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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

May 10, 2018 (May 8, 2018)
Date of Report (Date of earliest event reported)

Caesars Entertainment Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State of Incorporation)

001-10410
(Commission
File Number)

62-1411755
(IRS Employer
Identification Number)

One Caesars Palace Drive
Las Vegas, Nevada 89109
(Address of principal executive offices) (Zip Code)

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

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 8.01 Other Events.

On May 8, 2018, Caesars Entertainment Corporation (the “Company”) entered into a non-binding letter of intent (the “Letter of Intent”) with VICI Properties Inc. (“VICI”) related to the acquisition by VICI of two real estate assets owned by the Company as well as modifications to certain of the lease agreements between the two companies.

The Letter of Intent contemplates that VICI would acquire from the Company the real estate assets associated with the Octavius Tower at Caesars Palace and the real estate assets associated with Harrah’s Philadelphia for \$507.5 million and \$241.5 million, respectively. The aggregate purchase price for these two properties would be reduced by \$159 million to reflect the consideration due to VICI related to the planned lease modifications. The Company would continue to operate both properties under the terms of the long-term leases between both companies. The planned transactions are subject to negotiation of definitive documentation, receipt of regulatory approvals, corporate approvals and other third-party approvals and other conditions.

The description of the Letter of Intent does not purport to be complete and is qualified in its entirety by reference to the Letter of Intent, which is filed as Exhibit 99.1 hereto, and is incorporated herein by reference.

On May 9, 2018, the Company issued a press release announcing these transactions. A copy of the press release is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

Forward-Looking Statements

This filing includes “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts and by the use of words such as “contemplates,” “planned” and “would,” or the negative or other variations thereof or comparable terminology. These forward-looking statements are based on current expectations and projections about future events.

You are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified and, consequently, the actual performance and results of the Company may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the ability of the Company and VICI to negotiate and reach agreement on definitive documentation, receipt of regulatory approvals, other third-party approvals and other conditions, and may include other factors described from time to time in our reports filed with the Securities and Exchange Commission.

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

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being filed herewith:

<u>Exhibit No.</u>	<u>Description</u>
99.1	Letter of Intent, dated May 8, 2018, by and between Caesars Entertainment Corporation and VICI Properties Inc.
99.2	Press Release.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CAESARS ENTERTAINMENT CORPORATION

Date: May 10, 2018

By: /s/ RENEE E. BECKER

Name: Renee E. Becker

Title: Vice President and Chief Counsel – Corporate & Securities,
Assistant Secretary

VICI

Caesars Entertainment Corporation
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attention: Eric Hession

VIA EMAIL: ehession@caesars.com

May 8, 2018

Dear Eric:

This non-binding letter of intent (the "Letter") serves to memorialize the understanding between Caesars Entertainment Corporation ("CEC") and VICI Properties Inc. ("VICI") and, together with CEC, the "Parties" and each a "Party") with regard to the parameters of a strategic transaction which would, among other things amend certain lease agreements and related agreements between the parties, and effect the sale of certain real estate owned by affiliates of CEC to affiliates of VICI (the "Project Victor Transactions"):

1. Certain leases among various respective affiliates of the Parties, which leases are known as the "CPLV Lease", the "Non-CPLV Lease" and the "Joliet Lease" (collectively, the "Leases") will be amended to implement various terms and conditions as are outlined in various term sheets and similar memoranda which have been previously exchanged by representatives of the Parties, including, among other things, to (i) implement certain rent coverage tests which would act to cap base rent escalations under the Leases, (ii) reduce potential variable rent increases (or decreases, as applicable) to 4.0% of revenue growth (or decline, as applicable) over the relevant periods, (iii) with respect to the Non-CPLV Lease and Joliet Lease only, add base rent escalation of 1.5% per year for lease years two through five of the Non-CPLV Lease and the Joliet Lease, and, with respect to the Non-CPLV Lease only, an ability by the tenant to dispose and/or sublease certain leased properties, and (iv) provide a construct to enable CEC or its affiliates to acquire fee ownership of the land known as the Las Vegas Land Assemblage that is currently subject to the Non-CPLV Lease.

2. In connection with the amendments to the Leases, certain other related agreements shall be amended and/or terminated as may be deemed necessary or desirable by the mutual agreement of the Parties to effect the Project Victor Transactions (the "Other Agreements").

3. (a) An affiliate of VICI will acquire from an affiliate of CEC such CEC affiliate's interest in the real property and improvements commonly known as Octavius Tower, having an address of 3570 South Las Vegas Boulevard, Las Vegas Nevada, (the "Octavius Property") pursuant to a purchase and sale agreement (the "Octavius Purchase Agreement") to be entered into with respect thereto, for a purchase price of \$507,500,000, and (b) an affiliate of VICI will acquire from an affiliate of CEC such CEC affiliate's interest in the real property and

improvements having an address of 777 Harrah's Boulevard, Chester, Pennsylvania (the "Chester Property", together with the Octavius Property, the "Project Victor Properties") pursuant to a purchase and sale agreement to be entered into with respect thereto (the "Chester Purchase Agreement" and, together with the Octavius Purchase Agreement, the Leases, as amended, and the Other Agreements (collectively, the "Project Victor Transaction Documentation") for a purchase price of \$241,500,000 which will be reduced by \$159,000,000 to reflect the aggregate net present value of the agreed upon modifications to the Leases. The Octavius Property will remain subject to the CPLV Lease and the Chester Property will be added to the Non-CPLV Lease.

4. The terms and conditions set forth herein do not constitute a binding offer or acceptance. This Letter is an expression of intent only, does not express the full agreement of the Parties, does not constitute a commitment to enter into any of the Project Victor Transactions, is subject to change, and is not binding on the Parties except for Paragraphs 4 through 9 hereof. The Parties do not intend to be legally bound until they enter into definitive agreements regarding the subject matter hereof. The entry into and consummation of the Project Victor Transactions is subject to completion of due diligence to the mutual satisfaction of the Parties, the satisfaction of all conditions, and receipt of regulatory approvals and other third-party approvals and conditions required to consummate the Project Victor Transactions pursuant to the terms of the Project Victor Transaction Documentation.

5. Except for the Mutual Non-Disclosure Agreement dated as of February 13, 2018 between the Parties (which shall stay in full force and effect), this Letter sets forth the entire agreement of the Parties with respect to the Project Victor Transactions and supersedes all prior agreements, both oral and written, related thereto. If any provision of this Letter is held by a court of competent jurisdiction to be unenforceable, then such provision shall be disregarded and the remaining provisions of this Letter shall remain in full force and effect. This Letter may not be assigned or modified without the written consent of both Parties. If the Parties enter into the Project Victor Transaction Documentation, then such documents shall fully replace this Letter.

6. This Letter may be executed electronically, by facsimile and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Letter shall not be deemed to create any partnership, joint venture, license or other similar arrangement between the Parties hereto, nor shall it be deemed to create any obligation on the part of either Party to initiate or to continue any discussion, relationship or arrangement with the other Party.

7. Either Party may terminate this Letter at any time by providing written notice to the other Party without incurring liability or cost to the other Party. If not earlier terminated, this Letter will automatically terminate on the date that is thirty (30) days from the date hereof (the "Termination Date") if the execution of the Project Victor Transaction Documentation has not occurred; provided that the Parties may extend the Termination Date by mutual agreement.

8. The laws of the State of New York shall govern this Letter. For purposes of jurisdiction and venue, any matter arising under this Letter shall be heard solely in the state and federal courts of New York County, New York.

9. Paragraphs 4 and 8 hereof shall survive the termination of this Letter if the Project Victor Transactions are not completed.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the authorized representatives of the Parties hereto have executed this Letter as of the day and year first above written.

VICI PROPERTIES INC.

By: /s/ David Kieske
Name: David Kieske
Title: Executive Vice President,
Chief Financial Officer

CAESARS ENTERTAINMENT CORPORATION

By: /s/ Eric Hession
Name: Eric Hession
Title: Executive Vice President and
Chief Financial Officer



**Caesars Entertainment, VICI Properties Announce Letter of Intent
for Asset Sale, Lease Amendments**

LAS VEGAS – May 9, 2018 – Caesars Entertainment Corporation (NASDAQ: CZR) (“Caesars Entertainment” or “Caesars”) and VICI Properties Inc. (NYSE: VICI) (“VICI Properties” or “VICI”) today announced they have entered into a non-binding letter of intent related to the acquisition by VICI Properties of two real estate assets owned by Caesars as well as modifications to certain of the lease agreements between the two companies. The various strategic transactions will support each of the companies’ growth strategies and demonstrate the strong working relationship and continued alignment of interests between the two companies. The planned transactions are subject to negotiation of definitive documentation, receipt of regulatory approvals and other third-party approvals and other conditions.

The LOI contemplates that VICI will acquire from Caesars the real estate assets associated with the Octavius Tower at Caesars Palace and the real estate assets associated with Harrah’s Philadelphia for \$507.5 million and \$241.5 million, respectively. The aggregate purchase price of \$749 million for these two properties will be reduced by \$159 million to reflect the consideration due to VICI Properties related to the planned lease modifications described below. Caesars will continue to operate both properties under the terms of the long-term leases between both companies.

“The planned lease amendments and asset sales will allow us to create more value for shareholders through growth initiatives and additional investment opportunities in our core businesses,” said Mark Frissora, President and Chief Executive Officer of Caesars Entertainment.

Edward Pitoniak, Chief Executive Officer of VICI Properties said, “We are continuing to execute on all facets of our strategy. Octavius Tower will strengthen our footprint on the Las Vegas Strip, Harrah’s Philadelphia will bolster our presence on the East Coast by establishing a foothold in a top gaming market all while we add \$56 million of NOI to our portfolio at an attractive net cap rate. Moreover, our mutually beneficial relationship and shared interests with Caesars will make the modifications of the lease terms possible. As a REIT, we look to enhance our organic growth in the near-term, protect against volatility in our rental income over the long-term, and incentivize our tenant to invest capital into the real estate to grow and strengthen their own business.”

Lease Amendments

According to the LOI, Caesars and VICI will amend the Caesars Palace Las Vegas (“CPLV”) and other domestic property lease agreements (“Non-CPLV”) in support of both companies’ strategies. Additionally, the parties will add base rent escalation of 1.5% per year for years two through five of the Non-CPLV lease, add minimum rent coverage ratios that would impact the base rent increases paid by Caesars to VICI, and reduce variable rent adjustments from 13% and 19.5% to 4% of revenue growth over the relevant periods.

The modifications to the leases are intended to bring the lease agreements into alignment with other market precedents and the long-term performance of the properties. This will result in near-term increases in rent for VICI as well as the addition of new assets, while moderating changes to Caesars’ long-term rent payments and potential significant volatility in Caesars’ rent payments to VICI. The modifications are also expected to create additional flexibility to facilitate Caesars’ development ambitions on the East Side of the Las Vegas Strip by removing certain impediments associated with those plans.

Octavius and Philadelphia

The Octavius Tower, built in 2012, is a 23-story complex that comprises 1.2 million square feet of space containing 668 hotel rooms located on the Flamingo Avenue side of Caesars Palace Las Vegas. After closing, Caesars will lease from VICI Properties the real estate associated with Octavius Tower for an annual lease payment of \$35 million.

Harrah’s Philadelphia was built in 2006 and is benefiting from significant property enhancements completed in 2017, Harrah’s is located along the waterfront in Chester, Pennsylvania. The property comprises 2.0 million square feet of space featuring approximately 2,450 slot machines, live table games, several bars and restaurants and parking garages. After closing Caesars will lease from VICI Properties the real estate associated with Harrah’s Philadelphia under the Non-CPLV lease agreement. Caesars initial annual lease payment related to Harrah’s Philadelphia will be \$21 million in the first year after close and will be subject to contractual annual increase thereafter in accordance with the Non-CPLV Lease.

The parties expect to announce definitive agreements in the coming weeks and, assuming satisfaction of all conditions, to consummate the transaction in phases by the fall of 2018.

PJT Partners LP is acting as exclusive financial advisor and Latham & Watkins LLP and Mayer Brown LLP are acting as legal advisors to Caesars in connection with the transactions. Morgan Stanley & Co. LLC is acting as exclusive financial advisor, Kramer Levin Naftalis & Frankel LLP is acting as legal advisor and ICR, LLC is acting as communications advisor to VICI Properties.

About Caesars Entertainment Corporation

Caesars Entertainment is the world's most diversified casino-entertainment provider and the most geographically diverse U.S. casino-entertainment company. Since its beginning in Reno, Nevada, in 1937, Caesars Entertainment has grown through development of new resorts, expansions and acquisitions and its portfolio of subsidiaries now operate 47 casinos in 13 U.S. states and five countries. Caesars Entertainment's resorts operate primarily under the Caesars®, Harrah's® and Horseshoe® brand names. Caesars Entertainment's portfolio also includes the Caesars Entertainment UK family of casinos. Caesars Entertainment is focused on building loyalty and value with its guests through a unique combination of great service, excellent products, unsurpassed distribution, operational excellence and technology leadership. Caesars Entertainment is committed to environmental sustainability and energy conservation and recognizes the importance of being a responsible steward of the environment. For more information, please visit www.caesars.com.

About VICI Properties

VICI Properties is an experiential real estate investment trust that owns one of the largest portfolios of market-leading gaming, hospitality and entertainment destinations, including the world-renowned Caesars Palace. VICI Properties' national, geographically diverse portfolio consists of 20 gaming facilities comprising over 36 million square feet and features approximately 14,500 hotel rooms and more than 150 restaurants, bars and nightclubs. Its properties are leased to leading brands such as Caesars, Horseshoe, Harrah's and Bally's, which prioritize customer loyalty and value through great service, superior products and constant innovation. VICI Properties also owns four championship golf courses and 34 acres of undeveloped land adjacent to the Las Vegas Strip. VICI Properties' strategy is to create the nation's highest quality and most productive experiential real estate portfolio. For additional information, please visit www.viciproperties.com.

Forward-Looking Statements

This release includes “forward-looking statements” intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995 regarding the proposed strategic transactions between Caesars and VICI. These forward-looking statements are based on current expectations and projections about future events.

You are cautioned that forward-looking statements are not guarantees of future performance and involve risks and uncertainties that cannot be predicted or quantified and, consequently, the actual results may differ materially from that expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the ability of the parties to negotiate and reach agreement upon definitive documentation, receipt of regulatory approvals and other third-party approvals and other conditions, and may include other factors described from time to time in Caesars’ and VICI’s reports filed with the SEC.

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

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