Licenses (as defined in the Assignment Agreement) from Tenant to Landlord.

18.4 Trademark License. Landlord shall procure for the benefit of, and hereby grants to, Tenant the non-exclusive right and license to use and otherwise exploit the Property Marks in connection with the operation, promotion and marketing of the Premises throughout the Term. As between Landlord and Tenant, with respect to such right and license, Tenant shall, during the Term, have the sole and exclusive right to determine its use of the Property Marks, including the form of presentation of the Property Marks in the operation of the Premises, all uses of the Property Marks in marketing, sales, advertising and promotional materials of the Premises, any goods or services relating to the Premises and any signage for the Premises. Upon the expiration of the Term, the foregoing grant shall automatically terminate and, if required by Landlord, Tenant shall execute such documentation as Landlord may reasonably request to evidence the termination of such grant.Guest Data.

(a) Within thirty (30) days of the end of each calendar quarter during the Term (and if the Expiration Date does not coincide with the end of a calendar quarter, then within thirty (30) days of the Expiration Date), Tenant shall provide Landlord with the Guest Data obtained by Tenant during such calendar quarter (or portion thereof preceding the Expiration Date if the Expiration Date does not coincide with the end of a calendar quarter), in the format attached in Exhibit F to the Purchase Agreement; provided, however, that Landlord shall have the right to request additional data as to Persons to the extent such data relates solely to such Person's activity at the Premises, which Tenant shall reasonably consider (but any provision or withholding of any such requested information shall be in Tenant's sole discretion). Landlord, for itself and on behalf of its Affiliates: (i) acknowledges and agrees that Tenant and its Affiliates shall be co-owners of the Guest Data; and (ii) disclaims any right, title or interest in or to any other guest data or information in the possession or control of Tenant or any of its Affiliates.

(b) Following the Commencement Date, Landlord shall not and shall cause its Affiliates not to use (directly or indirectly, in any manner or for any reason) the Guest Data until the Expiration Date. Each of Landlord and Tenant shall not and shall cause its respective Affiliates not to use the Guest Data (i) in contravention of the terms of the customer agreement, consent, privacy policies or other policies of Tenant or any of its Affiliates applicable to such Guest Data (each a "**Tenant Privacy Policy**") but only to the extent that such Tenant Privacy Policies (A) are consistent with the privacy policies applicable to data collected at facilities owned or operated by Tenant or any of its Affiliates that are located in Nevada, and (B) with respect to modifications, updates or introduction of Tenant Privacy Policies after the Commencement Date but prior to the Expiration Date, do not disproportionately adversely impact Tenant Operations, (ii) in any activity that would be reasonably expected to constitute spamming, or (iii) to offer, solicit or promote any illegal, obscene, inappropriate, adult oriented, or pornographic material or activity or to engage in any activity in violation of any applicable laws or the terms of the Tenant Privacy Policy. Notwithstanding the foregoing, Landlord and Buyer shall no longer be required to comply with Tenant's Privacy Policies following the Expiration Date and thereafter following the date that Landlord or Buyer has notified Persons to whom Guest Data relates of Buyer's or Landlord's customer agreements, consents, privacy policies or other policies applicable to Guest Data (each a "**Landlord's Privacy Policy**") so long as (y) Landlord's Privacy Policies are no less protective of such Guest Data than Tenant Privacy Policies and (z) Landlord's Privacy Policies comply with all Legal Requirements. Following the Expiration Date, there shall be no restrictions on the ability of Buyer, its Affiliates (including Landlord) or any successor-in-interest to Buyer (including any Lender or any Lender's designees), to sell or transfer the Guest Data to any other Person or to use the Guest Data in any manner that is not in violation of (1) Tenant Privacy Policies or Landlord's Privacy Policies, as applicable, in accordance with the immediately preceding sentence, (2) Legal Requirements or (3) any applicable data sharing opt ours communicated by any relevant customer as documented in the Guest Data records or information provided by Tenant to Landlord or Buyer at any time prior to the Expiration Date. Landlord (on behalf of itself and its Affiliates) and Tenant agree that, in the event of a conflict among, or it is unclear which of, the terms of any such Tenant Privacy Policy are applicable, the terms most favorable to and protective of the Persons to whom such Guest Data relates shall apply for purposes of this Section. Notwithstanding the foregoing sentences of this Section, Landlord (on behalf of itself and its Affiliates) and Tenant agree to obtain consent from the Person(s) to whom the applicable Guest Data relates before materially changing the terms of any customer agreement, consent, privacy policy or other policy applicable to such Guest Data; provided, however, if the change provides materially more protection to the Guest Data, then the applicable party may instead provide

sufficiently prominent and robust written notice to such Person at least thirty (30) days prior to making such change and a reasonable period of time for such Person to opt out of such change. Notwithstanding anything contained in this Lease, the Purchase Agreement or any Ancillary Agreement to the contrary, the use of the Guest Data by Landlord and Tenant and their respective Affiliates shall, in all events, be subject to the Use Restrictions. Landlord and Tenant agree to, and to cause their respective Affiliates to, maintain commercially reasonable measures to protect the physical safety and data integrity of the Guest Data.

(c) On the last day of the Term, Tenant shall provide Landlord with a list of patrons that are not able to participate in gaming at any of the properties of Tenant and its Affiliates either because they have "self-excluded" from participating in gaming at such properties pursuant to the responsible gaming program of Tenant and its Affiliates or are "state excluded" from doing so.

ARTICLE 19
MISCELLANEOUS PROVISIONS

19.1 Signs. With the prior written consent of Landlord, which shall not be unreasonably conditioned, withheld or delayed, Tenant may place one or more signs, including third party signage, on the exterior of the Premises to indicate the nature of the business of Tenant or any subtenant or occupant. Any sign shall be lawful under Legal Requirements. Notwithstanding the foregoing, Landlord hereby approves the signage placed on the Premises as of the Commencement Date. No Landlord consent shall be required for interior signage at the Premises.

19.2 Headings. The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

19.3 Entire Agreement. This Lease, including all schedules attached hereto which are hereby incorporated herein by this reference, contains the entire agreement and specification of rights and obligations between the parties and may not be extended, renewed, restated, terminated or otherwise modified in any material manner except by an instrument in writing executed by the party against whom enforcement of any such modification is sought. All prior understandings and agreements between the parties and all prior working drafts of this Lease are merged in this Lease, which alone expresses the agreement of the parties. The parties agree that no inferences shall be drawn from matters deleted from any working drafts of this Lease. The provisions of this Article 19 shall survive the expiration or earlier termination of this Lease.

19.4 Successors and Assigns. The agreements, terms, covenants and conditions herein shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, personal representatives and, except as is otherwise provided herein, their permitted successors and permitted assigns.

19.5 Notices. All notices or other communications required, desired or permitted hereunder shall be in writing, addressed to the applicable party as set forth below and shall be (a) personally delivered, (b) sent by nationally recognized overnight courier with proof of receipt of delivery, (c) delivered or sent by facsimile and shall be deemed received upon the earlier of if personally delivered, the date of delivery to the address of the Person to receive such notice, if sent by overnight courier, the date the overnight courier delivery is made, or if given by facsimile, when sent as confirmed by confirmation of facsimile.

If to Landlord:

Milbank LLP
55 Hudson Yards
New York, NY 10001
Attn: Kevin J. O'Shea
Facsimile No (212) 822-5254

Milbank LLP
2029 Century Park East, 33rd Floor
Los Angeles, CA 90067
Attn: Deborah Conrad
Facsimile No.: (213) 629-5063

With a copy to:

Imperial Companies
888 Seventh Avenue
27th Floor
New York, NY 10019
Attn: Tom Ellis
Facsimile No.: (212) 894-7907

If to Tenant:

Rio Properties, LLC
Attention: Eric Hession
One Caesars Palace Drive
Las Vegas, Nevada 89109
Facsimile No. (702) 407-6420

With a copy to:

Rio Properties, LLC
Attention: General Counsel
One Caesars Palace Drive
Las Vegas, Nevada 89109
Facsimile No. (702) 407-6418

Notice of change of address shall be given by written notice in the manner detailed in this Section 19.5. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

19.6 Severability. If any provision of this Lease shall be invalid or unenforceable, the remainder of the provisions of this Lease shall not be affected thereby and each and every provision of this Lease shall be enforceable to the fullest extent permitted by applicable law.

19.7 No Brokers. Landlord and Tenant each represent and warrant to the other party that such party has not dealt with any real estate broker in connection with this Lease and Landlord and Tenant agree to indemnify the other party and save the other party harmless from any and all claims for brokerage commissions by any other Person claiming through such party to have brought about this Lease transaction. The provisions of this Section 19.7 shall survive the expiration or earlier termination of this Lease.

19.8 Rules of Construction. The parties took equal part in drafting this Lease and no rule of construction that would cause any of the terms hereof to be construed against the drafter shall be applicable to the interpretation of this Lease.

19.9 Time is of the Essence. Time is strictly of the essence with respect to each and every term and provision of this Lease.

19.10 Force Majeure. The time within which either party hereto shall be required to perform any act under this Lease, other than the payment of money, shall be extended by a period of time equal to the number of days during which performance of such act is delayed by strikes, lockouts, acts of God, governmental restrictions, failure or inability to secure materials or labor by reason of priority or similar regulation or order of any Governmental Entity, enemy action, civil disturbance or any other cause beyond the reasonable control of either party hereto (**"Force Majeure"**). Insolvency or financial condition shall not be a Force Majeure event.

19.11 Governing Law/Consent to Jurisdiction/Venue. Irrespective of the place of execution and/or delivery of this Lease or the location of the Premises, this Lease shall be governed by and shall be construed in accordance with, the Legal Requirements of the State of Nevada applicable to agreements entered into and to be performed entirely within Nevada without regards to conflicts of law principles. Landlord and Tenant hereby consent and submit to the exclusive jurisdiction of the state and Federal courts located in Clark County, Nevada with respect to any claim or litigation arising hereunder or any alleged breach of the covenants or provisions contained herein, and acknowledge that proper venue in any matter so claimed or litigated shall be in the state and Federal courts located in Clark County, Nevada.

19.12 Waiver of Jury Trial. EACH OF LANDLORD AND TENANT SHALL AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE OR TENANT'S USE OR OCCUPANCY OF THE PREMISES.

19.13 No Recording. The parties hereto hereby agree, confirm and acknowledge that neither this Lease, nor a memorandum of this Lease, may be recorded (or will be recorded) in the property or other records.

19.14 Tenant Remedies. In the event that Tenant claims or asserts that Landlord has violated or failed to perform a covenant of Landlord not to unreasonably withhold, delay or condition Landlord's consent or approval of any matter under this Lease, or in any case where Landlord's reasonableness in exercising its judgment is in issue, Tenant shall not be entitled to any monetary damages for a breach of any such covenant or unreasonable exercise of judgment, and Tenant hereby specifically waives the right to any monetary damages in connection with any such breach or unreasonable exercise of judgment. Without limitation of the foregoing, except as set forth in Article 7, Article 8, Section 19.19 and Section 19.22, Tenant agrees that no breach or default by Landlord hereunder (other than a constructive eviction of Tenant that is caused by Landlord or its agents) shall excuse Tenant from performing, or constitute a defense to Tenant's performance of, any duty, liability or obligation of Tenant under this Lease and in no event shall any breach or default by Landlord hereunder (other than such a constructive eviction of Tenant) entitle Tenant to terminate this Lease, or abate Rent, in whole or in part.

19.15 Third Persons. Nothing in this Lease, expressed or implied, is intended to confer upon any person other than the parties hereto or any Persons to be indemnified hereunder any rights or remedies under or by reason of this Lease.

19.16 Waiver. The failure of either party to require the performance of any obligation herein, or the waiver by either party of any breach hereof, shall not prevent a subsequent enforcement of such obligation or constitute a waiver of any subsequent breach.

19.17 Counterparts and Admissibility of Electronic Copies. This Lease and any amendment or addendum thereto may be executed in counterparts each of which when executed by the requisite parties shall be deemed to be a complete original document. An electronic (including pdf) or facsimile copy thereof shall be deemed, and shall have the same legal force and effect as, an original document.

19.18 Attorneys' Fees. In the event either Landlord or Tenant brings an action against the other to enforce this Lease, or to defend an action brought by the other party, the prevailing party in such action shall be reimbursed by the other party for such costs as may be incurred in such action and any appeal from judgment, including reasonable attorney's fees, court costs and expert witness fees.

19.19 Anti-Corruption Representations. Each party represents and warrants to the other that in carrying out its responsibilities under this Lease, it shall not (a) pay, offer or promise to pay, or authorize the payment, directly or indirectly, of anything of value to any person employed by or acting for or on behalf of any governmental official or employee or any political party or candidate for political office, for the purpose of inducing or rewarding any favorable action in any matter; or (b) engage a third party to make such payments. Each party will maintain records concerning any payments made to a third-party under this Lease, and if the other party in good faith believes that a breach of any of the anti-corruption representations and warranties set forth above has occurred, the breaching party will make those records available for the other party's inspection at the other party's written request at reasonable times. In the event of a breach of any of the anti-corruption representations and warranties set forth above by a party, this Lease may be terminated by the other party upon written notice to the breaching party.

19.20 Anti-Terrorism Law. Each party represents and warrants to the other party that: (a) it is not acting, directly or indirectly, for or on behalf of any person, group or nation, named by any Executive Order or the United States Treasury Department as a "terrorist", "Specially Designated National and Blocked Person", or other banned or blocked person, group, or nation (collectively, "**Banned Persons**") pursuant to any anti-terrorism law; (b) it is not engaged in this Lease transaction, or instigating or facilitating this Lease, directly or indirectly on behalf of any Banned Person; (c) it currently does not appear, and throughout the Term, neither it, nor any officer, director, shareholder, manager, partner, member or other owner of such party shall appear, on any list of Banned Persons; (d) to its actual knowledge, no Anti-Terrorism Law prohibits the other party from doing business with it; (e) such party, its officers, managers and directors shall not, during the Term violate any Anti-Terrorism Laws; and (f) such party, its officers, managers and directors shall not, during the Term, do business with any Person that to its actual knowledge has violated or is violating any Anti-Terrorism Laws.

19.21 Confidential Information. Each party agrees to maintain in strict confidence the economic terms of this Lease and any or all other materials, data and information delivered to or received by any or all of the other party and/or its Affiliates, either prior to or during the Term in connection with the negotiation and execution hereof. Such confidentiality obligation shall not apply to (a) disclosures required by law; provided, however, that a party shall use its commercially diligent efforts to provide as much notice as possible of such proposed disclosure to the other party and to reasonably cooperate with any effort of the other party to resist such disclosure requirement, (b) disclosures to such party's debt and equity providers and its and their respective officers, directors, employees, attorneys and accountants, subject, however, to the provisions of the Confidentiality Agreement (as defined in the Purchase Agreement), and (c) disclosures required to enforce the provisions of this Lease.

19.22 Regulatory Provisions. (a) Landlord acknowledges and agrees that its rights, remedies and powers under this Lease may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of the Gaming Laws and only to the extent that any required approvals (including prior approvals) are obtained from the requisite Gaming Authorities and that Landlord may be subject to being called forward by the requisite Gaming Authorities in order to determine whether Landlord meets suitability standards under applicable Gaming Law. Landlord agrees to cooperate with the applicable Gaming Authorities in connection with the administration of their regulatory jurisdiction over Tenant, including, without limitation, the provision of such documents or other information as may be requested by any such Gaming Authorities relating to Landlord, Tenant or this Lease.

(b) As a holder of privileged gaming licenses, Tenant and its Affiliates are required to adhere to strict laws and regulations regarding vendor and other business relationships or associations. If at any time the Compliance Committee of CEC (including any successor thereto, the **"Compliance Committee"**) determines in its sole discretion (acting in good faith) that (i) Tenant's association with Landlord (or any Person that, directly or indirectly, holds any interest in Landlord or any key principal of Landlord or any such Person) violates or is likely to violate any statutes and/or regulations regarding prohibited relationships with gaming companies or (ii) it is in the best interests of Tenant and its Affiliates to terminate Tenant's relationship with Landlord (or any Person that, directly or indirectly, holds any interest in Landlord or any key principal of Landlord or any such Person) in order to protect any pending licensing applications or any privileged gaming licenses of Tenant or any of its Affiliates or protect Tenant and its Affiliates from any disciplinary actions by any Gaming Authority (each of clause (i) and (ii) above, a **"Suitability Problem"**), Tenant shall provide written notice thereof to Landlord together with (to the extent permitted by applicable law) a reasonably-detailed description of the facts and circumstances leading Tenant to its determination that a Suitability Problem exists and copies of any notices from any Gaming Authority, Governmental Entity or other Person asserting or relating to such determination (a

"Suitability Problem Notice"). Following the delivery by Tenant of a Suitability Problem Notice, Landlord shall use commercially reasonable efforts to take such actions as would eliminate such Suitability Problem within the time period required by the Compliance Committee or any applicable Gaming Authority. If Landlord is unable to, after using commercially reasonable efforts, eliminate such Suitability Problem within such time period, Tenant may terminate this Lease upon written notice to Landlord. Landlord agrees to cooperate with Tenant, if requested, to undergo a background investigation to comply with Tenant's compliance policies and to continue to cooperate with Tenant throughout the Term of this Lease to establish and maintain Landlord suitability under applicable Gaming Law. During the Term of this Lease, to the extent any prior disclosures become inaccurate, including, but not limited to, due to a new Equity Financing Source (as defined in the Purchase Agreement) or the initiation of any criminal proceeding or any civil or administrative proceeding or process which alleges any violations of law involving Landlord (or any Person that, directly or indirectly, holds any interest in Landlord or any key principal of Landlord or any such Person), Landlord shall disclose to Tenant all information regarding such inaccuracies actually known to Landlord at the time within ten (10) calendar days from that event. Landlord agrees to comply, and use diligent efforts to cause third parties to comply, with any background investigation conducted in connection with the disclosure of this updated information. Notwithstanding any other terms of this Lease, in the event of termination of this Lease pursuant to this Section 19.22, (A) the proceeds, if any, of Tenant's rental interruption proceeds not to exceed the amount of Base Rent and Additional Rent for the remainder of the Term shall be paid to Landlord unless the Suitability Problem was a Buyer Bad Act Suitability Problem (as defined in the Purchase Agreement), (B) any Extension Fee paid by Landlord to Tenant for the portion of the Extension Term subsequent to the termination date shall be paid by Tenant to Landlord unless the Suitability Problem was a Buyer Bad Act Suitability Problem, and (C) thereafter neither Tenant nor Landlord shall have any further liability to the other under this Lease except for those rights and obligations that, by their terms, survive the termination of this Lease. Landlord agrees to promptly notify Tenant of any Change of Control (as defined in the Purchase Agreement) of Landlord, any Person who will be an Equity Financing Source other than an Identified Equity Financing Source (as defined in the Purchase Agreement) or any knowledge obtained by Landlord of a matter that would reasonably be expected to result in a Buyer Bad Act Suitability Problem. Tenant represents to Landlord that, as of the Commencement Date, the Compliance Committee (x) is composed entirely of Independent Persons (as defined in the Purchase Agreement); (y) [has received, for Landlord and each Identified Equity Financing Source, a Business Information Form and such other information that the Compliance Committee may have requested for Landlord and each Identified Equity Financing Source]; and (z) has determined prior to the Commencement Date, based on the information disclosed in such Business Information Form and, with respect to Landlord only, assuming the representations and warranties of Landlord in Section 19.22(c) are true and correct, that no Suitability Problem exists with respect to Landlord or the Identified Equity Financing Sources. Landlord agrees that it shall not utilize an Equity Financing Source other than an Equity Financing Source (1) identified to Tenant no later than November 15, 2019 and (2) that has been approved by the Compliance Committee.

(c) To Landlord's knowledge, as of the Commencement Date, none of the information provided to the Compliance Committee referenced in Section 19.22(b) related to any Identified Equity Financing Source contained any material misstatements or material omissions.

[Signatures appear on the following page.]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above set forth.

Landlord: IC 3700 FLAMINGO ROAD LLC,
a Delaware limited liability company

By:__

Name:__

Title:__

Tenant: RIO PROPERTIES, LLC,
a Nevada limited liability company

By:__

Name:

Title:

Exhibit 10.3

GUARANTY

This **GUARANTY** (this "**Guaranty**") is executed and delivered as of the 20th day of September, 2019 by Caesars Resort Collection, LLC, a Delaware limited liability company ("**Guarantor**") for the benefit of IC 3700 Flamingo Road Venture LLC, a Delaware limited liability company ("**Buyer Obligee**"), and, following its formation in accordance with the terms of the Purchase Agreement (as defined below), IC 3700 Flamingo Road LLC, a Delaware limited liability company ("**Property Owner Obligee**" and together with Buyer Obligee, individually and collectively, "**Obligee**").

RECITALS

A. Rio Properties, LLC ("**Primary Obligor**"), in its capacity as seller and Buyer Obligee, in its capacity as buyer, have entered into that certain Purchase and Sale Agreement and Joint Escrow Instructions dated as of the date hereof (as may be amended, restated, supplemented, waived or otherwise modified from time to time, the "**Purchase Agreement**").

B. Primary Obligor, in its capacity as tenant, and Property Owner Obligee, in its capacity as landlord intend to enter into that certain Lease Agreement to be dated as of the Closing Date (as may be amended, restated, supplemented, waived or otherwise modified from time to time, the "**Lease**", and, together with the Purchase Agreement "**Guaranteed Documents**").

C. Guarantor is an affiliate of Primary Obligor, will derive substantial benefits from the Guaranteed Documents and acknowledges and agrees that this Guaranty is given in accordance with the requirements of the Guaranteed Documents and that Obligee would not have been willing to enter into the Guaranteed Documents unless Guarantor was willing to execute and deliver this Guaranty.

D. All capitalized terms used and not otherwise defined herein shall have the same meanings given to such term in the Purchase Agreement.

AGREEMENTS

NOW, THEREFORE, in consideration of Obligee entering into the Guaranteed Documents with Primary Obligor, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Guarantor agrees as follows:

1. Guaranty. Guarantor hereby unconditionally and irrevocably guarantees, as a primary obligor and not merely as a surety, (a) the payment when due of all Rent (as defined in the Lease) and all other sums payable by Primary Obligor under the Lease, (b) the faithful and prompt performance when due of each and every one of the terms, conditions and covenants to be kept and performed by Primary Obligor under the Lease, (c) the return of the Deposit to Buyer where Buyer is entitled to receive the Deposit pursuant to the terms of the Purchase Agreement, (d) the payment of all sums and the performance of all obligations expressly surviving Closing under the Purchase Agreement, including, without limitation, if applicable, the refund of any transfer tax in connection with the transfer of the Property pursuant to Section 4.2 of the Purchase Agreement and (e) the payment of all sums and the performance of all obligations of Property Owner Obligee up to and until the Closing Date (collectively, the "**Obligations**"). In the event of the failure of Primary Obligor to perform any of the Obligations, Guarantor shall forthwith perform or cause to be performed such Obligation in accordance with the provisions of the Guaranteed Documents to be performed by Primary Obligor thereunder, and pay all reasonable out-of-pocket costs of collection or enforcement that may result from the non-performance thereof as provided in Section 15(f) hereof. As to the Obligations, Guarantor's liability under this Guaranty is without limit except (a) as provided in Section 13 hereof and (b) that, notwithstanding anything herein to the contrary, Guarantor shall not be liable for any consequential, speculative or punitive damages under this Guaranty. 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 survive and continue in full force and effect notwithstanding:

(a) any amendment or, modification of any Guaranteed Documents, 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 Guaranteed Documents or any other guarantor;

(c) any exercise or non-exercise by Obligee of any right, power or remedy under or in respect of the Guaranteed Documents, or any waiver of any such right, power or remedy;

(d) any bankruptcy, insolvency, reorganization, arrangement, adjustment, composition, liquidation, or the like of Primary Obligor or any other guarantor;

(e) any limitation of Primary Obligor's liability under the Guaranteed Documents or any limitation of 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 Guaranteed Documents or any term thereof;

(f) any sale, lease, or transfer of any or all of the assets of Primary Obligor to any other Person other than to Obligee;

(g) any extensions of time for performance under the Guaranteed Documents;

(h) the release of Primary Obligor from performance or observation of any of the agreements, covenants, terms or conditions contained in the Guaranteed Documents by operation of law or otherwise;

(i) the failure to give Guarantor any notice of acceptance, default or otherwise;

(j) any other guaranty now or hereafter executed by Guarantor or anyone else in connection with the Guaranteed Documents;

(k) any rights, powers or privileges Obligee may now or hereafter have against any other Person; or

(l) any other circumstances, whether or not Guarantor had notice or knowledge thereof.

3. Primary Liability. The liability of Guarantor with respect to the Guaranteed Documents shall be primary, direct and immediate, and Obligee may proceed against Guarantor: (a) prior to or in lieu of proceeding against Primary Obligor, 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 Obligee. All rights and remedies afforded to Obligee 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 Guaranteed Documents, a separate action or actions may be brought and prosecuted against Guarantor whether or not Primary Obligor is joined therein or a separate action or actions are brought against Primary Obligor. Obligee may maintain successive actions for other defaults. Obligee'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 Obligee in its sole discretion deems necessary or expedient, and without notice to Guarantor, Obligee 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 Primary Obligor by consent to any assignment (or otherwise) as to all or any portion of the Obligations hereby guaranteed. Any exercise or non-exercise by Obligee of any right hereby given Obligee, dealing by Obligee with Guarantor or any other guarantor, Primary Obligor or any other Person, or change, impairment, release or suspension of any right or remedy of Obligee against any Person including Primary Obligor and any other guarantor will not affect any of the Obligations of Guarantor hereunder or give Guarantor any recourse or offset against Obligee.

5. Waiver. Guarantor hereby waives and relinquishes the following rights and remedies accorded by applicable law to sureties and/or guarantors and agrees not to assert or take advantage of any such rights or remedies:

(a) any right to require Obligee to proceed against Primary Obligor or any other Person or to pursue any other remedy in Obligee's power before proceeding against Guarantor or to require that Obligee cause a marshaling of Primary Obligor's assets;

(b) any defense that may arise by reason of the incapacity or lack of authority of any other Person or Persons;

(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 Primary Obligor, Obligee, any creditor of Primary Obligor 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 Obligee or in connection with any obligation hereby guaranteed;

(d) any defense based upon an election of remedies by Obligee which destroys or otherwise impairs the subrogation rights of Guarantor or the right of Guarantor to proceed against Primary Obligor for reimbursement, or both;

(e) any duty on the part of Obligee to disclose to Guarantor any facts Obligee may now or hereafter know about Primary Obligor, regardless of whether Obligee 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 Primary Obligor and of all circumstances bearing on the risk of non-payment or non-performance of any Obligations or indebtedness hereby guaranteed;

(f) any defense arising because of Obligee's election, in any proceeding instituted under the federal Bankruptcy Code, of the application of Section 1111(b)(2) of the federal Bankruptcy Code;

(g) 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 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 if permitted by applicable law.

6. Information. Guarantor assumes all responsibility for being and keeping itself informed of the financial condition and assets of the Primary Obligor and each other Guarantor, 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 the Obligee will not have any duty to advise Guarantor of information regarding such circumstances or risks.

7. No Subrogation. Until all Obligations of Primary Obligor under the Guaranteed Documents have been satisfied and discharged in full, Guarantor shall have no right of subrogation and waives any right to enforce any remedy which Obligee now has or may hereafter have against Primary Obligor.

8. Agreement to Pay; Subordination. Without limitation of any other right of the Obligee at law or in equity, upon the failure of Primary Obligor 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 the Obligee in cash the amount of such unpaid Obligation. Upon payment by Guarantor of any sums to the Obligee as provided above, all rights of Guarantor against the Primary Obligor or any other guarantor 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 8. If for any reason whatsoever Primary Obligor 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 Primary Obligor's obligation to Obligee to pay as and when due in accordance with the terms of the Guaranteed Documents the guaranteed Obligations, it being understood that Guarantor and each Affiliate of Guarantor shall be permitted to receive payments from the Primary Obligor on account of such obligations except during the continuance of an Event of Default (as defined in the Lease) or a default under the Purchase Agreement (such default or an Event of Default, collectively an "**Event of Default**") relating to failure to pay amounts due under the Guaranteed Documents. During any time in which an Event of Default relating to failure to pay amounts due under the Guaranteed Documents has occurred and is continuing under the Guaranteed Documents (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 Obligee's rights and remedies under the Guaranteed Documents.

9. Application of Payments. With respect to the Guaranteed Documents, Obligee shall apply any or all payments or recoveries following the occurrence and during the continuance of an Event of Default from Primary Obligor in such manner and order of priority as Guarantor may determine with respect to any of the Obligations.

10. 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 an Event of Default, Obligee shall have the right to bring such actions at law or in equity, including appropriate injunctive relief, as it deems appropriate to compel payment.

11. Maximum Liability. Guarantor and, by its acceptance of the guarantees provided herein, Obligee, 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, Obligee 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.

12. Net Worth/Liquidity.

(a) From the Effective Date until all of the Obligations have been paid in full or this Guaranty has terminated by its terms, (i) Guarantor shall maintain a minimum Net Worth of $1,000,000,000 and a minimum Liquidity of $100,000,000 (the "**Guarantor Financial Covenant Requirement**") and (ii) Guarantor shall not sell, pledge, mortgage or otherwise transfer any of its assets, or any interest therein, if such transaction would cause a breach of the Guarantor Financial Covenant Requirement.

(b) From and after the Effective Date until all of the Obligations have been satisfied in full or this Guaranty has terminated by its terms, Guarantor shall deliver to Obligee within thirty (30) days after the end of each of Guarantor's fiscal quarters a certificate, signed by a duly authorized chief financial officer of Guarantor solely in such officer's capacity as an officer of Guarantor and not in his or her personal capacity (with delivery of a scanned pdf copy of such certificate by email being sufficient for purposes of this Section 12(b)), (i) certifying that the Guarantor is in compliance with the Guarantor Financial Covenant Requirement as of the end of such fiscal quarter and (ii) attaching a copy of the unaudited financial statements of Guarantor as of the end of such fiscal quarter; provided, however, (A) to the extent audited financial

statements of Guarantor have been prepared, such audited financial statements shall be attached thereto and (B) to the extent Obligee, for purposes of complying with its financing documents, requires additional financial reporting, Guarantor will use good faith efforts to accommodate Obligee's requests for such additional financial reporting and Obligee shall reimburse Guarantor for any reasonable out-of-pocket costs incurred in connection therewith.

(c) As used herein, (i) "**Net Worth**" means, as of a given date, (A) Guarantor's total assets as of such date (exclusive of any interest in the Property or the Property Lease) determined based on GAAP less (B) Guarantor's total liabilities (taking into consideration contingent liabilities) as of such date, determined under GAAP, (ii) "**Liquidity**" mean, as of any date of determination, the sum of (A) Qualifying Credit Availability as of such date, and (B) the aggregate amount of Unrestricted Cash as of such date, (iii) "**Qualifying Credit Availability**" shall mean, at any time, the aggregate principal amount of the undrawn commitments under the Qualifying Credit Agreement at such time; provided that (x) the applicable conditions to borrowing set forth in the Qualifying Credit Agreement with respect to such undrawn commitments shall be satisfied at such time and (y) there is at least twelve (12) months of term remaining at such time, (iv) "**Qualifying Credit Agreement**" means any revolving credit agreement that, in each case, is from a third party lender or lenders and no "default", "event of default" or other event exists thereunder that would prohibit Guarantor's ability to drawn on such undrawn commitments, and (v) "**Unrestricted Cash"** means any cash or cash equivalents that would not constitute restricted cash under GAAP.

13. Termination. Any Guarantor shall have no further obligations with respect to any of the Obligations arising under any of the Guaranteed Documents following the one year anniversary of the termination or expiration of the term of the Lease or the Purchase Agreement (as applicable) (the "**Termination Date**") and this Guaranty shall automatically terminate on the Termination Date, or, if earlier, upon the termination of the Primary Obligor's obligations thereunder; provided, however, that if a claim is made by Obligee under this Guaranty prior to the Termination Date, such claim shall survive the Termination Date until such claim has been resolved.

14. 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:

To Guarantor:	Caesars Resort Collection, LLC c/o Caesars Entertainment Corporation One Caesars Palace Drive Las Vegas, NV 89109 Attention: Eric Hession Facsimile No.: (702) 407-6420
With a copy to: (that shall not constitute notice)	Caesars Resort Collection, LLC c/o Caesars Entertainment Corporation One Caesars Palace Drive Las Vegas, NV 89109 Attention: General Counsel Facsimile No.: (702) 407-6418 corporatelaw@caesars.com Brownstein Hyatt Farber Schreck, LLP 100 North City Parkway, Suite 1600 Las Vegas, Nevada 89106 Attention: Angela Otto Facsimile No.: (702) 382-8135 Mayer Brown LLP 71 South Wacker Drive Chicago, Illinois 60606 Attention: Jodi A. Simala Facsimile No.: (312) 706-8436
To Obligee:	IC 3700 Flamingo Road LLC c/o Imperial Companies 888 Seventh Avenue 27th Floor New York, NY 10019 Attention: Tom Ellis Facsimile No.: (212) 894-7907

IC 3700 Flamingo Road Venture LLC
c/o Imperial Companies
888 Seventh Avenue
27th Floor
New York, NY 10019
Attention: Tom Ellis
Facsimile No.: (212) 894-7907

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

Imperial Companies
888 Seventh Avenue
27th Floor
New York, NY 10019
Attention: Tom Ellis
Facsimile No.: (212) 894-7907

Milbank LLP
55 Hudson Yards
New York, NY 10001
Attention: Kevin J. O'Shea
Facsimile No.: (212) 822-5254

Milbank LLP
2029 Century Park East, 33rd Floor
Los Angeles, CA 90067
Attention: Deborah Conrad
Facsimile No.: (213) 629-5063

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 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.

15. Miscellaneous.

(a) No term, condition or provision of this Guaranty may be waived except by an express written instrument to that effect signed by Obligee. 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 Obligee and Guarantor to which such amendment or modification is to be effective.

(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 and all disputes between the parties hereto under or related to this Guaranty or the facts and circumstances leading to its execution, whether in contract, tort or otherwise, shall be governed by and construed in accordance with the laws of the State of Nevada, applicable to contracts executed in and to be performed entirely within the State of Nevada, without regard to the conflicts of laws principles thereof.

(d) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any Nevada state court, or federal court of the United States of America, in each case, sitting in Clark County, Nevada, and any appellate court from any thereof, in any proceeding arising out of or relating to this Guaranty or the agreements delivered in connection herewith or the transactions contemplated hereby or thereby or for recognition or enforcement of any judgment relating thereto, and each of the parties hereto hereby irrevocably and unconditionally (i) agrees not to commence any such proceeding except in such courts, (ii) agrees that any claim in respect of any such proceeding may be heard and determined in such Nevada state court or, to the extent permitted by law, in such federal court, in each case sitting in Clark County, Nevada, (iii) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding in any such Clark County, Nevada State or federal court, (iv) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such Clark County, Nevada state or Federal court, and (v) to the extent such party is not otherwise subject to service of process in the State of Nevada, agrees that delivery of a notice to

it in accordance with Section 14 shall constitute acceptance of legal process and agrees that service made by such means shall have the same legal force and effect as if served upon such party personally within such state. Each of the parties hereto agrees that a final judgment in any such proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(e) EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS GUARANTY IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY. EACH PARTY HERETO CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE EITHER OF SUCH WAIVERS, (ii) IT UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVERS, (iii) IT MAKES SUCH WAIVERS VOLUNTARILY, AND (iv) IT HAS BEEN INDUCED TO ENTER INTO THIS GUARANTY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 15(e). THIS SECTION SHALL SURVIVE ANY TERMINATION OF THIS GUARANTY.

(f) In the event that it is necessary for either party to this Guaranty to resort to an attorney in order to enforce the provisions of this Guaranty, the prevailing party shall be entitled to an award of reasonable out-of-pocket attorney's fees and costs. The provisions of this Section 15(f) shall survive any termination of this Guaranty.

(g) 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 Guaranteed Documents; 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 Obligee, and as a whole, giving effect to all of the terms, conditions and provisions hereof.

(h) Except as provided in any other written agreement now or at any time hereafter in force between Obligee and Guarantor, this Guaranty shall constitute the entire agreement of Guarantor with Obligee with respect to the subject matter hereof, and no representation, understanding, promise or condition concerning the subject matter hereof will be binding upon Obligee or Guarantor unless expressed herein.

(i) All stipulations, obligations, liabilities and undertakings under this Guaranty shall be binding upon Guarantor and its respective successors and assigns and shall inure to the benefit of Obligee and to the benefit of Obligee's successors and assigns, including any lender of Obligee that is the beneficiary of a collateral assignment of this Guaranty.

(j) 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 the Guaranty are for convenience and reference only, and shall not affect the construction thereof.

(k) 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.

[Signature Page to Follow]

EXECUTED as of the date first set forth above.

GUARANTOR:

CAESARS RESORT COLLECTION, LLC,
a Delaware limited liability company

By: /s/ Eric Hession
Name: Eric Hession
Its: Chief Financial Officer

Exhibit 31.1

I, Anthony P. Rodio, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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.

Dated: November 5, 2019

/S/ ANTHONY P. RODIO

Anthony P. Rodio

Chief Executive Officer

Exhibit 31.2

I, Eric Hession, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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.

Dated: November 5, 2019

/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 Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2019 (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.

Dated: November 5, 2019

/S/ ANTHONY P. RODIO

Anthony P. Rodio

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 Financial 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 Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2019 (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.

Dated: November 5, 2019

/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.