
**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, 2020

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. 001-36629

CAESARS ENTERTAINMENT, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

46-3657681
(I.R.S. Employer
Identification No.)

100 West Liberty Street, 12th Floor, Reno, Nevada 89501
(Address and zip code of principal executive offices)

(775) 328-0100

(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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$.00001 par value	CZR	NASDAQ Stock 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, 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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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

The number of shares of the Registrant's Common Stock, \$0.00001 par value per share, outstanding as of October 30, 2020 was 208,277,138.

CAESARS ENTERTAINMENT, INC.
QUARTERLY REPORT FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2020
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PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

CAESARS ENTERTAINMENT, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS

<i>(Dollars in millions)</i>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
	<i>(unaudited)</i>	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (\$8 and \$0 attributable to our VIEs)	\$ 1,037	\$ 206
Restricted cash and investments	2,259	4
Accounts receivable, net	385	54
Due from affiliates	37	4
Inventories	49	18
Prepayments and other current assets (\$5 and \$0 attributable to our VIEs)	265	66
Assets held for sale	2,266	253
Total current assets	6,298	605
Investment in and advances to unconsolidated affiliates	170	136
Property and equipment, net (\$84 and \$0 attributable to our VIEs)	14,630	2,615
Gaming licenses and other intangibles, net	4,466	1,111
Goodwill	9,450	910
Other assets, net (\$25 and \$0 attributable to our VIEs)	1,224	264
Deferred income taxes	1	—
Total assets	<u>\$ 36,239</u>	<u>\$ 5,641</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 67	\$ 246
Accounts payable (\$98 and \$0 attributable to our VIEs)	274	62
Accrued interest	241	36
Accrued other liabilities (\$2 and \$0 attributable to our VIEs)	1,371	307
Liabilities related to assets held for sale	517	37
Total current liabilities	2,470	688
Long-term financing obligation	12,547	971
Long-term debt, less current portion	15,203	2,325
Deferred income taxes	1,081	197
Other long-term liabilities (\$19 and \$0 attributable to our VIEs)	1,549	343
Total liabilities	32,850	4,524
Commitments and contingencies (Note 13)		
STOCKHOLDERS' EQUITY:		
Caesars stockholders' equity	3,370	1,117
Noncontrolling interests	19	—
Total stockholders' equity	3,389	1,117
Total liabilities and stockholders' equity	<u>\$ 36,239</u>	<u>\$ 5,641</u>

The accompanying notes are an integral part of these consolidated condensed financial statements.

CAESARS ENTERTAINMENT, INC.
CONSOLIDATED CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

<i>(In millions, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
REVENUES:				
Casino and pari-mutuel commissions	\$ 919	\$ 458	\$ 1,360	\$ 1,386
Food and beverage	125	78	188	229
Hotel	200	94	257	237
Other	133	33	172	84
Net revenues	1,377	663	1,977	1,936
EXPENSES:				
Casino and pari-mutuel commissions	461	229	685	693
Food and beverage	91	60	153	180
Hotel	63	27	91	76
Other	52	12	62	34
General and administrative	330	130	495	381
Corporate	90	13	120	51
Impairment charges	—	—	161	1
Depreciation and amortization	223	53	322	167
Transaction costs and other operating costs	219	14	242	2
Total operating expenses	1,529	538	2,331	1,585
Operating (loss) income	(152)	125	(354)	351
OTHER EXPENSE:				
Interest expense, net	(473)	(72)	(608)	(217)
Loss on extinguishment of debt	(173)	(1)	(173)	(1)
Other (loss) income	9	3	(1)	—
Total other expense	(637)	(70)	(782)	(218)
(Loss) income from continuing operations before income taxes	(789)	55	(1,136)	133
Provision for income taxes	(135)	(18)	(64)	(39)
Net (loss) income from continuing operations, net of income taxes	(924)	37	(1,200)	94
Discontinued operations, net of income taxes	(1)	—	(1)	—
Net (loss) income	(925)	37	(1,201)	94
Net income attributable to noncontrolling interests	(1)	—	(1)	—
Net (loss) income attributable to Caesars	\$ (926)	\$ 37	\$ (1,202)	\$ 94
Net (loss) income per share - basic and diluted:				
Basic (loss) income per share from continuing operations	\$ (6.09)	\$ 0.48	\$ (11.55)	\$ 1.21
Basic loss per share from discontinued operations	—	—	(0.01)	—
Basic (loss) income per share	\$ (6.09)	\$ 0.48	\$ (11.56)	\$ 1.21
Diluted (loss) income per share from continuing operations	\$ (6.09)	\$ 0.47	\$ (11.55)	\$ 1.20
Diluted loss per share from discontinued operations	—	—	(0.01)	—
Diluted (loss) income per share	\$ (6.09)	\$ 0.47	\$ (11.56)	\$ 1.20
Weighted average basic shares outstanding	152	78	104	78
Weighted average diluted shares outstanding	152	79	104	79

The accompanying notes are an integral part of these consolidated condensed financial statements.

CAESARS ENTERTAINMENT, INC.
CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME
(unaudited)

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net (loss) income	\$ (925)	\$ 37	\$ (1,201)	\$ 94
Foreign currency translation adjustments	1	—	1	—
Change in fair market value of interest rate swaps, net of tax	14	—	14	—
Other comprehensive income, net of tax	15	—	15	—
Comprehensive (loss) income	(910)	37	(1,186)	94
Comprehensive income attributable to noncontrolling interests	(1)	—	(1)	—
Comprehensive (loss) income attributable to Caesars	\$ (911)	\$ 37	\$ (1,187)	\$ 94

The accompanying notes are an integral part of these consolidated condensed financial statements.

CAESARS ENTERTAINMENT, INC.
CONSOLIDATED CONDENSED STATEMENTS OF STOCKHOLDERS' EQUITY
(unaudited)

<i>(In millions)</i>	Caesars Stockholders' Equity								
	Common Stock			Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Treasury Stock		Non controlling Interests	Total Stockholders' Equity
	Shares	Amount	Paid-in Capital			Amount	Amount		
Balance, December 31, 2019	78	\$ —	\$ 760	\$ 366	\$ —	\$ (9)	\$ —	\$ 1,117	
Issuance of restricted stock units	—	—	6	—	—	—	—	6	
Net loss	—	—	—	(176)	—	—	—	(176)	
Shares withheld related to net share settlement of stock awards	—	—	(7)	—	—	—	—	(7)	
Balance, March 31, 2020	78	—	759	190	—	(9)	—	940	
Issuance of restricted stock units	—	—	4	—	—	—	—	4	
Issuance of common stock, net	21	—	772	—	—	—	—	772	
Net loss	—	—	—	(100)	—	—	—	(100)	
Balance, June 30, 2020	99	—	1,535	90	—	(9)	—	1,616	
Issuance of restricted stock units	1	—	37	—	—	—	—	37	
Issuance of common stock, net	7	—	235	—	—	—	—	235	
Net (loss) income	—	—	—	(926)	—	—	1	(925)	
Shares issued to Former Caesars shareholders	62	—	2,381	—	—	—	—	2,381	
Former Caesars replacement awards	—	—	24	—	—	—	—	24	
Other comprehensive income, net of tax	—	—	—	—	15	—	—	15	
Shares withheld related to net share settlement of stock awards	—	—	1	—	—	—	—	1	
Acquired noncontrolling interests	—	—	(18)	—	—	—	18	—	
Other	—	—	5	—	—	—	—	5	
Balance, September 30, 2020	169	\$ —	\$ 4,200	\$ (836)	\$ 15	\$ (9)	\$ 19	\$ 3,389	

Caesars Stockholders' Equity

<i>(In millions)</i>	Common Stock		Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Treasury Stock	Non controlling Interests	Total Stockholders' Equity
	Shares	Amount				Amount		
Balance, December 31, 2018	77	\$ —	\$ 748	\$ 290	\$ —	\$ (9)	\$ —	\$ 1,029
Cumulative change in accounting principle, net of tax	—	—	—	(5)	—	—	—	(5)
Issuance of restricted stock units	—	—	5	—	—	—	—	5
Net income	—	—	—	38	—	—	—	38
Shares withheld related to net share settlement of stock awards	—	—	(4)	—	—	—	—	(4)
Balance, March 31, 2019	77	—	749	323	—	(9)	—	1,063
Issuance of restricted stock units	—	—	6	—	—	—	—	6
Net income	—	—	—	19	—	—	—	19
Shares withheld related to net share settlement of stock awards	—	—	(3)	—	—	—	—	(3)
Balance, June 30, 2019	77	—	752	342	—	(9)	—	1,085
Issuance of restricted stock units	—	—	4	—	—	—	—	4
Net income	—	—	—	37	—	—	—	37
Balance, September 30, 2019	77	\$ —	\$ 756	\$ 379	\$ —	\$ (9)	\$ —	\$ 1,126

The accompanying notes are an integral part of these consolidated condensed financial statements.

CAESARS ENTERTAINMENT, INC.
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

<i>(In millions)</i>	Nine Months Ended September 30,	
	2020	2019
Net cash (used in) provided by operating activities	\$ (220)	\$ 260
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	(94)	(135)
Former Caesars acquisition, net of cash acquired	(6,374)	—
Acquisition of gaming rights	(20)	—
Sale of restricted investments	—	5
Proceeds from sale of businesses, property and equipment, net of cash sold	231	169
Investment in unconsolidated affiliates	(1)	(1)
Net cash (used in) provided by investing activities	(6,258)	38
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt and revolving credit facilities	9,765	—
Repayments of long-term debt and revolving credit facilities	(2,826)	(315)
Proceeds from sale-leaseback financing arrangement	3,219	—
Financing obligation payments	(49)	—
Debt issuance and extinguishment costs	(356)	(1)
Proceeds from issuance of common stock	772	—
Cash paid to settle convertible notes	(574)	—
Taxes paid related to net share settlement of equity awards	(8)	(7)
Net cash (used in) provided by financing activities	9,943	(323)
CASH FLOWS FROM DISCONTINUED OPERATIONS:		
Cash flows from operating activities	23	—
Cash flows from investing activities	(4)	—
Net cash from discontinued operations	19	—
Increase (decrease) in cash, cash equivalents and restricted cash	3,484	(25)
Cash, cash equivalents and restricted cash, beginning of period	217	247
Cash, cash equivalents and restricted cash, end of period	\$ 3,701	\$ 222
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH TO AMOUNTS REPORTED WITHIN THE CONSOLIDATED CONDENSED BALANCE SHEETS:		
Cash and cash equivalents	\$ 1,037	\$ 209
Restricted cash	2,251	6
Restricted and escrow cash included in other assets, net	413	7
Total cash, cash equivalents and restricted cash	\$ 3,701	\$ 222
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ 373	\$ 214
Income taxes paid, net	19	43
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Payables for capital expenditures	(44)	11
Exchange for sale-leaseback financing obligation	246	—
Shares issued to settle convertible notes	235	—
Shares issued to Former Caesars shareholders	2,381	—

The accompanying notes are an integral part of these consolidated condensed financial statements.

CAESARS ENTERTAINMENT, INC.
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(unaudited)

Note 1. Organization and Basis of Presentation

Organization

The accompanying consolidated financial statements include the accounts of Caesars Entertainment, Inc., a Delaware corporation formerly known as Eldorado Resorts, Inc. (“ERI” or “Eldorado”), and its consolidated subsidiaries which may be referred to as the “Company,” “CEI,” “Caesars,” “we,” “our,” or “us” within these financial statements.

The Company is a geographically diversified gaming and hospitality company that was founded in 1973 by the Carano family with the opening of the Eldorado Hotel Casino in Reno, Nevada. The Company partnered with MGM Resorts International to build Silver Legacy Resort Casino in Reno, Nevada in 1993 and, beginning in 2005, grew through a series of acquisitions, including the acquisition of Eldorado Shreveport in 2005, MTR Gaming Group, Inc. in 2014, Circus Circus Reno and the 50% membership interest in the Silver Legacy that was owned by MGM Resorts International in 2015, Isle of Capri Casinos, Inc. (“Isle” or “Isle of Capri”) in 2017 and Grand Victoria Casino (“Elgin”) and Tropicana Entertainment, Inc. (“Tropicana”) in 2018.

On July 20, 2020, the Company completed the merger with Caesars Entertainment Corporation (“Former Caesars”) pursuant to which Former Caesars became a wholly-owned subsidiary of the Company (the “Merger”). As a result of the Merger, the Company currently owns, leases or manages an aggregate of 56 domestic properties in 16 states with approximately 67,200 slot machines, video lottery terminals (“VLTs”) and e-tables, approximately 3,500 table games and approximately 48,800 hotel rooms as of September 30, 2020. We also have international operations in five countries outside of the U.S. In addition, we have other domestic and international properties that are authorized to use the brands and marks of Caesars Entertainment, Inc., as well as other non-gaming properties. Upon completion of our previously announced sales, or expected sales, of certain gaming properties, we expect to continue to own, lease or manage 51 properties. See Note 15. The Company’s primary source of revenue is generated by gaming operations, and the Company utilizes its hotels, restaurants, bars, entertainment, racing, sportsbook offerings, retail shops and other services to attract customers to its properties.

In connection with the Merger, Caesars Entertainment Corporation changed its name to “Caesars Holdings, Inc.” and Eldorado Resorts, Inc. converted into a Delaware corporation and changed its name to “Caesars Entertainment, Inc.” In addition, effective as of July 21, 2020 the Company’s ticker symbol on the NASDAQ Stock Market changed from “ERI” to “CZR”. In connection with the Merger, the Company also entered into a Master Transaction Agreement (the “MTA”) with VICI Properties L.P., a Delaware limited partnership (“VICI”), pursuant to which, among other things, the Company agreed to consummate certain sale and leaseback transactions and amend certain lease agreements with VICI and/or its affiliates, with respect to certain property described in the MTA. See Note 2 for further discussion of the Merger and related transactions.

On January 11, 2019 and March 8, 2019, respectively, the Company completed its sales of Presque Isle Downs & Casino (“Presque”) and Lady Luck Casino Nemacolin (“Nemacolin”), which are both located in Pennsylvania. On December 6, 2019, the Company completed its sales of Mountaineer Casino, Racetrack and Resort (“Mountaineer”), Isle Casino Cape Girardeau (“Cape Girardeau”) and Lady Luck Casino Caruthersville (“Caruthersville”). Mountaineer is located in West Virginia and Cape Girardeau and Caruthersville are located in Missouri. On July 1, 2020, the Company completed the sales of Isle of Capri Casino Kansas City (“Kansas City”) and Lady Luck Casino Vicksburg (“Vicksburg”). Kansas City is located in Missouri and Vicksburg is located in Mississippi. On September 30, 2020, the Company completed the sale of Harrah’s Reno which is located in Nevada. See Note 4.

On April 24, 2020, the Company entered into a definitive purchase agreement with Twin River Worldwide Holdings, Inc. (“Twin River”) and certain of its affiliates for the sale of the equity interests of Eldorado Resort Casino Shreveport Joint Venture and Columbia Properties Tahoe, LLC, the entities that hold Eldorado Resort Casino Shreveport (“Eldorado Shreveport”) and MontBleu Casino Resort & Spa (“MontBleu”), for aggregate consideration of \$155 million, subject to a working capital adjustment. The definitive agreement provides that the consummation of the sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals. Eldorado Shreveport and MontBleu are expected to close in the first quarter of 2021.

In connection with its review of the Merger, the Indiana Gaming Commission determined on July 16, 2020 that the Company is required to divest three properties within the state of Indiana in order to avoid undue economic concentrations as conditions to the Indiana Gaming Commission’s approval of the Merger.

On October 27, 2020, the Company entered into an agreement to sell Tropicana Evansville (“Evansville”) to GLP Capital, L.P., the operating partnership of Gaming and Leisure Properties, Inc. (“GLPI”) and Twin River for \$480 million in cash, subject to a customary working capital adjustment. The sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals and is expected to close in mid-2021. In addition, the Company plans to enter into agreements to divest of Caesars Southern Indiana and Horseshoe Hammond prior to December 31, 2020.

Also on October 27, 2020, the Company’s subsidiaries, Isle of Capri Bettendorf, L.C. and IOC Black Hawk County, Inc (collectively, the “Exchanging Subsidiaries”) entered into an Exchange Agreement with GLPI pursuant to which the Exchanging Subsidiaries agreed to transfer the real estate relating to the Isle Casino & Hotels located in Bettendorf, Iowa and Waterloo, Iowa to GLPI in exchange for the real estate relating to Evansville. Following such exchange, the real estate relating to the Isle Casino & Hotels located in Bettendorf, Iowa and Waterloo, Iowa will be subject to the master lease with GLPI that we entered into in connection with the acquisition of Tropicana (the “GLPI Master Lease”).

On September 3, 2020, the Company and VICI entered into an agreement to sell Harrah’s Louisiana Downs Casino, Racing & Entertainment (“Harrah’s Louisiana Downs”) with Rubico Acquisition Corp. for \$22 million, subject to a customary working capital adjustment, where the proceeds will be split between the Company and VICI. The sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals and is expected to close in the first half of 2021.

Former Caesars properties, including Harrah’s Louisiana Downs, Caesars Southern Indiana, Horseshoe Hammond, Harrah’s Reno, Caesars UK group, including Emerald Resort & Casino, and Bally’s Atlantic City, have met, or are expected to meet within a short period of time, held for sale criteria as of the date of the closing of the Merger. The sales of these properties have or are expected to close within one year from the date of the closing of the Merger and the properties are classified as discontinued operations.

Proposed Acquisition of William Hill

The Company has entered into agreements, which became effective January 29, 2019, with William Hill plc and William Hill U.S. Holdco, Inc. (“William Hill US”), its U.S. subsidiary (together, “William Hill”) which granted to William Hill the right to conduct betting activities, including operating certain of our sportsbooks, in retail channels under certain skins for online channels with respect to the Company’s current and future properties, and conduct certain real money online gaming activities. The Company received a 20% ownership interest in William Hill US as well as 13.4 million ordinary shares of William Hill plc, which carry certain time restrictions on when they can be sold. See Note 6 related to the investments in William Hill. Additionally, the Company receives a profit share from the operations of sports betting and other gaming activities associated with the Company’s properties.

On September 30, 2020, the Company announced that it had reached an agreement with William Hill plc on the terms of a recommended cash acquisition pursuant to which the Company would acquire the entire issued and to be issued share capital (other than shares owned by the Company or held in treasury) of William Hill plc, in an all-cash transaction of approximately £2.9 billion, or \$3.7 billion. The transaction is conditioned on, among other things, the approval of William Hill plc shareholders and receipt of required regulatory approvals. To provide liquidity to fund the cash purchase price for the proposed acquisition, the Company entered into various financing transactions. On September 25, 2020, the Company borrowed \$900 million under the CEI Revolving Credit Facility (defined below), which was repaid subsequent to September 30, 2020. See Note 10. On September 28, 2020, the Company deposited \$2.1 billion, which included the borrowings under the CEI Revolving Credit Facility, into an escrow account related to the William Hill offer. As of September 30, 2020, these funds in escrow were classified as restricted cash until certain regulatory approvals were received. In addition, on October 1, 2020, the Company raised an additional \$1.9 billion through a public offering of Company Common Stock. See Note 5.

In order to manage the risk of appreciation of the GBP denominated purchase price the Company has entered into foreign exchange forward contracts. See Note 11.

In connection with the proposed acquisition of William Hill plc, on September 29, 2020, the Company entered into a debt financing commitment letter pursuant to which the lenders party thereto have committed to arrange and provide a newly formed subsidiary of the Company with (a) a £1.0 billion senior secured 540-day bridge loan facility, (b) a £116 million senior secured 540-day revolving credit facility and (c) a £503 million senior secured 60-day bridge loan facility (collectively, the “Debt Financing”). The proceeds of the Debt Financing will be used (i) to pay a portion of the cash consideration for the proposed acquisition, (ii) to refinance certain of William Hill plc’s and its subsidiaries’ existing debt, (iii) to pay fees and expenses related to the acquisition and related transactions and (iv) for working capital and general corporate purposes.

Pending negotiation of the loan agreement for the Debt Financing, on October 6, 2020, a newly formed subsidiary of the Company entered into a £1.5 billion Interim Facilities Agreement with Deutsche Bank AG, London Branch and JPMorgan Chase Bank, N.A. to provide: (a) a 90-day £1.0 billion interim asset sale bridge facility and (b) a 90-day £503 million interim

cash confirmation bridge facility, which Interim Facilities Agreement will be terminated upon the execution of the loan agreement for the Debt Financing. Upon receipt of regulatory approvals, the restriction on the \$2.1 billion funded as of September 30, 2020, was released and the Company transferred \$1.4 billion of cash into the Company's operating accounts and the outstanding balance of the CEI Revolving Credit Facility was repaid in full. Approximately \$598 million of cash remains in an unrestricted account.

Reclassifications

Certain reclassifications of prior year presentations have been made to conform to the current period presentation. Marketing and promotions expense previously disclosed for the three and nine months ended September 30, 2019 has been reclassified to Casino and pari-mutuel commissions expense and General and administrative expense based on the nature of the expense.

Basis of Presentation

The accompanying unaudited consolidated condensed financial statements of the Company and its subsidiaries have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim financial information with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, the accompanying unaudited consolidated condensed financial statements contain all adjustments, all of which are normal and recurring, considered necessary for a fair presentation. The results of operations for these interim periods are not necessarily indicative of the operating results for other quarters, for the full year or any future period.

The executive decision maker of the Company reviews operating results, assesses performance and makes decisions on a "significant market" basis. Management views each of the Company's casinos as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, and their management and reporting structure. Prior to the Merger, our principal operating activities occurred in five geographic regions and reportable segments: West, Midwest, South, East and Central. Following the Merger, the Company's principal operating activities occur in three regionally-focused reportable segments. The reportable segments are based on the similar characteristics of the operating segments with the way management assesses these results and allocates resources, which is a consolidated view that adjusts for the effect of certain transactions between these reportable segments within Caesars: (1) Las Vegas, (2) Regional, and (3) Managed, International, CIE, in addition to Corporate and Other. See Note 15 for a listing of properties included in each segment.

The presentation of financial information herein for the period after the Company's acquisition of Former Caesars on July 20, 2020 is not fully comparable to the periods prior to the acquisition. In addition, the presentation of financial information herein for the periods after the Company's sales of Presque and Nemaquin on January 11, 2019 and March 8, 2019, respectively, the Company's sales of Mountaineer, Cape Girardeau and Caruthersville on December 6, 2019, and the Company's sales of Kansas City and Vicksburg on July 1, 2020 are not fully comparable to the periods prior to their respective sale dates. See Note 4.

These unaudited consolidated condensed financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

Consolidation of Subsidiaries and Variable Interest Entities

Our consolidated condensed financial statements include the accounts of Caesars 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 as investments in equity securities.

We consider ourselves the primary beneficiary of a VIE when we have both the power to direct the activities that most significantly affect the results of the VIE and the right to receive benefits or the obligation to absorb losses of the entity that could be potentially significant to the VIE. 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, there may be a material effect to our financial statements.

Consolidation of Korea Joint Venture

The Company 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 the Company is the primary beneficiary, and therefore, we consolidate the Korea JV into our financial statements.

Recent Developments Related to COVID-19

In January 2020, an outbreak of a new strain of coronavirus (“COVID-19”) was identified and has since spread throughout much of the world, including the United States. All of the Company’s casino properties were temporarily closed for the period from mid-March 2020 through mid-May 2020 due to orders issued by various government agencies and tribal bodies as part of certain precautionary measures intended to help slow the spread of the COVID-19 public health emergency. On May 15, 2020, the Company began reopening properties and has resumed certain operations at all properties as of September 30, 2020, with the exception of The Cromwell, Planet Hollywood Resort and Casino (“Planet Hollywood”), Rio All-Suite Hotel & Casino, and Caesars Windsor. Planet Hollywood and Caesars Windsor reopened on October 8, 2020, and The Cromwell reopened on October 29, 2020. The COVID-19 public health emergency has had a material adverse effect on the Company’s business, financial condition and results of operations for the three and nine months ended September 30, 2020. The Company continued to pay its full-time employees through April 10, 2020, including tips and tokens. Effective April 11, 2020, the Company furloughed approximately 90% of its employees, implemented salary reductions and committed to continue to provide benefits to its employees through September 30, 2020. Subsequently, the benefit coverage for furloughed employees was extended indefinitely. A portion of the Company’s workforce has returned to service as the properties have resumed with limited capacities and in compliance with operating restrictions imposed by governmental or tribal orders, directives, and guidelines. Due to a triggering event resulting from the COVID-19 public health emergency, the Company recognized impairment charges related to goodwill and trade names during the nine months ended September 30, 2020. See Note 7 for details.

Due to the impact of the ongoing COVID-19 public health emergency on the Company’s results of operations, in June 2020 the Company obtained waivers on the financial covenants in its former credit facility agreement and the GLPI Master Lease. In addition, Former Caesars obtained a waiver of the financial covenant in the credit agreement by and among Caesars Resort Collection, LLC and the lenders thereunder (the “CRC Credit Agreement”). Furthermore, the Company obtained waivers from VICI in relation to annual capital expenditure requirements during the period from June 1, 2020 until December 31, 2020. See Note 10 for details.

The extent of the ongoing and future effects of the COVID-19 public health emergency on the Company’s business and the casino resort industry generally is uncertain, but the Company expects that it will continue to have a significant impact on its business, results of operations and financial condition. The extent and duration of the impact of COVID-19 will ultimately depend on future developments, including but not limited to, the duration and severity of the outbreak, restrictions on operations imposed by governmental authorities, the potential for authorities reimposing stay at home orders or additional restrictions in response to continued developments with the COVID-19 public health emergency, the Company’s ability to adapt to evolving operating procedures, the impact on consumer demand and discretionary spending, the length of time it takes for demand to return and the Company’s ability to adjust its cost structures for the duration of the outbreak’s effect on its operations.

Recently Issued Accounting Pronouncements

Pronouncements Implemented in 2020

In June 2016 (modified in November 2018), the Financial Accounting Standards Board (“FASB”) issued ASU No 2016-13, Financial Instruments – Credit Losses related to the timing of recognizing impairment losses on financial assets. The new guidance lowers the threshold on when losses are incurred, from a determination that a loss is probable to a determination that a loss is expected. The guidance is effective for interim and annual periods beginning after December 15, 2019. Adoption of the guidance required a modified-retrospective approach and a cumulative adjustment to retained earnings to the first reporting period that the update is effective. The Company adopted the new guidance on January 1, 2020. Adoption of this guidance did not have a material impact on the Company’s Consolidated Condensed Financial Statements.

In August 2018, the FASB issued ASU 2018-15, Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract. This amendment 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 (and hosting arrangements that include an internal use software license). This generally means that an intangible asset is recognized for the software license and, to the extent that the payments attributable to the software license are made over time, a liability also is recognized. If a cloud computing arrangement does not include a software license, the entity should account for the arrangement as a service contract. This generally means that the

fees associated with the hosting element (service) of the arrangement are expensed as incurred. The amendment was effective for annual and interim periods beginning after December 15, 2019. The Company adopted the new guidance on January 1, 2020. Adoption of this guidance did not have a material impact on the Company's Consolidated Condensed Financial Statements.

In August 2018, the FASB issued ASU 2018-13, Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement. This amendment modifies the disclosure requirements for fair value measurements and was effective for annual and interim periods beginning after December 15, 2019. The Company adopted the new guidance on January 1, 2020. Adoption of this guidance did not have a material impact on the Company's Consolidated Condensed Financial Statements.

Pronouncements To Be Implemented In Future Periods

In August 2018, the FASB issued ASU No 2018-14, Compensation – Retirement Benefits – Defined Benefit Plans – General. This amendment improves disclosures over defined benefit plans and is effective for interim and annual periods ending after December 15, 2020 with early adoption allowed. The Company anticipates adopting this amendment during the first quarter of 2021, and currently does not expect it to have a significant impact on its Consolidated Condensed Financial Statements.

In December 2019, the FASB issued ASU 2019-12, Simplifying the Accounting for Income Taxes. This amendment modifies accounting guidelines for income taxes and is effective for annual and interim periods beginning after December 15, 2020 with early adoption allowed. The Company will adopt the new guidance on January 1, 2021. The Company is evaluating the qualitative and quantitative effect the new guidance will have on its Consolidated Condensed Financial Statements.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform. The amendments in this update are intended to provide relief to the companies that have contracts, hedging relationships or other transactions that reference the London Inter-bank Offered Rate ("LIBOR") or another reference rate which is expected to be discontinued because of reference rate reform. The amendments provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions if certain criteria are met. The amendments in this update are effective as of March 12, 2020 and companies may elect to apply the amendments prospectively through December 31, 2022. The Company is evaluating the qualitative and quantitative effect the new guidance will have on its Consolidated Condensed Financial Statements.

In August 2020, the FASB issued ASU 2020-06, Debt with Conversion and Other Options and Derivatives and Hedging. This update amends guidance on convertible instruments and the guidance on derivative scope exception for contracts in an entity's own equity. The amendments for convertible instruments reduce the number of accounting models for convertible debt instruments and convertible preferred stock. In addition, the amendments provide guidance on instruments that will continue to be subject to separation models and improves disclosure for convertible instruments and guidance for earnings per share. Furthermore, the update amends guidance for the derivatives scope exception for contracts in an entity's own equity to reduce form-over-substance-based accounting conclusions. The amendments in this update are effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years. These amendments should be applied on either a modified retrospective basis or a fully retrospective basis. The Company is currently assessing the effect the adoption of this standard will have on our prospective financial statements.

Note 2. Acquisition of Former Caesars

Merger with Caesars Entertainment Corporation

On July 20, 2020, the Merger was consummated and Former Caesars became a wholly-owned subsidiary of the Company. The strategic rationale for the Merger includes, but is not limited to, the following:

- Creation of the largest owner, operator and manager of domestic gaming assets
- Diversification of the Company's domestic footprint
- Access to iconic brands, rewards programs and new gaming opportunities expected to enhance customer experience
- Realization of significant identified synergies

The total purchase consideration for Former Caesars was \$10.9 billion. The estimated purchase consideration in the acquisition was determined with reference to its acquisition date fair value.

<i>(In millions)</i>	Consideration
Cash consideration paid	\$ 6,090
Shares issued to Former Caesars shareholders	2,381
Cash paid to retire Former Caesars debt	2,356
Other consideration paid	48
Total purchase consideration	\$ 10,875

Based on the closing price of \$38.24 per share of the Company's common stock, par value \$0.00001 per share ("Company Common Stock"), reported on NASDAQ on July 20, 2020, the aggregate implied value of the aggregate merger consideration paid to former holders of Former Caesars common stock in connection with the Merger was approximately \$8.5 billion, including approximately \$2.4 billion in the Company Common Stock and approximately \$6.1 billion in cash. The aggregate merger consideration transferred also included approximately \$2.4 billion related to the repayment of certain outstanding debt balances of Former Caesars and approximately \$48 million of other consideration paid which includes \$19 million related to a transaction success fee, for the benefit of Former Caesars, and \$29 million for the replacement of equity awards of certain employees attributable to services provided prior to the Merger.

Pursuant to the Merger, each share of Former Caesars common stock was converted into the right to receive, at the election of the holder thereof and subject to proration, approximately \$12.41 of cash consideration or approximately 0.3085 shares of Company Common Stock, with a value equal to approximately \$12.41 in cash (based on the volume weighted average price per share of Company Common Stock for the 10 trading days ending on July 16, 2020). Following the consummation of the Merger, stockholders of the Company and stockholders of Former Caesars held approximately 61% and 39%, respectively, of the outstanding shares of Company Common Stock.

Preliminary Purchase Price Allocation

The fair values are based on management's analysis including preliminary work performed by third party valuation specialists, which are subject to finalization over the one-year measurement period. The purchase price accounting for Former Caesars is preliminary as it relates to determining the fair value of certain assets and liabilities, including goodwill, and is subject to change. The following table summarizes the preliminary allocation of the purchase consideration to the identifiable assets acquired and liabilities assumed of Former Caesars, with the excess recorded as goodwill as of September 30, 2020:

<i>(In millions)</i>	Fair Value
Current and other assets	\$ 4,264
Property and equipment	12,730
Goodwill	8,649
Intangible assets ^(a)	3,549
Other noncurrent assets	684
Total assets	\$ 29,876
Current liabilities	\$ 1,896
Financing obligation	8,134
Long-term debt	6,591
Noncurrent liabilities	2,362
Total liabilities	18,983
Noncontrolling interests	18
Net assets acquired	\$ 10,875

^(a) Intangible assets consist of gaming licenses valued at \$537 million, trade names valued at \$2.1 billion and Caesars Rewards programs valued at \$540 million and customer relationships of \$404 million.

The fair values of the assets acquired and liabilities assumed were determined using the market, income, and cost approaches, or a combination. Valuation methodologies under both a market and income approach used for the identifiable net assets acquired in the Former Caesars acquisition make use of Level 3 inputs, such as expected cash flows and projected financial results. The market approach indicates value for a subject asset based on available market pricing for comparable assets.

Trade receivables and payables and other current and liabilities were valued at the existing carrying values as they represented the estimated fair value of those items at the Former Caesars acquisition date. Assets and liabilities held for sale are recorded at fair value, less costs to sell, based on the agreements reached as of the acquisition date, or an income approach.

Certain financial assets acquired were determined to have experienced more than insignificant deterioration of credit quality since origination. A reconciliation of the difference between the purchase price of financial assets, including acquired markers, and the face value of the assets is as follows:

<i>(In millions)</i>	
Purchase price of financial assets	\$ 95
Allowance for credit losses at the acquisition date based on the acquirer's assessment	89
Discount / (premium) attributable to other factors	2
Face value of financial assets	<u>\$ 186</u>

The fair value of land was determined using the sales comparable approach. The market data is then adjusted for any significant differences, to the extent known, between the identified comparable sites and the site being valued. The value of building and site improvements was estimated via the income approach. Other personal property assets such as furniture, gaming and computer equipment, fixtures, computer software, and restaurant equipment were valued using the cost approach which is based on replacement or reproduction costs of the asset. The cost approach is an estimation of fair value developed by computing the current cost of replacing a property and subtracting any depreciation resulting from one or more of the following factors: physical deterioration, functional obsolescence, and/or economic obsolescence.

Non-amortizing intangible assets acquired primarily include trademarks, Caesars Rewards and gaming rights. The fair value for these intangible assets was determined using either the relief from royalty method and excess earnings method under the income approach or a replacement cost market approach.

Trademarks and Caesars Rewards were valued using the relief from royalty method, which presumes that without ownership of such trademarks or loyalty program, the Company would have to make a stream of payments to a brand or franchise owner in return for the right to use their name or program. By virtue of this asset, the Company avoids any such payments and records the related intangible value of the Company's ownership of the brand name or program. The acquired Trademarks, including Caesars Rewards are indefinite lived intangible assets.

Customer relationships are valued using an income approach, comparing the prospective cash flows with and without the customer relationships in place to estimate the fair value of the customer relationships, with the fair value assumed to be equal to the discounted cash flows of the business that would be lost if the customer relationships were not in place and needed to be replaced. We estimate the useful life of these customer relationships to be approximately 7 years.

Gaming rights include our gaming licenses in various jurisdictions and may have indefinite lives or an estimated useful life. The fair value of the gaming rights was determined using the excess earnings or replacement cost methodology, based on whether the license resides in gaming jurisdictions where competition is limited to a specified number of licensed gaming operators. The excess earnings methodology is an income approach methodology that estimates the projected cash flows of the business attributable to the gaming license intangible asset, which is net of charges for the use of other identifiable assets of the business including working capital, fixed assets and other intangible assets. The replacement cost of the gaming license was used as an indicator of fair value. The acquired gaming rights have indefinite lives, with the exception of one jurisdiction in which we estimate the useful life of the license to be approximately 34 years.

Goodwill is the result of expected synergies from the operations of the combined company and the assembled workforce of Former Caesars. The goodwill acquired will not generate amortization deductions for income tax purposes. Pushdown accounting, including the allocation of goodwill to our reportable segments, is not complete.

The fair value of long-term debt has been calculated based on market quotes. The fair value of the financing obligations were calculated as the net present value of both the fixed base rent payments and the forecasted variable payments plus the expected residual value of the land and building returned at the end of the expected usage period.

The Company recognized acquisition-related transaction costs of \$107 million and \$129 million for the three and nine months ended September 30, 2020, respectively, and \$13 million and \$17 million for the three and nine months ended September 30, 2019, respectively. These costs were associated with legal, IT costs, internal labor and professional services and were recognized as Transaction costs and other operating costs in our Consolidated Statements of Comprehensive (Loss) Income.

For the period of July 20, 2020 through September 30, 2020, Former Caesars generated net revenues of \$924 million and net loss of \$564 million.

Unaudited Pro Forma Financial Information

The following unaudited pro forma financial information is presented to illustrate the estimated effects of the acquisition of Former Caesars as if it had occurred on January 1, 2019. The pro forma amounts include the historical operating results of the Company and Former Caesars prior to the acquisition, with adjustments directly attributable to the acquisition. The pro forma results include adjustments and consequential tax effects to reflect incremental depreciation and amortization expense to be incurred based on preliminary fair values of the identifiable property and equipment and intangible assets acquired, the incremental interest expense associated with the issuance of debt to finance the acquisition and the adjustments to exclude acquisition related costs incurred during the three and nine months ended September 30, 2020 and to recognize these costs during the nine months ended September 30, 2019 as if incurred in the first quarter of 2019. The unaudited pro forma financial information is not necessarily indicative of what the consolidated results of operations of the combined company were, nor does it reflect the expected realization of any synergies or cost savings associated with the acquisition.

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net revenues	\$ 1,639	\$ 2,607	\$ 4,145	\$ 7,652
Net loss	(989)	(363)	(2,266)	(894)
Net loss attributable to Caesars	(927)	(362)	(2,200)	(892)

Note 3. Revenue Recognition

The Company recognizes as casino revenue the net win from gaming activities, which is the difference between gaming wins and losses, not the total amount wagered. Progressive jackpots are accrued and charged to revenue at the time the obligation to pay the jackpot is established. Gaming revenues are recognized net of certain cash and free play incentives. Pari-mutuel commissions consist of commissions earned from thoroughbred and harness racing and importing of simulcast signals from other race tracks and are recognized at the time wagers are made. Such commissions are a designated portion of the wagering handle as determined by state racing commissions and are shown net of the taxes assessed by state and local agencies, as well as purses and other contractual amounts paid to horsemen associations. The Company recognizes revenues from fees earned through the exporting of simulcast signals to other race tracks at the time wagers are made, which are recorded on a gross basis. Such fees are based upon a predetermined percentage of handle as contracted with the other race tracks.

The Company's consolidated condensed statement of operations presents net revenue disaggregated by type or nature of the good or service. A summary of net revenues disaggregated by type of revenue and reportable segment is presented below. We recast previously reported segment amounts to conform to the way management assesses results and allocates resources for the current year. Refer to Note 1 and Note 15 for additional information on the Company's reportable segments.

<i>(In millions)</i>	Three Months Ended September 30, 2020				
	Las Vegas	Regional	Managed, International & CIE	Corporate and Other	Total
Casino and pari-mutuel commissions	\$ 122	\$ 774	\$ 23	\$ —	\$ 919
Food and beverage	52	72	1	—	125
Hotel	79	121	—	—	200
Other	51	33	45	4	133
Net revenues	\$ 304	\$ 1,000	\$ 69	\$ 4	\$ 1,377

<i>(In millions)</i>	Three Months Ended September 30, 2019				
	Las Vegas	Regional	Managed, International & CIE	Corporate and Other	Total
Casino and pari-mutuel commissions	\$ —	\$ 458	\$ —	\$ —	\$ 458
Food and beverage	—	78	—	—	78
Hotel	—	94	—	—	94
Other	—	31	—	2	33
Net revenues	\$ —	\$ 661	\$ —	\$ 2	\$ 663

Nine Months Ended September 30, 2020

<i>(In millions)</i>	Las Vegas	Regional	Managed, International & CIE	Corporate and Other	Total
Casino and pari-mutuel commissions	\$ 122	\$ 1,215	\$ 23	\$ —	\$ 1,360
Food and beverage	52	135	1	—	188
Hotel	79	178	—	—	257
Other	51	68	45	8	172
Net revenues	<u>\$ 304</u>	<u>\$ 1,596</u>	<u>\$ 69</u>	<u>\$ 8</u>	<u>\$ 1,977</u>

Nine Months Ended September 30, 2019

<i>(In millions)</i>	Las Vegas	Regional	Managed, International & CIE	Corporate and Other	Total
Casino and pari-mutuel commissions	\$ —	\$ 1,386	\$ —	\$ —	\$ 1,386
Food and beverage	—	229	—	—	229
Hotel	—	237	—	—	237
Other	—	78	—	6	84
Net revenues	<u>\$ —</u>	<u>\$ 1,930</u>	<u>\$ —</u>	<u>\$ 6</u>	<u>\$ 1,936</u>

Accounts receivable, net include the following amounts:

<i>(In millions)</i>	Balance Sheet as of	
	September 30, 2020	December 31, 2019
Casino and pari-mutuel commissions	\$ 121	\$ 16
Food and beverage and hotel	27	17
Other	237	21
Accounts receivable, net	<u>\$ 385</u>	<u>\$ 54</u>

Contract and Contract Related Liabilities

The Company records contract or contract-related liabilities related to differences between the timing of cash receipts from the customer and the recognition of revenue. The Company generally has three types of liabilities related to contracts with customers: (1) outstanding chip liability, which represents the amounts owed in exchange for gaming chips held by a customer, (2) player loyalty program obligations, subsequently combined as Caesars Rewards, which represents the deferred allocation of revenue relating to reward credits granted to Caesars Rewards members based on on-property spending, including gaming, hotel, dining, retail shopping, and player loyalty program incentives earned, and (3) customer deposits and other deferred revenue, which is primarily funds deposited by customers related to gaming play, advance payments received for goods and services yet to be provided (such as advance ticket sales, deposits on rooms and convention space or for unpaid wagers), and deferred revenues associated with the Company's existing interests in William Hill (see Note 6). Except for deferred revenues related to William Hill, these liabilities are generally expected to be recognized as revenue within one year of being purchased, earned, or deposited and are recorded within accrued other liabilities on the Company's Consolidated Condensed Balance Sheets.

The following table summarizes the activity related to contract and contract-related liabilities:

<i>(In millions)</i>	Outstanding Chip Liability		Caesars Rewards		Customer Deposits and Other Deferred Revenue	
	2020	2019	2020	2019	2020	2019
Balance at January 1	\$ 10	\$ 9	\$ 13	\$ 18	\$ 172	\$ 28
Balance at September 30	28	8	106	14	270	173
Increase / (decrease)	<u>\$ 18</u>	<u>\$ (1)</u>	<u>\$ 93</u>	<u>\$ (4)</u>	<u>\$ 98</u>	<u>\$ 145</u>

The September 30, 2020 balances exclude liabilities related to assets held for sale recorded in 2020 and 2019 (see Note 4). The significant change in contract and contract-related liabilities during the nine months ended September 30, 2020 was primarily due to the liabilities assumed subsequent to the Merger with Former Caesars. The significant change in customer deposits and

other deferred revenue during the nine months ended September 30, 2019 was primarily attributed to the initial recognition of the Company's interests in William Hill, which is recorded in other long-term liabilities on the Consolidated Condensed Balance Sheets (see Note 6).

Note 4. Assets Held for Sale

Held for sale - Continuing operations

Eldorado Shreveport, MontBleu and Evansville

In connection with its review of the Merger, the Indiana Gaming Commission determined on July 16, 2020 that the Company is required to divest three properties within the state of Indiana in order to avoid undue economic concentrations as conditions to the Indiana Gaming Commission's approval of the Merger. On October 27, 2020, the Company entered into an agreement to sell Evansville to GLPI and Twin River for \$480 million in cash, subject to a customary working capital adjustment. The sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals and is expected to close in mid-2021. In addition, the Company plans to enter into agreements to divest of Caesars Southern Indiana and Horseshoe Hammond prior to December 31, 2020. Evansville met the requirements for presentation as assets held for sale as of September 30, 2020, while Caesars Southern Indiana and Horseshoe Hammond met the requirements for presentation as held for sale and discontinued operations.

On April 24, 2020, the Company entered into a definitive purchase agreement with Twin River and certain of its affiliates for the sale of the equity interests of Eldorado Resort Casino Shreveport Joint Venture and Columbia Properties Tahoe, LLC, the entities that hold Eldorado Shreveport and MontBleu, respectively, for aggregate consideration of \$155 million, subject to a working capital adjustment. The definitive agreement provides that the consummation of the sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals. Eldorado Shreveport and MontBleu are expected to close in the first quarter of 2021.

Eldorado Shreveport and MontBleu met the requirements for presentation as assets held for sale as of September 30, 2020. However, the pending divestitures of Eldorado Shreveport and MontBleu did not meet the requirements for presentation as discontinued operations and are included in income from continuing operations in the periods presented.

As a result of the agreement to sell MontBleu, an impairment charge totaling \$45 million was recorded during the nine months ended September 30, 2020 due to the carrying value exceeding the estimated net sales proceeds. The impairment charges resulted in a reduction to the carrying amounts of the right-of-use assets, property and equipment, goodwill and other intangibles totaling \$18 million, \$23 million and \$4 million, respectively. See Note 7.

The assets and liabilities held for sale, accounted for at carrying value as it was lower than fair value, were as follows as of September 30, 2020:

<i>(In millions)</i>	September 30, 2020		
	Shreveport	MontBleu	Evansville
Assets:			
Property and equipment, net	\$ 85	\$ 37	\$ 302
Goodwill	—	—	9
Gaming licenses and other intangibles, net	21	—	138
Other assets, net	15	32	48
Assets held for sale	<u>\$ 121</u>	<u>\$ 69</u>	<u>\$ 497</u>
Current liabilities	\$ 21	\$ 72	\$ 36
Liabilities related to assets held for sale	<u>\$ 21</u>	<u>\$ 72</u>	<u>\$ 36</u>

The following information presents the net revenues and net (loss) income for the Company's properties that are held for sale:

<i>(In millions)</i>	Three Months Ended September 30, 2020		
	Shreveport	MontBleu	Evansville
Net revenues	\$ 21	\$ 11	\$ 31
Net (loss) income	7	(3)	1

<i>(In millions)</i>	Nine Months Ended September 30, 2020		
	Shreveport	MontBleu	Evansville
Net revenues	\$ 51	\$ 23	\$ 71
Net (loss) income	8	(43)	(7)

Held for sale - Sold

Kansas City, Vicksburg, Mountaineer, Caruthersville, Cape Girardeau, Presque and Nemaocolin Divestitures

On July 1, 2020, the Company consummated the sale of the equity interests of the entities that hold Vicksburg and Kansas City to Twin River for \$230 million resulting in a gain of \$8 million. The sales of Mountaineer, Caruthersville and Cape Girardeau were consummated on December 6, 2019. The sale of Nemaocolin closed on March 8, 2019 resulting in a gain on sale of \$0.1 million, net of final working capital adjustments, for the nine months ended September 30, 2019. The sale of Presque closed on January 11, 2019 resulting in a gain on sale of \$22 million, net of final working capital adjustments, for the nine months ended September 30, 2019. Prior to their respective closing dates, Vicksburg, Kansas City, Mountaineer, Caruthersville, Cape Girardeau, Nemaocolin and Presque met the requirements for presentation as assets held for sale under generally accepted accounting principles. However, they did not meet the requirements for presentation as discontinued operations. All properties were previously reported in the Regional segment.

The following information presents the net revenues and net (loss) income of Kansas City and Vicksburg properties for the three and nine months ended September 30, 2020:

<i>(In millions)</i>	Three Months Ended September 30, 2020		Nine Months Ended September 30, 2020	
	Kansas City	Vicksburg	Kansas City	Vicksburg
Net revenues	\$ —	\$ —	\$ 18	\$ 7
Net (loss) income	1	—	3	(1)

The following information presents the net revenues and net (loss) income of held for sale properties for the three and nine months ended September 30, 2019:

<i>(In millions)</i>	Three Months Ended September 30, 2019						
	Mountaineer	Cape Girardeau	Caruthersville	Kansas City	Vicksburg	Presque	Nemaocolin
Net revenues	\$ 33	\$ 14	\$ 9	\$ 15	\$ 6	\$ —	\$ —
Net income	3	2	1	1	—	—	—

<i>(In millions)</i>	Nine Months Ended September 30, 2019						
	Mountaineer	Cape Girardeau	Caruthersville	Kansas City	Vicksburg	Presque	Nemaocolin
Net revenues	\$ 96	\$ 44	\$ 26	\$ 48	\$ 16	\$ 3	\$ 5
Net (loss) income	7	6	5	8	(1)	—	(1)

The assets and liabilities held for sale, accounted for at carrying value as it was lower than fair value, were as follows as of December 31, 2019:

<i>(In millions)</i>	December 31, 2019		
	Kansas City	Vicksburg	Total
Assets:			
Property and equipment, net	\$ 39	\$ 31	\$ 70
Goodwill	40	9	49
Gaming licenses and other intangibles, net	91	3	94
Other assets, net	36	4	40
Assets held for sale	<u>\$ 206</u>	<u>\$ 47</u>	<u>\$ 253</u>
Current liabilities	\$ 3	\$ 2	\$ 5
Other long-term liabilities	33	—	33
Liabilities related to assets held for sale	<u>\$ 36</u>	<u>\$ 2</u>	<u>\$ 38</u>

These amounts include historical operating results, adjusted to eliminate the internal allocation of interest expense that was not assumed by the buyer.

Held for sale - Discontinued operations

As result of the Merger, certain Former Caesars properties, including Harrah's Louisiana Downs, Caesars Southern Indiana, Horseshoe Hammond, Harrah's Reno, Caesars UK group, including Emerald Resorts & Casino, and Bally's Atlantic City ("Bally's AC") have met, or are expected to meet within a short period of time, held for sale criteria as of the date of the closing of the Merger. The sales of these properties have or are expected to close within one year from the date of the closing of the Merger and the properties are classified as discontinued operations.

On September 30, 2020, the Company and VICI completed the sale of Harrah's Reno for \$42 million. The proceeds from the sale were split between the Company and VICI, and the Company received \$8 million of net proceeds.

The following information presents the net revenues and net (loss) income for the Company's properties that are part of discontinued operations for the three months ended September 30, 2020:

<i>(In millions)</i>	Three Months Ended September 30, 2020					
	Harrah's Louisiana Downs	Harrah's Reno	Horseshoe Hammond	Caesars UK	Bally's AC	Caesars Southern Indiana
Net revenues	\$ 9	\$ —	\$ 66	\$ 11	\$ 31	\$ 39
Net (loss) income	2	(4)	9	(11)	5	1

The assets and liabilities held for sale as a discontinued operation, accounted for at carrying value as it was lower than fair value, were as follows as of September 30, 2020:

	September 30, 2020				
<i>(In millions)</i>	Harrah's Louisiana Downs	Horseshoe Hammond	Caesars UK	Bally's AC	Caesars Southern Indiana
Assets:					
Cash	\$ 9	\$ 14	\$ 36	\$ 10	\$ 7
Property and equipment, net	11	404	69	25	413
Goodwill	3	138	35	—	136
Gaming licenses and other intangibles, net	5	30	50	—	23
Other assets, net	1	43	107	6	4
Assets held for sale	<u>\$ 29</u>	<u>\$ 629</u>	<u>\$ 297</u>	<u>\$ 41</u>	<u>\$ 583</u>
Current liabilities	<u>\$ 6</u>	<u>\$ 34</u>	<u>\$ 89</u>	<u>\$ 14</u>	<u>\$ 20</u>
Other long-term liabilities ^(a)	6	73	125	20	1
Liabilities related to assets held for sale	<u>\$ 12</u>	<u>\$ 107</u>	<u>\$ 214</u>	<u>\$ 34</u>	<u>\$ 21</u>

^(a) We have included \$25 million of deferred finance obligation as held for sale liabilities for Bally's Atlantic City and Louisiana Downs, which represent our preliminary purchase price allocation of the liability which will be derecognized upon completion of those divestitures. We have not included any portion of the deferred finance obligation associated with Horseshoe Hammond or Caesars Southern Indiana as held for sale as we do not yet have any sale agreements in place or know the effect of any possible master lease modification on our deferred finance lease liability.

Note 5. Stock-Based Compensation and Stockholders' Equity

Common Stock Offering

On June 19, 2020, the Company completed the public offering of 20,700,000 shares (including the shares sold pursuant to the underwriters' overallotment option) of Company Common Stock, at an offering price of \$39.00 per share, which provided \$772 million of proceeds, net of fees and estimated expenses of \$35 million.

On October 1, 2020, the Company completed the public offering of 35,650,000 shares (including the shares sold pursuant to the underwriters' overallotment option) of Company Common Stock, at an offering price of \$56.00 per share, which provided \$1.9 billion of proceeds, net of fees and estimated expenses of \$50 million.

Share Repurchase Program

In November 2018, the Company's Board of Directors authorized a \$150 million common stock repurchase program (the "Share Repurchase Program") pursuant to which the Company may, from time to time, repurchase shares of common stock on the open market (either with or without a 10b5-1 plan) or through privately negotiated transactions. The Share Repurchase Program has no time limit and may be suspended or discontinued at any time without notice. There is no minimum number of shares of common stock that the Company is required to repurchase under the Share Repurchase Program.

As of September 30, 2020, the Company acquired 223,823 shares of common stock under the Share Repurchase Program at an aggregate value of \$9 million and an average of \$40.80 per share. No shares were repurchased during the nine months ended September 30, 2020 and 2019.

Stock-Based Compensation

The Company maintains long-term incentive plans for management, other personnel, and key service providers. The plans allow for granting stock-based compensation awards, based on Company Common Stock, including time-based and performance-based stock options, restricted stock units ("RSUs"), performance stock units, 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.

Total stock-based compensation expense in the accompanying Consolidated Condensed Statements of Operations totaled \$45 million and \$4 million during the three months ended September 30, 2020 and 2019, respectively, and \$55 million and \$16 million during the nine months ended September 30, 2020 and 2019, respectively. These amounts are included in corporate expenses and, in the case of certain property positions, general and administrative expenses in the Company's Consolidated Condensed Statements of Operations.

In connection with the Merger, Former Caesars' outstanding performance-based stock options ceased to represent an option or right to acquire shares of Former Caesars common stock and were converted into an option or right to purchase shares of Company Common Stock on the same terms and conditions as were applicable to such option immediately prior to the consummation of the Merger. Former Caesars' unvested RSUs and MSUs were converted into a number of RSUs or MSUs, as applicable, in respect of shares of Company Common Stock and remained subject to the same terms and conditions as were applicable to such RSUs and MSUs immediately prior to the consummation of the Merger.

In addition, during the three months ended September 30, 2020, the Company granted both RSUs and MSUs to members of management. Vesting of the awards varies, and includes awards that cliff vest after a two or three year service period, as well as awards that vest ratably on each anniversary during the three year service period. In addition, awards were granted to certain key individuals related to their efforts and the related shareholder return from potential transactions. Vesting of the awards is subject to various service and performance conditions and will accelerate and vest immediately upon the closing of a qualifying transaction as defined by the agreements. Certain awards contained a market-based performance condition with which the fair value of the awards was determined based on a Monte Carlo simulation. The grant date fair value for these awards with a market-based performance condition was approximately \$7 million.

Restricted Stock Unit Activity

During the three and nine months ended September 30, 2020, as part of the annual incentive program, the Company granted RSUs to employees of the Company with an aggregate fair value of \$42 million and \$59 million, respectively. Each RSU represents the right to receive payment in respect of one share of the Company's Common Stock.

In connection with the Merger, on July 20, 2020, each Former Caesars' RSU that was eligible to vest based solely on the passage of time that was outstanding as of immediately prior to the consummation of the Merger was converted into a RSU in respect of Company Common Stock and remained subject to the same terms and conditions as were applicable as of immediately prior to the consummation of the Merger.

A summary of the RSUs activity, including performance awards, for the nine months ended September 30, 2020 is presented in the following table:

	Units	Weighted-Average Grant Date Fair Value ^(a)
Unvested outstanding as of December 31, 2019	1,246,641	\$ 35.56
Granted ^(b)	1,222,736	48.17
Acquired ^(c)	1,876,969	38.24
Vested	(1,068,509)	33.22
Forfeited	(22,912)	41.89
Unvested outstanding as of September 30, 2020	<u>3,254,925</u>	<u>42.56</u>

^(a) Represents the weighted-average grant date fair value of RSUs, which is the share price of our common stock on the grant date.

^(b) Included are 20,615 RSUs granted to non-employee members of the Board of Directors during the nine months ended September 30, 2020.

^(c) Assumed RSU shares of Former Caesars as of the Merger date.

Market-Based Stock Unit Activity

During the quarter ended September 30, 2020, the Company granted approximately 185,639 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 Company 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. The aggregate value of MSUs granted during the nine months ended September 30, 2020 was \$13 million.

In connection with the Merger, on July 20, 2020, each MSU of Former Caesars was converted into a MSU in respect of shares of Company Common Stock and remained subject to the same terms and conditions as were applicable as of immediately prior to the consummation of the Merger.

	Units	Weighted- Average Fair Value ^(a)
Unvested outstanding as of December 31, 2019	—	\$ —
Granted	185,639	70.26
Acquired ^(b)	124,984	63.36
Vested	(61,322)	63.36
Forfeited	—	—
Unvested outstanding as of September 30, 2020	<u>249,301</u>	68.50

^(a) Represents the fair value determined using a Monte-Carlo simulation model.

^(b) Assumed MSU shares of Former Caesars as of the Merger date.

Stock Option Activity

There were 26,900 stock options exercised for the nine months ended September 30, 2020. Outstanding options as of September 30, 2020 totaled 220,432, of which 104,257 options were exercisable.

Unrecognized Compensation Cost

As of September 30, 2020, the Company had \$103 million of unrecognized compensation expense, which is expected to be recognized over a weighted-average period of 1.7 years.

Note 6. Investments in and Advances to Unconsolidated Affiliates

William Hill

The Company entered into a 25-year agreement, which became effective January 29, 2019, with William Hill which granted to William Hill the right to conduct betting activities, including operating our sportsbooks, in retail channels under certain skins for online channels with respect to the Company's current and future properties, and conduct certain real money online gaming activities. The Company received a 20% ownership interest in William Hill US as well as 13 million ordinary shares of William Hill plc, which carry certain time restrictions on when they can be sold. Additionally, the Company receives a profit share from the operations of sports betting and other gaming activities associated with the Company's properties. "Skin" in the context of this agreement refers to the Company's ability to grant to William Hill an online channel that allows William Hill to operate online casino and sports gaming activities in reliance on, and utilizing the benefit of, any licenses granted to the Company or its subsidiaries.

On September 30, 2020, the Company announced its intention to acquire William Hill plc in an all-cash transaction. See Note 1.

As of September 30, 2020 and December 31, 2019, the Company's receivable from William Hill totaled \$1 million and \$4 million, respectively, and is reflected in Due from affiliates on the Consolidated Condensed Balance Sheets.

The Company is accounting for its investment in William Hill US under the equity method. The fair value of the Company's initial investment in William Hill US of \$129 million at January 29, 2019 was determined using Level 3 inputs. As of September 30, 2020 and December 31, 2019, the carrying value of the Company's interest in William Hill US totaled \$126 million and \$127 million, respectively, and is recorded in Investment in and advances to unconsolidated affiliates on the Consolidated Condensed Balance Sheets.

As of September 30, 2020 and December 31, 2019, the fair value of the William Hill plc shares totaled \$43 million and \$29 million, respectively, net of cumulative unrealized gains of \$15 million and \$2 million, respectively, and is included in Investment in and advances to unconsolidated affiliates on the Consolidated Condensed Balance Sheets. The Company recorded an unrealized gain of \$26 million and an unrealized loss of \$4 million during the three months ended September 30, 2020 and 2019, respectively. The Company recorded an unrealized gain of \$13 million during the nine months ended September 30, 2020. The Company recorded a loss of less than \$1 million for the nine months ended September 30, 2019.

As described above, the Company granted William Hill the right to the use of certain skins in exchange for an equity method investment. The fair value of the William Hill US and William Hill plc shares received has been deferred and is recognized as revenue on a straight-line basis over the 25-year agreement term. The Company recognized revenue of \$2 million for both of the three months ended September 30, 2020 and 2019, and \$7 million and \$4 million during the nine months ended September 30, 2020 and 2019, respectively and is recorded in Other revenue in the Consolidated Condensed Statement of

Operations. As of September 30, 2020 and December 31, 2019, the balance of the William Hill deferred revenue totaled \$135 million and \$142 million, respectively, and is recorded in other long-term liabilities on the Consolidated Condensed Balance Sheets.

Note 7. Goodwill and Intangible Assets, net

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

Changes in Carrying Value of Goodwill and Other Intangible Assets

<i>(In millions)</i>	Amortizing Intangible Assets	Non-Amortizing Intangible Assets	
		Goodwill	Other
December 31, 2019	\$ 53	\$ 910	\$ 1,058
Amortization	(35)	—	—
Impairments	—	(100)	(20)
Acquired ^(a)	488	8,649	3,081
Assets held for sale (see Note 4)	(5)	(9)	(154)
September 30, 2020	\$ 501	\$ 9,450	\$ 3,965

^(a) Includes intangible assets and goodwill acquired upon Merger and \$20 million of acquisition of gaming rights. See Note 2 and Note 13 for further detail.

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

<i>(Dollars in millions)</i>	Useful Life	September 30, 2020			December 31, 2019		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
<i>Amortizing intangible assets</i>							
Customer relationships	3 - 7 years	\$ 488	\$ (71)	\$ 417	\$ 101	\$ (48)	\$ 53
Gaming rights and others	34.2 years	84	—	84	—	—	—
		\$ 572	\$ (71)	501	\$ 101	\$ (48)	53
<i>Non-amortizing intangible assets</i>							
Trademarks				2,202			165
Gaming rights				1,223			893
Caesars Rewards				540			—
				3,965			1,058
Total amortizing and non-amortizing intangible assets, net				\$ 4,466			\$ 1,111

Gaming rights represent intangible assets acquired from the purchase of a gaming entity located in a gaming jurisdiction where competition is limited, such as when only a limited number of gaming operators are allowed to operate in the jurisdiction. These gaming license rights are not subject to amortization as the Company has determined that they have indefinite useful lives. For gaming jurisdictions with high barriers of renewal of the gaming rights, such as material costs of renewal, the gaming rights are deemed to have a finite useful life and are amortized over the expected useful life.

During the nine months ended September 30, 2020, the Company recognized impairment charges in our Regional segment related to goodwill and trade names totaling \$100 million and \$16 million, respectively, due to declines in recent performance and the expected impact on future cash flows as a result of COVID-19.

Additionally, in conjunction with the classification of MontBleu's operations as assets held for sale as of September 30, 2020 (see Note 4) as a result of the announced sale, an impairment charge totaling \$45 million was recorded due to the carrying value exceeding the estimate sales proceeds. Trade names, property, plant and equipment and other assets were impaired by \$4 million, \$23 million and \$18 million, respectively, recorded in the Regional segment.

Amortization expense with respect to intangible assets for the three months ended September 30, 2020 and 2019 totaled \$21 million and \$8 million, respectively, and \$35 million and \$23 million for the nine months ended September 30, 2020 and 2019, respectively, which is included in depreciation and amortization in the Consolidated Condensed Statements of Operations.

Estimated Five-Year Amortization

<i>(In millions)</i>	Years Ended December 31,					
	Remaining 2020	2021	2022	2023	2024	2025
Estimated annual amortization expense	\$ 20	\$ 78	\$ 64	\$ 60	\$ 60	\$ 60

Note 8. Income Taxes

Income Tax Allocation

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
(Loss) income from continuing operations before income taxes	\$ (789)	\$ 55	\$ (1,136)	\$ 133
Provision for income taxes	(135)	(18)	(64)	(39)
Effective tax rate	(17.1)%	32.7 %	(5.6)%	29.3 %

We classify accruals for uncertain tax positions within Other long-term liabilities on the Balance Sheets separate from any related income tax payable which is reported within Accrued other liabilities. The accrual 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.

As a result of the Merger, the Company acquired \$779 million of additional net deferred tax liabilities net of necessary valuation allowances, plus \$24 million in additional accruals for uncertain tax positions. The income tax expense for the three and nine months ended September 30, 2020 differed from the expected income tax benefit based on the federal tax rate of 21% primarily due to an increase in the valuation allowance against the deferred tax assets due to the series of transactions with VICI during the quarter. The income tax expense for the three and nine months ended September 30, 2019 differed from the expected income tax expense based on the federal tax rate of 21% primarily due to excess tax benefits associated with stock compensation, state and local income taxes and changes in the valuation allowance against deferred tax assets.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted on March 27, 2020. The CARES Act includes, among other things, refundable payroll tax credits, deferment of employer side social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations, and technical amendments regarding the income tax depreciation of qualified improvement property placed in service after December 31, 2017. These amendments allow for retroactive accelerated income tax depreciation on certain of the Company's leasehold improvement assets. The financial impact of these technical amendments on the business was recorded in the three month period ended September 30, 2020 but had no impact on the income tax provision.

The Company, including its subsidiaries, files tax returns with federal, state, and foreign jurisdictions. The Company does not have tax sharing agreements with the other members within its consolidated group. The Company is subject to exam by various state and foreign tax authorities. With few exceptions, the Company is no longer subject to examinations by tax authorities for years before 2016, and it is possible that the amount of the liability for unrecognized tax benefits could change during the next 12 months.

Note 9. Leases

The Company has operating and finance leases for various real estate and equipment. Certain of the Company's lease agreements include rental payments based on a percentage of sales over specified contractual amounts, rental payments adjusted periodically for inflation and rental payments based on usage. The Company's leases include options to extend the lease term one month to 60 years. The Company's lease agreements do not contain any material restrictive covenants, other than those described below.

Financing Obligations

VICI Leases & Golf Course Use Agreement

Upon consummation of the Merger, CEI assumed obligations of certain real property assets leased from VICI by Former Caesars under the following agreements: (i) for a portfolio of properties at various locations throughout the United States (the “Non-CPLV lease”), (ii) for Caesars Palace Las Vegas (the “CPLV lease”), (iii) for Harrah’s Joliet Hotel & Casino (the “Joliet Lease”) and (iv) for Harrah’s Las Vegas (the “HLV Lease”). These lease agreements provided for annual fixed rent (subject to escalation) of \$773 million during an initial period, then rent consisting of both base rent and variable rent elements. The lease agreements had a 15-year initial term and four five-year renewal options. The lease agreements included escalation provisions beginning in year two of the initial term and continuing through the renewal terms. The lease agreements also included provisions for variable rent 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.

In connection with the closing of the Merger on July 20, 2020, the Company and certain of its affiliates consummated a series of transactions with VICI in accordance with the MTA and the purchase and sales agreements entered on September 26, 2019. The Company and certain of its affiliates consummated sale leaseback transactions related to Harrah’s New Orleans, Harrah’s Laughlin and Harrah’s Resort Atlantic City, including the Harrah’s Atlantic City Waterfront Conference Center, for approximately \$1.8 billion of net proceeds. The Non-CPLV lease was amended to include these properties (as amended, the “Regional Lease”), and was further amended to increase the annual rent thereunder by \$154 million in the aggregate related to such added properties and extend the term of such lease so that following the amendment of such lease there will be 15 years remaining until the expiration of the initial term. The Joliet Lease term was also amended such that 15 years remain until the expiration of the initial term.

Former Caesars entered into a Golf Course Use Agreement with VICI, which has a 35-year term (inclusive of all renewal periods), pursuant to which such affiliates of the Company agreed to pay (i) an annual payment of \$10 million, subject to escalation, (ii) an annual use fee of \$3 million, subject to escalation beginning in the second year, and (iii) certain per-round fees, all as more particularly set forth in the Golf Course Use Agreement. Furthermore, the term of the Golf Course Use Agreement was extended such that there will be 15 years remaining until the expiration of the initial term.

The amendment to the Regional Lease also contains a put-call agreement related to the Centaur properties, which are Hoosier Park and Indiana Grand, pursuant to which the Company may require VICI to purchase and lease back (as lessor) the real estate components of the gaming and racetrack facilities of Hoosier Park and Indiana Grand and VICI may require the Company to sell to VICI and lease back (as lessee) the real estate components of such gaming and racetrack facilities. Election by either party to put or call the Centaur properties must be made during the election period beginning January 1, 2022 and ending December 31, 2024. Upon either party exercising their option, the Centaur properties would be sold at the price in accordance with the agreement and subsequently leased back to CEI by adding the leaseback to the pre-existing Regional lease agreement. As such, the Centaur properties would be leased back over the remaining term of the Regional lease agreement and the Regional lease agreement annual rental payments would be increased by the amount of rent required to achieve a rent coverage ratio of 1.3 as of the exercise date. A liability of \$6 million associated with this agreement has been recorded within Other long-term liabilities.

Additionally, in connection with the Merger, the Company received a one-time payment from VICI of approximately \$1.4 billion for amendments to the CPLV Lease (as amended, the “Las Vegas Lease”) to, among other things, (i) add the land and improvements of HLV to the lease and terminate the HLV Lease (ii) add the rent payable with respect to the HLV Lease and further increase the annual rent payable with respect to HLV by approximately \$15 million, (iii) increase the annual rent with respect to CPLV by approximately \$84 million and (iv) extend the term of such lease so that following the amendment of such lease there will be 15 years remaining until the expiration of the initial term.

In connection with the Merger, the land and building components subject to the lease amendments described above did not qualify for sale-leaseback accounting and are accounted for as post-combination debt modifications.

GLPI Leases

The fair value of the real estate assets and the related failed sale-leaseback financing obligations were estimated based on the present value of the estimated future lease payments over the lease term of 35 years, including renewal options, using an imputed discount rate of approximately 10.2%. The value of the failed sale-leaseback financing obligations is dependent upon assumptions regarding the amount of the lease payments and the estimated discount rate of the lease payments required by a market participant.

The GLPI Master Lease provides for the lease of land, buildings, structures and other improvements on the land (including barges and riverboats), easements and similar appurtenances to the land and improvements relating to the operation of the leased properties. The GLPI Master Lease provides for an initial term of 20 (as amended below) with no purchase option. At the Company's option, the GLPI Master Lease may be extended for up to four five-year renewal terms beyond the initial 20 years-year term (as amended below).

On June 15, 2020, the Company entered into an Amended and Restated Master Lease with GLPI, which, among other things, (i) extended the initial term from 15 to 20 years (through September 2038), with four five-year renewals at the Company's option, (ii) commencing October 1, 2020, removed the percentage rent payable in exchange for an increase to the non-escalating portion of land base rent to \$24 million, (iii) amended the dates on which, and the amounts by which, the escalating portion of base rent escalates, and (iv) provided certain relief under the operating, capital expenditure and financial covenants in the event of facility closures due to public health emergencies, governmental restrictions and certain other instances of unavoidable delay. The amendment to the GLPI Master Lease became effective on July 17, 2020 following receipt of required regulatory approvals. If the Company elects to renew the term of the GLPI Master Lease, the renewal will be effective as to all, but not less than all, of the leased property then subject to the GLPI Master Lease. The GLPI Master Lease does not provide the Company with the option to purchase the leased property and the Company does not have the ability to terminate its obligations under the GLPI Master Lease prior to its expiration without GLPI's consent.

On September 29, 2020, Company entered into a sale-leaseback transaction with GLPI for the Lumière property. On October 1, 2018, the Company borrowed \$246 million from GLPI to fund the purchase price of the real estate underlying Lumière. As part of the consideration for the purchase of the property, GLPI cancelled the \$246 million loan. The lease (the "Lumière Lease") has an initial term that ends on October 31, 2033 and four five-year renewal options.

Following the amendments and transactions above, the land and building components subject to the lease amendments described above did not qualify for sale-leaseback accounting and are accounted for as post-combination debt modifications.

The future minimum payments related to the GLPI leases, including the Lumière Lease, and VICI leases financing obligation, as amended, at September 30, 2020 were as follows:

<i>(In millions)</i>	GLPI Leases		VICI Leases	
2020 (excluding the nine months ended September 30, 2020)	\$	27	\$	268
2021		109		1,079
2022		109		1,097
2023		111		1,119
2024		112		1,139
Thereafter		4,880		46,737
Total future payments		5,348		51,439
Less: Amounts representing interest		(4,522)		(41,020)
Plus: Residual values		399		906
Financing obligation	\$	1,225	\$	11,325

Cash payments made relating to our long-term financing obligations during the three and nine months ended September 30, 2020 and 2019 are as follows:

<i>(In millions)</i>	GLPI Leases ^(a)				VICI Leases			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019	2020	2019	2020	2019
Cash paid for principal	\$ 22	\$ 22	\$ 66	\$ 66	\$ 49	\$ —	\$ 49	\$ —
Cash paid for interest	24	25	74	74	128	—	128	—

^(a) For the initial periods of the GLPI Leases, cash payments are less than the interest expense recognized, which causes the failed-sale leaseback obligation to increase during the initial years of the lease term.

Lease Covenants

The GLPI Leases and VICI leases contains certain operating, capital expenditure and financial covenants thereunder, and the Company's ability to maintain compliance with these covenants was also negatively impacted. On June 15, 2020, the Company entered into an amendment to the GLPI Master Lease which provides certain relief under these covenants in the event of facility closures due to public health emergencies, governmental restrictions and certain other instances of unavoidable delay. Furthermore, the Company obtained waivers from VICI with relation to annual capital expenditure requirements the leases with VICI starting with the annual period ending December 31, 2020.

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, 2020, we recognized approximately \$200 million and \$257 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 Other revenue in the Statement of Operations, and during the three and nine months ended September 30, 2020, we recognized approximately \$2 million in lease revenue related to conventions.

Note 10. Long-Term Debt

Long-term debt consisted of the following:

<i>(Dollars in millions)</i>	September 30, 2020				December 31, 2019
	Final Maturity	Rates	Face Value	Book Value	Book Value
Secured Debt					
CEI Senior Secured Notes	2025	6.25%	\$ 3,400	\$ 3,330	\$ —
CEI Revolving Credit Facility	2025	variable ^(a)	900	880	—
ERI Term Loan	N/A	N/A	—	—	491
CRC Term Loan B	2024	variable ^(b)	4,571	4,120	—
CRC Term Loan B-1	2025	variable ^(c)	1,800	1,709	—
CRC Revolving Credit Facility	2022	variable ^(d)	—	—	—
CRC Senior Secured Notes	2025	5.75%	1,000	978	—
Convention Center Mortgage Loan	2025	7.70%	400	397	—
Lumière Loan	N/A	N/A	—	—	246
Unsecured Debt					
CEI Senior Notes	2027	8.13%	1,800	1,767	—
CRC Notes	2025	5.25%	1,700	1,490	—
5% Convertible Notes	2024	5.00%	597	546	—
6% Senior Notes	2026	N/A	—	—	582
6% Senior Notes	2025	N/A	—	—	879
7% Senior Notes	2023	N/A	—	—	370
Special Improvement District Bonds	2037	4.30%	51	51	—
Long-term notes and other payables			2	2	3
Total debt			16,221	15,270	2,571
Current portion of long-term debt			(67)	(67)	(246)
Long-term debt			\$ 16,154	\$ 15,203	\$ 2,325
Unamortized premiums, discounts and deferred finance charges ^(e)				\$ 951	\$ 34
Fair value			\$ 16,135		

^(a) Prime rate plus 2.25%.

^(b) LIBOR plus 2.75%.

^(c) \$1.2 billion at 1 month LIBOR plus 4.50% and \$600 million at 3 month LIBOR plus 4.50%.

^(d) LIBOR plus 2.00%.

^(e) Approximately \$7 million of deferred financing costs related to our revolving credit facilities are included within Other assets, net as of December 31, 2019.

Current Portion of Long-Term Debt

The current portion of long-term debt as of September 30, 2020 includes the principal payments on the term loans, other unsecured borrowings, and special improvement district bonds that are contractually due within 12 months.

Debt Discounts or Premiums and Deferred Finance Charges

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

Fair Value

The fair value of debt has been calculated primarily based on the borrowing rates available as of September 30, 2020 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.

New Debt Transactions

The Company was party to a credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto dated as of April 17, 2017 (as amended the “ERI Credit Facility”), consisting of a \$1.5 billion term loan facility (the “ERI Term Loan”) and a \$500 million revolving credit facility (the “ERI Revolving Credit Facility”).

In an effort to maintain liquidity and provide financial flexibility as the effects of COVID-19 continued to evolve and impact global financial markets, the Company borrowed \$465 million under the revolving credit facility on March 16, 2020, which we repaid in July 2020 utilizing, in part, proceeds from the sale of the Company’s interests in Kansas City and Vicksburg.

On July 6, 2020, Colt Merger Sub, Inc., a wholly-owned subsidiary of the Company (the “Escrow Issuer”), issued \$3.4 billion aggregate principal amount of 6.25% Senior Secured Notes due 2025 (the “CEI Senior Secured Notes”), \$1.8 billion aggregate principal amount of 8.125% Senior Notes due 2027 (the “CEI Senior Notes”) and \$1.0 billion aggregate principal amount of 5.75% Senior Secured Notes due 2025 (the “CRC Senior Secured Notes”).

On July 20, 2020, in connection with the closing of the Merger, the Company entered into a new credit agreement (“CEI Credit Agreement”), which provide a five-year senior secured revolving credit facility in an aggregate principal amount of \$1.2 billion (the “CEI Revolving Credit Facility”). In addition, Caesars Resort Collection, LLC (“CRC”) entered into incremental amendments to the CRC Credit Agreement (described below), which provided a \$1.8 billion incremental term loan.

A portion of the proceeds from these arrangements was used to prepay in full the loans outstanding and terminate all commitments under the ERI Credit Facility, and to satisfy and discharge the Company’s 6% Senior Notes due 2025, 6% Senior Notes due 2026, and the 7% Senior Notes due 2023.

The 6% Senior Notes due 2025 were redeemed at a redemption price of 104.5%, the 7% Senior Notes due 2023 were redeemed at a redemption price of 103.5%, and \$210 million aggregate principal amount of the 6% Senior Notes due 2026 was redeemed at a redemption price of 106% with the remaining balance redeemed at a redemption price of 100% of the aggregate principal amount thereof plus the Applicable Premium, as defined in the indenture for the 6% Senior Notes due 2026. The redemption of the senior notes resulted in a loss on extinguishment of debt of \$132 million during the three and nine months ended September 30, 2020, which is recorded within Other (loss) income on the Statement of Operations.

CEI Senior Secured Notes due 2025

On July 6, 2020, the Escrow Issuer issued \$3.4 billion in aggregate principal amount of 6.25% Senior Secured Notes due 2025 pursuant to an indenture dated July 6, 2020 (the “CEI Senior Secured Notes Indenture”), by and among the Escrow Issuer, U.S. Bank National Association, as trustee, and U.S. Bank National Association, as collateral agent. The Company assumed the rights and obligations under the CEI Senior Secured Notes and the Senior Secured Notes Indenture on July 20, 2020. The CEI Senior Secured Notes will mature on July 1, 2025 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year, commencing January 1, 2021.

CEI Senior Notes due 2027

On July 6, 2020, the Escrow Issuer issued \$1.8 billion in aggregate principal amount of 8.125% Senior Notes due 2027 pursuant to an indenture, dated July 6, 2020 (the “CEI Senior Notes Indenture”), by and between the Escrow Issuer and U.S. Bank National Association, as trustee. The Company assumed the rights and obligations under the CEI Senior Notes and the CEI Senior Notes Indenture on July 20, 2020. The CEI Secured Notes will mature on July 1, 2027 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year, commencing January 1, 2021.

CRC Senior Secured Notes due 2025

On July 6, 2020, the Company issued \$1.0 billion in aggregate principal amount of 5.75% Senior Notes due 2025 pursuant to an indenture, dated July 6, 2020 (the “CRC Senior Secured Notes Indenture”), by and among the Escrow Issuer, U.S. Bank National Association, as trustee and Credit Suisse AG, Cayman Islands Branch, as collateral agent. In connection with the consummation of the Merger, CRC assumed the rights and obligations under the CRC Senior Secured Notes and the CRC Senior Secured Notes Indenture. The CRC Senior Secured Notes will mature on July 1, 2025 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year, commencing January 1, 2021.

CEI Revolving Credit Facility

On July 20, 2020, the Escrow Issuer entered into a new credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, U.S. Bank National Association, as collateral agent, and certain banks and other financial institutions and lenders party thereto, which provide for a five-year CEI Revolving Credit Facility in an aggregate principal amount of \$1.2 billion. The CEI Revolving Credit Facility matures in 2025 and includes a letter of credit sub-facility of \$250 million.

The interest rate per annum applicable under the CEI Revolving Credit Facility, at the Company's option is either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by JPMorgan Chase Bank, N.A. and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be 3.25% per annum in the case of any LIBOR loan and 2.25% per annum in the case of any base rate loan, subject to three 0.25% step-downs based on the Company's total leverage ratio.

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

The Company had \$266 million of available borrowing capacity, after consideration of \$19 million in outstanding letters of credit under CEI Revolving Credit Facility, as of September 30, 2020. The Company paid down \$900 million subsequent to September 30, 2020.

Convention Center Mortgage Loan

On September 18, 2020, the Company entered into a loan agreement with VICI to borrow a 5-year, \$400 million Forum Convention Center mortgage loan (the "Mortgage Loan"). The Mortgage Loan bears interest at a rate of, initially, 7.7% per annum, which escalates annually to a maximum interest rate of 8.3% per annum.

Assumed Debt Activity

Former Caesars and its subsidiaries incurred the following indebtedness that remained outstanding following the consummation of the Merger.

CRC Term Loans and CRC Revolving Credit Facility

CRC is party to the Credit Agreement, dated as of December 22, 2017 (as amended, the "CRC Credit Agreement"), which included a \$1.0 billion five-year revolving credit facility (the "CRC Revolving Credit Facility") and an initial \$4.7 billion seven-year first lien term loan, which was increased by \$1.8 billion pursuant to an incremental agreement executed in connection with the Merger (the "CRC Term Loan").

The CRC Term Loan matures in 2024. The CRC Revolving Credit Facility matures in 2022 and includes a letter of credit sub-facility. The CRC Term Loan requires scheduled quarterly principal payments in amounts equal to 0.25% of the original aggregate principal amount, with the balance due at maturity. The CRC Credit Agreement also includes customary voluntary and mandatory prepayment provisions, subject to certain exceptions. As of September 30, 2020, approximately \$64 million was committed to outstanding letters of credit. As of September 30, 2020, there were no borrowings outstanding under the CRC Revolving Credit Facility.

Borrowings under the CRC Credit Agreement bear interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CRC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be (a) with respect to the CRC Term Loan, 2.75% per annum in the case of any LIBOR loan or 1.75% per annum in the case of any base rate loan, (b) with respect to the CRC Incremental Term Loan, 4.50% per annum in the case of any LIBOR loan or 3.50% in the case of any base rate loan and (c) in the case of the CRC Revolving Credit Facility, 2.25% per annum in the case of any LIBOR loan and 1.25% per annum in the case of any base rate loan, subject in the case of the CRC Revolving Credit Facility to two 0.125% step-downs based on CRC's senior secured leverage ratio ("SSLR"), the ratio of first lien senior secured net debt to adjusted earnings before interest, taxes, depreciation and amortization. The CRC Revolving Credit Facility is subject to a financial covenant discussed below.

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

CRC Notes

On October 16, 2017, CRC issued \$1.7 billion aggregate principal amount of 5.25% senior notes due 2025 (the "CRC Notes").

Former Caesars 5% Convertible Notes

On October 6, 2017, Former Caesars issued \$1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 (the "5% Convertible Notes").

The 5% Convertible Notes are convertible into the weighted average of the number of shares of Company Common Stock and amount of cash actually received per share by holders of common stock of Former Caesars that made elections for consideration in the Merger. As of September 30, 2020, we have paid approximately \$574 million and issued approximately 6.8 million shares upon conversion of \$487 million in aggregate principal amount of the 5% Convertible Notes during 2020. Through November 2, 2020, we paid an additional \$328 million and issued 3.9 million shares upon conversion of an additional \$281 million of the 5% Convertible Notes.

The Company has determined that the 5% Convertible Notes contain derivative features that require bifurcation. The Company separately accounts for the liability component and equity conversion option of the 5% Convertible Notes. The difference between the overall instrument value and the value of the liability component was assumed to be the value of the equity conversion option component. The value of the liability is determined based on a discounted cash flow of the debt instrument. See Note 11 for more information on the 5% Convertible Notes' fair value measurements.

Net amortization of the debt issuance costs and the discount and/or premium associated with the Company's indebtedness totaled \$34 million and \$2 million for the three months ended September 30, 2020 and 2019, respectively, and \$37 million and \$6 million for the nine months ended September 30, 2020 and 2019 respectively. Amortization of debt issuance costs is computed using the effective interest method and is included in interest expense.

Annual Estimated Debt Service Requirements as of September 30, 2020

<i>(In millions)</i>	Remaining	Years Ended December 31,					Thereafter	Total
	2020	2021	2022	2023	2024			
Annual maturities of long-term debt	\$ 16	\$ 67	\$ 67	\$ 67	\$ 5,036	\$ 10,968	\$ 16,221	
Estimated interest payments	200	850	820	790	790	690	4,140	
Total debt service obligation ^(a)	\$ 216	\$ 917	\$ 887	\$ 857	\$ 5,826	\$ 11,658	\$ 20,361	

^(a) Debt principal payments are estimated amounts based on maturity dates and potential borrowings under our revolving credit facilities. Interest payments are estimated based on the forward-looking LIBOR curve and include the estimated impact of the ten interest rate swap agreements related to our CRC Credit Facility (see Note 11). Actual payments may differ from these estimates.

Lumière Loan

The Company borrowed \$246 million from GLPI to fund the purchase price of the real estate underlying Lumière, which was scheduled to mature on October 1, 2020. On June 24, 2020, the Company received approval from Missouri Gaming Commission to sell Lumière to GLPI and leaseback the property under a long-term financing obligation. As of September 30, 2020, the Lumière real estate has been refinanced under a financing obligation. See Note 9.

Debt Covenant Compliance

The CRC Credit Agreement, the CEI Revolving Credit Facility and the indentures governing the CEI Senior Secured Notes, the CEI Senior Notes, the CRC Senior Secured Notes and the CRC's 5.25% senior notes due 2025 (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 Company's and its subsidiaries' ability to (among other items) incur additional indebtedness, make investments, make restricted payments, including dividends, grant liens, sell assets and make acquisitions.

The indenture for the 5% Convertible Notes contained limited covenants as a result of amendments that became effective in connection with the consummation of the Merger. The CRC Revolving Credit Facility and CEI Revolving Credit Facility include a maximum first-priority net senior secured leverage ratio financial covenant of 6.35:1, which is applicable solely to the extent that certain testing conditions are satisfied. Failure to comply with such covenants could result in an acceleration of the maturity of indebtedness outstanding under the relevant debt document.

The Company's results of operations have been materially adversely affected by the impacts of the COVID-19 public health emergency. As a result, the current terms of the CEI Credit Agreement and the CRC Credit Agreement provide that the financial covenant measurement period is not effective through September 30, 2021 so long as the Company and CRC, respectively, comply with a minimum liquidity requirement, which includes any such availability under the applicable revolving credit facilities.

As of September 30, 2020, the Company was in compliance with all of the applicable financial covenants under the CEI Credit Agreement, the CRC Credit Agreement, CEI Senior Secured Notes, CEI Senior Notes, and CRC Senior Secured Notes, 5% Convertible Notes and CRC Notes.

Guarantees

The CEI Revolving Credit Facility and the CEI Senior Secured Notes are guaranteed on a senior secured basis by each existing and future material wholly-owned domestic subsidiary of CEI (subject to certain exceptions) and are secured by substantially all of the existing and future property and assets of CEI and its subsidiary guarantors (subject to certain exceptions). The CEI Senior Notes are guaranteed on a senior unsecured basis by such subsidiaries.

The CRC Credit Agreement and the CRC Senior Secured Notes are guaranteed on a senior secured basis by each existing and future material wholly-owned domestic subsidiary of CRC (subject to certain exceptions) and are secured by substantially all of the existing and future property and assets of CEI and its subsidiary guarantors (subject to certain exceptions). The CRC Notes are guaranteed on a senior unsecured basis by such subsidiaries.

Note 11. Fair Value Measurements

Items Measured at Fair Value on a Recurring Basis: The following table sets forth the assets and liabilities measured at fair value on a recurring basis, by input level, in the Consolidated Condensed Balance Sheets at September 30, 2020 and December 31, 2019:

<i>(In millions)</i>	September 30, 2020			
	Level 1	Level 2	Level 3	Total
Assets:				
Restricted cash and investments	\$ 8	\$ 3	\$ 50	\$ 61
Marketable securities	31	12	—	43
Total assets at fair value	\$ 39	\$ 15	\$ 50	\$ 104
Liabilities:				
Other liabilities related to restricted investments	\$ —	\$ —	\$ 4	\$ 4
Derivative instruments - 5% Convertible Notes	—	575	—	575
Derivative instruments - interest rate swaps and FX forward	—	114	—	114
Total liabilities at fair value	\$ —	\$ 689	\$ 4	\$ 693
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets:				
Restricted cash and investments	\$ 11	\$ 2	\$ 29	\$ 42
Marketable securities	27	8	—	35
Total assets at fair value	\$ 38	\$ 10	\$ 29	\$ 77

The change in restricted cash and investments and liabilities valued using Level 3 inputs for the nine months ended September 30, 2020 is as follows:

<i>(In millions)</i>	Level 3 Investments	Level 3 Other Liabilities
Fair value of investment and liabilities at December 31, 2019	\$ 29	\$ —
Value of additional investment received	5	2
Unrealized gain	16	2
Fair value at September 30, 2020	\$ 50	\$ 4

There were no transfers in or out of Level 3 investments during the nine months ended September 30, 2020.

Restricted Investments

The estimated fair values of the Company's restricted cash and investments are based upon quoted prices available in active markets (Level 1), or quoted prices for similar assets in active and inactive markets (Level 2), or quoted prices available in active markets adjusted for time restrictions related to the sale of the investment (Level 3) and represent the amounts the Company would expect to receive if the Company sold the restricted cash and investments. Restricted investments include shares acquired in conjunction with the Company's sports betting agreements that contain restrictions related to the ability to liquidate shares within a specified timeframe.

In November 2018, the Company entered into a 20-year agreement with The Stars Group Inc. ("TSG") to provide TSG with options to obtain access to a second skin for online sports wagering and third skin for real money online gaming and poker with respect to the Company's properties in the United States. Under the terms of the agreement, the Company received 1 million TSG common shares as a revenue share from the operation of the applicable verticals by TSG under the Company's licenses. The fair value of the shares received has been deferred and is recognized as revenue on a straight-line basis over the 20-year agreement term. All shares are subject to a one year restriction on transfer from the date they are received. On May 5, 2020, Flutter Entertainment PLC ("Flutter") completed the acquisition of all of the issued and outstanding common shares of TSG in exchange for 0.2253 Flutter shares per common share of TSG.

As of September 30, 2020 and December 31, 2019, the fair value of unrestricted shares totaled \$19 million and \$14 million, respectively, net of cumulative unrealized gains of \$9 million and \$4 million, respectively, and is included in Prepayments and other current assets on the Consolidated Condensed Balance Sheet. In addition, as of September 30, 2020, the fair value of restricted shares in Flutter totaled \$8 million, net of cumulative unrealized gains of \$3 million, and is included in restricted cash and investments on the Consolidated Condensed Balance Sheet. The Company recorded unrealized gains of \$5 million and \$8 million during the three and nine months ended September 30, 2020, respectively, and unrealized loss of \$2 million during the three months ended September 30, 2019. For the nine months ended September 30, 2019, the Company recorded an unrealized loss of less than a million.

Marketable Securities

Marketable securities consist primarily of trading securities held by the Company's captive insurance subsidiary and unrestricted shares acquired in conjunction with the Company's sports betting agreements. These investments also include collateral for several escrow and trust agreements with third-party beneficiaries. The estimated fair values of the Company's marketable securities are determined on an individual asset basis based upon quoted prices of identical assets available in active markets (Level 1), quoted prices of identical assets in inactive markets, or quoted prices for similar assets in active and inactive markets (Level 2), and represent the amounts the Company would expect to receive if the Company sold these marketable securities.

Derivative Instruments

The Company does not purchase or hold any derivative financial instruments for trading purposes.

5% Convertible Notes - Derivative Liability

On October 6, 2017, Former Caesars issued \$1.1 billion aggregate principal amount of 5% Convertible Notes.

The 5% Convertible Notes are convertible into the weighted average of the number of shares of Company Common Stock and amount of cash actually received per share by holders of common stock of Former Caesars that made elections for consideration in the Merger. As a result, the 5% Convertible Notes are convertible into a number of shares of Company Common Stock that is equal to approximately 0.014 shares of Company Common Stock and \$1.17 of cash per \$1.00 principal amount of 5% Convertible Notes. The 5% Convertible Notes are convertible at any time at the option of the holders thereof and, beginning in October 2020, are convertible at the option of the Company if the last reported sale price of Company Common Stock equals or exceeds 140% of the conversion price for the 5% Convertible Notes in effect on each of at least 20 trading days during any 30 consecutive trading day period. As of September 30, 2020, approximately \$487 million of the 5% Convertible Notes have been converted into cash and shares resulting in a net gain of approximately \$34 million which is recorded within other (loss) income on the Statement of Operations.

The outstanding balance of \$607 million of which \$10 million was held in trust as of September 30, 2020, would result in the issuance of an aggregate of 8.4 million shares of Company Common Stock and payment of \$708 million upon conversion of the remaining outstanding 5% Convertible Notes. As of September 30, 2020, the remaining life of the 5% Convertible Notes is approximately 4 years.

Management analyzed the conversion features for derivative accounting consideration under ASC Topic 815, *Derivatives and Hedging*, (“ASC 815”) and determined that the 5% Convertible Notes contain bifurcated derivative features and qualify for derivative accounting. In accordance with ASC 815, the Company has bifurcated the conversion features of the 5% Convertible Notes and recorded a derivative liability. The 5% Convertible Notes derivative features are not designated as hedging instruments. The derivative features of the 5% Convertible Notes are carried on the Company’s Balance Sheet at fair value in Other long-term liabilities. The derivative liability is marked-to-market each measurement period and the changes in fair value as a result of fluctuations in the share price of our common stock resulted in a loss of \$87 million for the three month ended September 30, 2020, which was recorded as a component of Other (loss) income in the Statement of Operations. The derivative liability associated with the 5% 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 5% Convertible Notes had an initial face value of \$1.1 billion, an initial term of 7 years, and a coupon rate of 5%.

As of September 30, 2020 we estimated the fair value of the 5% Convertible Notes using a market-based approach that incorporated the value of both the straight debt and conversion features of the 5% Convertible Notes. The valuation model incorporated actively traded prices of the 5% Convertible Notes as of the reporting date, and assumptions regarding the incremental cost of borrowing for CEI. The key assumption used in the valuation model is the actively traded price of 5% Convertible Notes and the incremental cost of borrowing is an indirectly observable input. The fair value for the conversion features of the 5% Convertible Notes is classified as Level 2 measurement.

Key Assumptions as of September 30, 2020:

- Actively traded price of 5% Convertible Notes - \$193.00
- Incremental cost of borrowing - 6.0%

Forward contracts

In relation to the proposed acquisition of William Hill plc, on September 28, 2020, the Company entered into a foreign exchange forward contract to hedge the risk of appreciation of the GBP denominated purchase price. Under the agreement, the Company will purchase £1.3 billion at a contracted exchange rate. An unrealized loss of \$5 million related to the change in fair value during the period from September 28, 2020 and September 30, 2020 was recorded in the consolidated condensed statement of operations. As of September 30, 2020, the forward derivative liability of \$5 million was recorded in Other long-term liabilities. On October 1, 2020 the contract was cancelled.

On October 9, 2020, the Company entered into a foreign exchange forward contract to hedge the risk of appreciation of the GBP denominated purchase price. Under the agreement, the Company will purchase £536 million at a contracted exchange rate. The forward term of the contract ends on March 31, 2021.

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, 2020, Former Caesars has entered into ten interest rate swap agreements to fix the interest rate on \$3.0 billion of variable rate debt related to the CRC Credit Agreement. The interest rate swaps are designated as cash flow hedging instruments. The

difference to be paid or received under the terms of the interest rate swap agreements is accrued as interest rates change and recognized as an adjustment to interest expense at settlement. Changes in the variable interest rates to be received pursuant to the terms of the interest rate swap agreements will have a corresponding effect on future cash flows.

The major terms of the interest rate swap agreements as of September 30, 2020 are as follows:

Effective Date	Notional Amount (In millions)	Fixed Rate Paid	Variable Rate Received as of September 30, 2020	Maturity Date
12/31/2018	250	2.274%	0.156%	12/31/2022
12/31/2018	200	2.828%	0.156%	12/31/2022
12/31/2018	600	2.739%	0.156%	12/31/2022
1/1/2019	250	2.153%	0.156%	12/31/2020
1/1/2019	250	2.196%	0.156%	12/31/2021
1/1/2019	400	2.788%	0.156%	12/31/2021
1/1/2019	200	2.828%	0.156%	12/31/2022
1/2/2019	250	2.172%	0.156%	12/31/2020
1/2/2019	200	2.731%	0.156%	12/31/2020
1/2/2019	400	2.707%	0.156%	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 either Deferred charges and other assets or Deferred credits and other liabilities on our Balance Sheets. Our derivatives are recorded at their fair values, adjusted for the credit rating of the counterparty if the derivative is an asset, or adjusted for the credit rating of the Company if the derivative is a liability. None of our derivative instruments are offset and all were classified as Level 2.

Financial Statement Effect

The effect of derivative instruments designated as hedging instruments on the Balance Sheet for amounts transferred into Accumulated other comprehensive income/(loss) ("AOCI") before tax was a gain of \$18 million during the three months ended September 30, 2020. AOCI reclassified to Interest expense on the Statements of Operations was \$12 million for the three months ended September 30, 2020. 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 \$62 million. As of September 30, 2020, the interest rate swaps derivative liability of \$109 million was recorded in Other long-term liabilities.

Accumulated Other Comprehensive Income

The changes in AOCI by component, net of tax, for the period through September 30, 2020 are shown below.

(In millions)	Unrealized Net Gains on Derivative Instruments	Foreign Currency Translation Adjustments	Total
Balances as of December 31, 2019	\$ —	\$ —	\$ —
Other comprehensive income before reclassifications	2	1	3
Amounts reclassified from accumulated other comprehensive income	12	—	12
Total other comprehensive income, net of tax	14	1	15
Balances as of September 30, 2020	\$ 14	\$ 1	\$ 15

Note 12. Earnings per Share

The following table illustrates the reconciliation of the numerators and denominators of the basic and diluted net (loss) income per share computations for the three and nine months ended September 30, 2020 and 2019:

<i>(In millions, except per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net (loss) income attributable to Caesars	\$ (926)	\$ 37	\$ (1,202)	\$ 94
Shares outstanding:				
Weighted average shares outstanding – basic	152	78	104	78
Effect of dilutive securities:				
Stock-based compensation awards	—	1	—	1
Weighted average shares outstanding – diluted	152	79	104	79
Basic (loss) income per share from continuing operations	\$ (6.09)	\$ 0.48	\$ (11.55)	\$ 1.21
Basic loss per share from discontinued operations	—	—	(0.01)	—
Net (loss) income per common share attributable to common stockholders – basic:	\$ (6.09)	\$ 0.48	\$ (11.56)	\$ 1.21
Diluted (loss) income per share from continuing operations	\$ (6.09)	\$ 0.47	\$ (11.55)	\$ 1.20
Diluted loss income per share from discontinued operations	—	—	(0.01)	—
Net (loss) income per common share attributable to common stockholders – diluted:	\$ (6.09)	\$ 0.47	\$ (11.56)	\$ 1.20

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

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

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Stock-based compensation awards	3	—	7	—
5% Convertible notes	8	—	8	—
Total anti-dilutive common stock	11	—	15	—

Note 13. Litigation, Commitments and Contingencies

Litigation

The Company is a party to various legal proceedings. Such proceedings can be costly, time consuming and unpredictable and, therefore, no assurance can be given that the final outcome of such proceedings will not materially impact the Company's consolidated financial condition or results of operations. While the Company maintains insurance coverage that the Company believes is adequate to mitigate the risks of such proceedings, no assurance can be given that the amount or scope of existing insurance coverage will be sufficient to cover losses arising from such matters.

On July 14, 2020, the Company filed a lawsuit for damages and declaratory relief in state court in New York relating to a transfer fee of \$50 million that was assessed by the Indiana Gaming Commission upon the Company's purchase of Hoosier Park Racino and Casino in 2017 from Centaur Holdings, LLC. Contemporaneous with the filing of the lawsuit, the Company notified Centaur that it was withholding payment of \$50 million from Centaur Holdings that was otherwise due as a portion of a deferred payment for the purchase from Centaur. In the lawsuit, the Company seeks a declaration from the Court that the Sellers are required to indemnify Caesars for its losses arising out of or relating to payment of the transfer fee and that the Company is entitled to offset the \$50 million transfer fee against payments otherwise due to Centaur.

General

In addition, the Company is a party to various legal and administrative proceedings, which have arisen in the normal course of its business. Estimated losses are accrued for these proceedings when the loss is probable and can be estimated. The current liability for the estimated losses associated with these proceedings is not material to the Company's consolidated financial condition and those estimated losses are not expected to have a material impact on the Company's results of operations.

Contractual Commitments

The following contractual commitments were assumed by the Company associated with Former Caesars as result of the consummation of the Merger.

Extension of Casino Operating Contract and Ground Lease for Harrah's New Orleans

On April 1, 2020, the Company and the State of Louisiana, by and through the Louisiana Gaming Control Board (the "LGCB"), entered into an Amended and Restated Casino Operating Contract (as amended by a First Amendment to the Amended and Restated Casino Operating Contract dated April 9, 2020, the "Casino Operating Contract") to amend and restate the casino operating contract between the Company and the LGCB with respect to Harrah's New Orleans to, among other things: (a) extend the term of the Company's authority to conduct gaming operations at Harrah's New Orleans for thirty (30) years to 2054; (b) require the Company to make (i) a capital investment of \$325 million on or around Harrah's New Orleans by July 15, 2024 (subject to extensions for force majeure events) (the "Capital Investment"), (ii) certain one-time payments totaling \$65 million to the City of New Orleans (the "City") and the State of Louisiana, (iii) annual payments totaling \$9 million to the City and the State of Louisiana and (iv) an annual license payment of \$3 million to the LGCB starting April 1, 2022; and (c) delay the date by which the Company must deliver certain payments to the State of Louisiana and the City primarily driven by the reopening date of the casino.

On April 3, 2020, the Company, New Orleans Building Corporation ("NOBC") and the City (collectively, the "Ground Lease Parties") entered into a Second Amended and Restated Lease Agreement (as amended by a letter agreement of the same date, the "Ground Lease") to amend and restate the ground lease among the Ground Lease Parties with respect to Harrah's New Orleans to, among other things: (a) require the Company to make (i) the Capital Investment, (ii) certain payments to the City as also required by the Casino Operating Contract and (iii) certain one-time payments totaling \$29 million to NOBC; (b) increase the minimum amount of certain annual payments to be made by the Company to NOBC; (c) provide that NOBC approves (subject to the satisfaction of certain conditions) of (i) the consummation of the Merger and (ii) a sale-leaseback transaction between the Company and an affiliate of VICI; and (d) delay the date by which the Company must deliver certain payments to the City and NOBC primarily driven by the reopening date of the casino.

As certain operations have resumed at Harrah's New Orleans, under Former Caesars, approximately \$61 million was paid of which \$47 million reflected additional gaming rights, and \$14 million was operating costs, related to the payments described above. Subsequent to the Merger, the Company made additional payments totaling approximately \$20 million of additional gaming rights as of, or for the period ended, September 30, 2020, related to the payments described above.

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, 2020, obligations related to these agreements were \$318 million with contracts extending through 2035. We recognize expenses in the period services are rendered in accordance with the various agreements. In addition, assets or liabilities may be recorded related to the timing of payments as required by the respective agreement. On September 1, 2020, we amended our agreement with Turner Sports, Inc. for advertising and televised specials. On September 10, 2020, the Company entered into a multi-year agreement with ESPN including link integrations from ESPN's website and app to sportsbooks with our sports betting partner, William Hill.

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 \$235 million as of September 30, 2020.

Due to the novel nature of the disruption resulting from the COVID-19 public health emergency, actuarial data is limited for determining its effect. The assumptions utilized by our actuaries are subject to significant uncertainty and if outcomes differ from these assumptions or events develop or progress in a negative manner, the Company could experience a material adverse effect and additional liabilities may be recorded in the future. Alternatively, as a result of the current work stoppages, a reduction of claims in future periods could be beneficial to our financial condition and results of operations.

Contingent Liabilities

Uncertainties

Since 2009, Harrah's New Orleans has undergone audits by state and local departments of revenue related to sales taxes on hotel rooms, parking and entertainment complimentary. The periods that have been or are currently being audited are 2004 through 2016. In connection with these audits, certain periods have been paid under protest or are currently in various stages of litigation. On July 2, 2019, the judge denied Harrah's New Orleans' motion for partial summary judgment and granted the Department of Revenue's (the "Department") partial motion for summary judgment, finding that Harrah's New Orleans owes state sales taxes, as well as district and New Orleans occupancy taxes to the Department on all discounted or complimentary

rooms furnished by Harrah's New Orleans to patrons or guests at Harrah's New Orleans hotel and certain third party hotels. On September 3, 2019, Harrah's New Orleans filed a Motion for Suspensive Appeal, which was granted. Harrah's filed its reply on February 3, 2020. Oral argument was on February 20, 2020. Under Former Caesars, \$9 million has been paid under protest and is being held in escrow by the Department. Harrah's New Orleans had accrued contingent liabilities of \$42 million on September 30, 2020.

Weather disruption - Lake Charles

On August 27, 2020 Hurricane Laura made landfall on Lake Charles as a Category 4 storm. The hurricane severely damaged the Isle of Capri Casino Lake Charles and the Company has recorded an insurance receivable of \$31 million, of which \$15 million related to fixed asset impairments and \$16 million related to remediation costs and repairs that have been incurred in the three months ended September 30, 2020. The property has remained closed.

Note 14. Related Affiliates

REI

As of September 30, 2020, Recreational Enterprises, Inc. ("REI") owned approximately 5.1% of outstanding common stock of the Company. The directors of REI are the Company's Executive Chairman of the Board, Gary L. Carano, its Chief Executive Officer and Board member, Thomas R. Reeg, and its former Senior Vice President of Regional Operations, Gene Carano. In addition, Gary L. Carano also serves as the Vice President of REI and Gene Carano also serves as the Secretary and Treasurer of REI. Members of the Carano family, including Gary L. Carano and Gene Carano, own the equity interests in REI. During the nine months ended September 30, 2020 and 2019, there were no related party transactions between the Company and the Carano family other than compensation, including salary and equity incentives, and the CSY Lease listed below.

C. S. & Y. Associates

The Company owns the entire parcel on which Eldorado Reno is located, except for approximately 30,000 square feet which is leased from C. S. & Y. Associates ("CSY") which is an entity partially owned by REI (the "CSY Lease"). The CSY Lease expires on June 30, 2057. Rent pursuant to the CSY Lease is \$0.6 million annually and paid quarterly during the year. As of September 30, 2020 and December 31, 2019, there were no amounts due to or from CSY.

Transactions with Horseshoe Baltimore

The Company holds an interest in Horseshoe Baltimore of approximately 44.3% which is accounted for as an equity method investment and is considered to be a related party. These related party transactions include items such as casino management fees, reimbursement of various costs incurred by CEOC, LLC on behalf of Horseshoe Baltimore, and the allocation of other general corporate expenses. A summary of the transactions with Horseshoe Baltimore is provided in the table below.

<i>(In millions)</i>	Three Months Ended September 30, 2020
Transactions with Horseshoe Baltimore	
Management fees	\$ 2
Allocated expenses	1

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 settled on a net basis by each counterparty in accordance with the legal and contractual restrictions governing transactions by and among the Company's consolidated entities.

As of September 30, 2020 and December 31, 2019, Due from affiliates, net was \$37 million and \$4 million, respectively, and represented transactions with Horseshoe Baltimore and William Hill.

Note 15. Segment Information

The executive decision maker of the Company reviews operating results, assesses performance and makes decisions on a "significant market" basis. Management views each of the Company's casinos as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, and their management and reporting structure. Prior to the Merger, our principal operating activities occurred in five geographic regions and reportable segments: West, Midwest, South, East and Central. Following the Merger, the Company's principal operating activities occur in three regionally-focused and reportable segments. The reportable segments are based on the similar

characteristics of the operating segments within the regions in which they operate: (1) Las Vegas, (2) Regional, and (3) Managed, International, CIE, in addition to Corporate and Other. See table below for a summary of these segments. Also, see Note 4 and Note 7 for a discussion of the impairment of intangibles and long-lived assets related to certain segments.

The following table sets forth certain information regarding our properties (listed by segment in which each property is reported) as of September 30, 2020:

Las Vegas	Regional	Managed, International, CIE
^(a) Bally's Las Vegas	Eldorado Resort Casino Reno	^(a) Harrah's Atlantic City
^(a) The Cromwell	Silver Legacy Resort Casino	^(a) Harrah's Laughlin
^(a) Flamingo Las Vegas	Circus Circus Reno	^(a) Harrah's New Orleans
^(a) The LINQ Hotel & Casino	MontBleu Casino Resort & Spa ^(c)	^(a) Hoosier Park ^(f)
^(a) Paris Las Vegas	Tropicana Laughlin Hotel & Casino	^(a) Indiana Grand ^(g)
^(a) Planet Hollywood Resort & Casino	Isle Casino Hotel - Blackhawk	^(a) Bally's Atlantic City ^(b)
^(a) Caesars Palace Las Vegas	Lady Luck Casino - Black Hawk	^(a) Caesars Atlantic City
^(a) Harrah's Las Vegas	Isle Casino Waterloo	^(a) Caesars Southern Indiana ^{(e)(b)}
^(a) Rio All-Suite Hotel & Casino	Isle Casino Bettendorf	^(a) Harrah's Council Bluffs
	Isle of Capri Casino Boonville	^(a) Harrah's Gulf Coast
	Isle of Capri Casino Kansas City ^(d)	^(a) Harrah's Joliet
	Isle Casino Racing Pompano Park	^(a) Harrah's Lake Tahoe
	Eldorado Resort Casino Shreveport ^(c)	^(a) Harrah's Louisiana Downs ^{(h)(b)}
	Isle of Capri Casino Hotel Lake Charles	^(a) Harrah's Metropolis
	Belle of Baton Rouge Casino & Hotel	^(a) Harrah's North Kansas City
	Isle of Capri Casino Lula	^(a) Harrah's Philadelphia
	Lady Luck Casino Vicksburg ^(d)	^(a) Harrah's Reno ^{(i)(b)}
	Trop Casino Greenville	^(a) Harveys Lake Tahoe
	Eldorado Gaming Scioto Downs	^(a) Horseshoe Bossier City
	Tropicana Casino and Resort, Atlantic City	^(a) Horseshoe Council Bluffs
	Grand Victoria Casino	^(a) Horseshoe Hammond ^{(e)(b)}
	Lumière Place Casino	^(a) Horseshoe Tunica
	Tropicana Evansville ^(e)	^(a) Caesars Dubai
		<u>CIE</u>
		^(a) Caesars Interactive Entertainment

^(a) These properties were acquired from the Merger with Former Caesars on July 20, 2020.

^(b) As a result of the Merger, the sales of these properties met the requirements for presentation as discontinued operations as of September 30, 2020.

^(c) In April 2020, the Company entered into an agreement to sell Eldorado Shreveport and MontBleu, which are expected to close in the first quarter of 2021. As of September 30, 2020, the properties' assets and liabilities were classified as held for sale.

^(d) Kansas City and Vicksburg were sold on July 1, 2020.

^(e) On October 27, 2020, the Company entered into an agreement to sell Evansville, which is expected to close mid-2021. In addition, the Company plans to enter into an agreement to divest of Caesars Southern Indiana and Horseshoe Hammond prior to December 31, 2020. As of September 30, 2020, Evansville's assets and liabilities were classified as held for sale.

^(f) Hoosier Park includes operations of our off-track betting locations, Winner's Circle Indianapolis and Winner's Circle New Haven.

^(g) Indiana Grand includes operations of our off-track betting location, Winner's Circle Clarksville.

^(h) On September 3, 2020, the Company entered into an agreement to sell Harrah's Louisiana Downs, which is expected to close in the first half of 2021.

⁽ⁱ⁾ Harrah's Reno was sold on September 30, 2020.

^(j) Rendezvous Southend-on-Sea permanently closed in June 2020 following the recent closure due to the COVID-19 public health emergency.

^(k) As of September 30, 2020, Horseshoe Baltimore was 44.3% owned and held as an equity-method investment.

In addition to our properties listed above, other domestic and international properties, including Harrah's Northern California, are authorized to use the brands and marks of Caesars Entertainment, Inc. We also own the CAESARS FORUM conference

center, which is a 550,000 sq. ft. conference center with 300,000 sq. ft. of flexible meeting space and two of the largest pillarless ballrooms.

“Corporate and Other” includes parent other adjustments and eliminations to reconcile to consolidated Caesars results.

The following table sets forth, for the periods indicated, certain operating data for the Company’s three reportable segments. We recast previously reported segment amounts to conform to the way management assesses results and allocates resources for the current year.

<i>(In millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Revenues and expenses				
<i>Las Vegas:</i>				
Net revenues	\$ 304	\$ —	\$ 304	\$ —
Net loss attributable to Caesars	(162)	—	(162)	—
Adjusted EBITDA	43	—	43	—
<i>Regional:</i>				
Net revenues	1,000	661	1,596	1,930
Net (loss) income attributable to Caesars	47	117	(175)	300
Adjusted EBITDA	331	205	439	569
<i>Managed, International, CIE:</i>				
Net revenues	69	—	69	—
Net income attributable to Caesars	3	—	3	—
Adjusted EBITDA	18	—	18	—
<i>Corporate and Other:</i>				
Net revenues	4	2	8	6
Net loss attributable to Caesars	(814)	(80)	(868)	(206)
Adjusted EBITDA	(41)	(8)	(59)	(27)
Total				
Net revenues	<u>\$ 1,377</u>	<u>\$ 663</u>	<u>\$ 1,977</u>	<u>\$ 1,936</u>
Net (loss) income attributable to Caesars	<u>\$ (926)</u>	<u>\$ 37</u>	<u>\$ (1,202)</u>	<u>\$ 94</u>
Adjusted EBITDA	<u>\$ 351</u>	<u>\$ 197</u>	<u>\$ 441</u>	<u>\$ 542</u>

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.

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, 2020

<i>(In millions)</i>	Las Vegas	Regional	Managed, International, CIE	Corporate and Other	Total
Net (loss) income attributable to Caesars	\$ (162)	\$ 47	\$ 3	\$ (814)	\$ (926)
Net income attributable to noncontrolling interests	—	1	—	—	1
Net (income) loss from discontinued operations	—	(9)	10	—	1
Interest expense, net	92	157	—	224	473
Provision for income taxes ^(a)	—	—	—	135	135
Other loss ^(b)	—	—	—	164	164
Depreciation and amortization	91	117	—	15	223
Stock-based compensation	3	4	—	38	45
Transaction costs and other operating costs ^(c)	19	7	5	188	219
Other items ^(d)	—	7	—	9	16
Adjusted EBITDA	\$ 43	\$ 331	\$ 18	\$ (41)	\$ 351

Three Months Ended September 30, 2019

<i>(In millions)</i>	Las Vegas	Regional	Managed, International, CIE	Corporate and Other	Total
Net (loss) income attributable to Caesars	\$ —	\$ 117	\$ —	\$ (80)	\$ 37
Provision for income taxes ^(a)	—	—	—	18	18
Other income	—	—	—	(2)	(2)
Interest expense, net	—	35	—	37	72
Depreciation and amortization	—	51	—	2	53
Transaction costs and other operating costs	—	—	—	14	14
Stock-based compensation expense	—	—	—	4	4
Other items ^(d)	—	2	—	(1)	1
Adjusted EBITDA	\$ —	\$ 205	\$ —	\$ (8)	\$ 197

Nine Months Ended September 30, 2020

<i>(In millions)</i>	Las Vegas	Regional	Managed, International, CIE	Corporate and Other	Total
Net (loss) income attributable to Caesars	\$ (162)	\$ (175)	\$ 3	\$ (868)	\$ (1,202)
Net income attributable to noncontrolling interests	—	1	—	—	1
Net (income) loss from discontinued operations	—	(9)	10	—	1
Provision for income taxes ^(a)	—	—	—	64	64
Other loss ^(b)	—	—	—	174	174
Interest expense, net	92	229	—	287	608
Depreciation and amortization	91	213	—	18	322
Impairment charges	—	161	—	—	161
Transaction costs and other operating costs ^(c)	19	8	5	210	242
Stock-based compensation expense	3	4	—	48	55
Other items ^(d)	—	7	—	8	15
Adjusted EBITDA	\$ 43	\$ 439	\$ 18	\$ (59)	\$ 441

Nine Months Ended September 30, 2019

<i>(In millions)</i>	Las Vegas	Regional	Managed, International, CIE	Corporate and Other	Total
Net (loss) income attributable to Caesars	\$ —	\$ 300	\$ —	\$ (206)	\$ 94
Provision for income taxes ^(a)	—	—	—	39	39
Other loss	—	—	—	1	1
Interest expense, net	—	103	—	114	217
Depreciation and amortization	—	162	—	5	167
Impairment charges	—	—	—	1	1
Transaction costs and other operating costs	—	1	—	1	2
Stock-based compensation expense	—	—	—	16	16
Other items ^(d)	—	3	—	2	5
Adjusted EBITDA	\$ —	\$ 569	\$ —	\$ (27)	\$ 542

^(a) Taxes are recorded at the consolidated level and not estimated or recorded to our Las Vegas, Regional, and Managed, International, CIE segments.

^(b) Other loss for three and nine months ended September 30, 2020 primarily represents loss on early repayment of debt in connection with the consummation of the Merger and unrealized loss on the change in fair value of the derivative liability related to the 5% Convertible Notes, slightly offset by a gain on William Hill UK and Flutter stock and a realized gain on conversion of the 5% Convertible Notes.

^(c) Transaction costs and other operating costs for the three and nine months ended September 30, 2020 primarily represent costs related to the Merger, various contract or license termination exit costs, professional services, other acquisition costs and severance costs.

^(d) Other items represent internal labor charges related to certain departed executives, retention bonuses, business optimization expenses and contract labor.

<i>(In millions)</i>	Nine Months Ended September 30,	
	2020	2019
Capital Expenditures, Net		
Las Vegas	\$ 16	\$ —
Regional ^(a)	62	131
Managed, International, CIE ^(a)	1	—
Corporate and Other	19	4
Total	<u>\$ 98</u>	<u>\$ 135</u>

^(a) Includes \$4 million of capital expenditures related to properties classified as discontinued operations.

<i>(In millions)</i>	Balance Sheet as of	
	September 30, 2020	December 31, 2019
Total Assets		
Las Vegas	\$ 21,552	\$ —
Regional	14,096	6,787
Managed, International, CIE	604	—
Corporate and Other	(13)	(1,146)
Total	<u>\$ 36,239</u>	<u>\$ 5,641</u>

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

You should read the following discussion together with the financial statements, including the related notes and the other financial information, contained in this Quarterly Report on Form 10-Q.

Caesars Entertainment, Inc., a Delaware corporation formerly known as Eldorado Resorts, Inc. (“ERI” or “Eldorado”), is referred to as the “Company,” “CEI,” “Caesars,” or the “Registrant,” and together with its subsidiaries may also be referred to as “we,” “us” or “our.”

Overview

We are a geographically diversified gaming and hospitality company that was founded in 1973 by the Carano family with the opening of the Eldorado Hotel Casino in Reno, Nevada. We partnered with MGM Resorts International to build Silver Legacy Resort Casino in Reno, Nevada in 1993 and, beginning in 2005, we grew through a series of acquisitions, including the acquisition of Eldorado Shreveport in 2005, MTR Gaming Group, Inc. in 2014, Circus Circus Reno (“Circus Reno”) and the 50% membership interest in the Silver Legacy that was owned by MGM Resorts International in 2015, Isle of Capri Casinos, Inc. (“Isle” or “Isle of Capri”) in 2017 and Grand Victoria Casino (“Elgin”) and Tropicana Entertainment, Inc. (“Tropicana”) in 2018.

On July 20, 2020, we completed the merger with Caesars Entertainment Corporation (“Former Caesars”) pursuant to which Former Caesars became our wholly-owned subsidiary (the “Merger”). As a result of the Merger, we currently own, lease or manage an aggregate of 56 domestic properties in 16 states with approximately 67,200 slot machines, video lottery terminals (“VLTs”) and e-tables, approximately 3,500 table games and approximately 48,800 hotel rooms as of September 30, 2020. We also have international operations in five countries outside of the U.S. In addition, we have other domestic and international properties that are authorized to use the brands and marks of Caesars Entertainment, Inc., as well as other non-gaming properties. Upon completion of our previously announced sales, or expected sales, of certain gaming properties, we expect that we will continue to own, lease or manage 51 properties. Our primary source of revenue is generated by gaming operations, and we utilize our hotels, restaurants, bars, entertainment, racing, sportsbook offerings, retail shops and other services to attract customers to our properties.

In connection with the Merger, Caesars Entertainment Corporation changed its name to “Caesars Holdings, Inc.” and Eldorado Resorts, Inc. converted into a Delaware corporation and changed its name to “Caesars Entertainment, Inc.” In addition, effective as of July 21, 2020 our ticker symbol on the NASDAQ Stock Market changed from “ERI” to “CZR”. In connection with the Merger, we also entered into a Master Transaction Agreement (the “MTA”) with VICI Properties L.P., a Delaware limited partnership (“VICI”), pursuant to which, among other things, we agreed to consummate certain sale and leaseback transactions and amend certain lease agreements with VICI and/or its affiliates, with respect to certain property described in the MTA.

As of September 30, 2020, we owned 23 of our casinos and leased 28 casinos in the U.S. We have leases with GLP Capital, L.P., the operating partnership of Gaming and Leisure Properties, Inc. (“GLPI”), including our Master Lease that we entered into in connection with the Tropicana Acquisition on October 1, 2018 (as amended, the “GLPI Master Lease”) and our Lumiere lease. Six of the leased casinos are subject to leases with GLPI, and we lease an additional 22 casinos from other third parties, including VICI. See descriptions under the “GLPI Master Lease” and “VICI Leases”.

We periodically divest of assets in order to raise capital or as a result of a determination that the assets are not core to our business. We also divested certain assets, and are required to divest additional assets, in connection with regulatory approvals related to closing of the Merger. A summary of recently completed and planned divestitures of our properties as of September 30, 2020 is as follows:

Segment	Property	Date Sold	Location
Regional	Presque Isle Downs & Casino (“Presque”)	January 11, 2019	Pennsylvania
Regional	Lady Luck Casino Nemaquin (“Nemaquin”)	March 8, 2019	Pennsylvania
Regional	Mountaineer Casino, Racetrack and Resort (“Mountaineer”)	December 6, 2019	West Virginia
Regional	Isle Casino Cape Girardeau (“Cape Girardeau”)	December 6, 2019	Missouri
Regional	Lady Luck Casino Caruthersville (“Caruthersville”)	December 6, 2019	Missouri
Regional	Isle of Capri Casino Kansas City (“Kansas City”)	July 1, 2020 (a)	Missouri
Regional	Lady Luck Casino Vicksburg (“Vicksburg”)	July 1, 2020 (a)	Mississippi
Regional	Eldorado Resort Casino Shreveport (“Eldorado Shreveport”)	N/A (b)	Louisiana
Regional	MontBleu Casino Resort & Spa (“MontBleu”)	N/A (b)	Nevada
Regional	Tropicana Evansville (“Evansville”)	N/A (c)	Indiana
<i>Discontinued operations (d):</i>			
Regional	Harrah’s Reno	September 30, 2020 (e)	Nevada
Regional	Bally’s Atlantic City	N/A (f)	New Jersey
Regional	Harrah’s Louisiana Downs Casino, Racing & Entertainment (“Harrah’s Louisiana Downs”)	N/A (g)	Louisiana
Regional	Caesars Southern Indiana	N/A (c)	Indiana
Regional	Horseshoe Hammond	N/A (c)	Indiana
Managed, International, CIE	Emerald Resort & Casino	N/A	South Africa
Managed, International, CIE	Caesars Entertainment UK	N/A	United Kingdom

- (a) We closed the sales of Kansas City and Vicksburg on July 1, 2020 and recorded a gain of approximately \$8 million during the quarter ended September 30, 2020.
- (b) On April 24, 2020, we entered into a definitive purchase agreement with Twin River Worldwide Holdings, Inc. (“Twin River”) and certain of its affiliates for the sale of the equity interests of Eldorado Resort Casino Shreveport Joint Venture and Columbia Properties Tahoe, LLC, the entities that hold Eldorado Shreveport and MontBleu for aggregate consideration of \$155 million, subject to a working capital adjustment. The definitive agreement provides that the consummation of the sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals and Eldorado Shreveport and MontBleu are expected to close in the first quarter of 2021. Eldorado Shreveport and MontBleu met the requirements for presentation as assets held for sale under generally accepted accounting principles as of September 30, 2020. In conjunction with the classification of MontBleu’s operations as assets held for sale as a result of the announced sale, an impairment charge totaling \$45 million was recorded during the nine months ended September 30, 2020 due to the carrying value exceeding the estimated net sales proceeds.
- (c) In connection with its review of the Merger, the Indiana Gaming Commission determined on July 16, 2020 that we are required to divest three properties within the state of Indiana in order to avoid undue economic concentrations as conditions to the Indiana Gaming Commission’s approval of the Merger. On October 27, 2020, the Company entered into an agreement to sell Evansville to GLPI and Twin River for \$480 million in cash, subject to a customary working capital adjustment. The sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals and is expected to close in mid-2021. In addition, we plan to enter into agreements to divest of Caesars Southern Indiana, and Horseshoe Hammond prior to December 31, 2020. Evansville met the requirements for presentation as assets held for sale under generally accepted accounting principles as of September 30, 2020. See (d) below for Caesars Southern Indiana, and Horseshoe Hammond.
- (d) These Former Caesars properties met, or are expected to meet within a short period of time, held for sale criteria as of the acquisition date. The sales of these properties have or are expected to close within one year from the date of the closing of the Merger and the properties are classified as discontinued operations.
- (e) On September 30, 2020, we and VICI completed the sale of Harrah’s Reno to an affiliate of CAI Investments for \$42 million, which proceeds were split between us and VICI. We received approximately \$8 million of net proceeds.
- (f) On April 24, 2020, Former Caesars reached an agreement with VICI to sell Bally’s Atlantic City Hotel & Casino to Twin River for approximately \$25 million. Caesars will receive approximately \$6 million from the sale. In addition, on October 9, 2020, we reached an agreement to sell the Bally’s brand to Twin River for \$20 million, while retaining the right to use the brand within Bally’s Las Vegas into perpetuity.

- (g) On September 3, 2020, we and VICI entered into agreement to sell Harrah's Louisiana Downs with Rubico Acquisition Corp. for \$22 million, subject to a customary working capital adjustment, where the proceeds will be split between us and VICI. The sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals and is expected to close in the first half of 2021.

Merger Related Activities

Merger with Caesars Entertainment Corporation

On July 20, 2020, the Merger was consummated and Former Caesars became a wholly-owned subsidiary of ours. The strategic rationale for the Merger includes, but is not limited to, the following:

- Creation of the largest owner, operator and manager of domestic gaming assets
- Diversification of the Company's domestic footprint
- Access to iconic brands, rewards programs and new gaming opportunities expected to enhance customer experience
- Realization of significant identified synergies

Based on the closing price of \$38.24 per share of the Company's common stock, par value \$0.00001 per share ("Company Common Stock"), reported on NASDAQ on July 20, 2020, the aggregate implied value of the aggregate merger consideration paid to former holders of Former Caesars common stock in connection with the Merger was approximately \$8.5 billion, including approximately \$2.4 billion in the Company Common Stock and approximately \$6.1 billion in cash. The aggregate merger consideration transferred also included approximately \$2.4 billion related to the repayment of certain outstanding debt balances of Former Caesars and approximately \$48 million of other consideration paid, which includes \$19 million related to a transaction success fee, for the benefit of Former Caesars, and \$29 million for the replacement of equity awards of certain employees attributable to services provided prior to the Merger.

Pursuant to the Merger, each share of Former Caesars common stock was converted into the right to receive, at the election of the holder thereof and subject to proration, approximately \$12.41 of cash consideration or approximately 0.3085 shares of Company Common Stock, with a value equal to approximately \$12.41 in cash (based on the volume weighted average price per share of Company Common Stock for the 10 trading days ending on July 16, 2020). Following the consummation of the Merger, stockholders of the Company and stockholders of Former Caesars held approximately 61% and 39%, respectively, of the outstanding shares of Company Common Stock.

We recognized acquisition-related transaction costs of \$107 million and \$129 million for the three and nine months ended September 30, 2020, respectively, and \$13 million and \$17 million for the three and nine months ended September 30, 2019, respectively.

Partnerships and Acquisition Opportunities

William Hill

In September 2018, we entered into a 25-year agreement, which became effective January 2019, with William Hill plc and William Hill U.S. Holdco, Inc. ("William Hill US"), its U.S. subsidiary (together, "William Hill") pursuant to which we (i) granted to William Hill the right to conduct betting activities, including operating sportsbooks, in retail channels and under our first skin and third skin for online channels with respect to our current and future properties located in the United States and the territories and possessions of the United States, including Puerto Rico and the U.S. Virgin Islands and (ii) agreed that William Hill will have the right to conduct real money online gaming activities utilizing our second skin available with respect to properties in such territories. Pursuant to the terms of the agreement, we received a 20% ownership interest in William Hill US valued at approximately \$129 million as well as 13 million ordinary shares of William Hill plc with an initial value of approximately \$27 million upon closing of the transaction in January 2019. Our profit and losses attributable to William Hill US are included in Transaction costs and other operating costs on the Consolidated Condensed Statements of Operations. We granted William Hill the right to the use of certain skins in exchange for an equity method investment. The fair value of the William Hill US and William Hill plc shares received has been deferred and is recognized as revenue on a straight-line basis over the 25-year agreement term. The amortization of deferred revenues associated with our equity interests is included in other revenue within our Corporate and Other segment. Additionally, we receive a profit share from the operations of betting and other gaming activities associated with our properties.

On September 30, 2020, we announced that we had reached an agreement with William Hill plc on the terms of a recommended cash acquisition pursuant to which we would acquire the entire issued and to be issued share capital (other than shares owned by us or held in treasury) of William Hill plc, in an all-cash transaction of approximately £2.9 billion, or \$3.7 billion. The transaction is conditioned on, among other things, the approval of William Hill plc shareholders and receipt of required regulatory approvals. To provide liquidity to fund the cash purchase price for the proposed acquisition, we entered into various

financing transactions. On September 25, 2020, we borrowed \$900 million under the CEI Revolving Credit Facility (defined below), which was repaid subsequent to September 30, 2020. On September 28, 2020, we deposited \$2.1 billion, which included borrowings under the CEI Revolving Credit Facility, into an escrow account related to the William Hill offer. As of September 30, 2020, these funds in escrow were classified as restricted cash until certain regulatory approvals were received. In addition, on October 1, 2020, we raised an additional \$1.9 billion through a public offering of Company Common Stock.

In connection with the proposed acquisition of William Hill plc, on September 29, 2020, the Company entered into a debt financing commitment letter pursuant to which the lenders party thereto have committed to arrange and provide a newly formed subsidiary of the Company with (a) a £1.0 billion senior secured 540-day bridge loan facility, (b) a £116 million senior secured 540-day revolving credit facility and (c) a £503 million senior secured 60-day bridge loan facility (collectively, the "Debt Financing"). The proceeds of the Debt Financing will be used (i) to pay a portion of the cash consideration for the proposed acquisition, (ii) to refinance certain of William Hill plc's and its subsidiaries' existing debt, (iii) to pay fees and expenses related to the acquisition and related transactions and (iv) for working capital and general corporate purposes.

In order to manage the risk of appreciation of the GBP denominated purchase price the Company has entered into foreign exchange forward contracts.

In connection with the Debt Financing on October 6, 2020, our newly formed subsidiary entered into a £1.5 billion Interim Facilities Agreement with Deutsche Bank AG, London Branch and JPMorgan Chase Bank, N.A. to provide: (a) a 540-day £1.0 billion asset sale bridge facility and (b) a 60-day £503 million cash confirmation bridge facility. Upon receipt of regulatory approvals, the restriction on the \$2.1 billion funded as of September 30, 2020 was released and we transferred \$1.4 billion of cash into our operating accounts and the outstanding balance of the CEI Revolving Credit Facility was repaid in full. Approximately \$598 million of cash remains in an unrestricted account.

The Stars Group/Flutter Entertainment

In November 2018, we entered into a 20-year agreement with The Stars Group Inc. ("TSG") pursuant to which we agreed to provide TSG with options to obtain access to our second skin for online sports wagering and third skin for real money online gaming and poker, in each case with respect to our properties in the United States. Under the terms of the agreement, we received 1 million TSG common shares. The fair value of the shares received has been deferred and is recognized as revenue on a straight-line basis over the 20-year agreement term. All shares are subject to a one year restriction on transfer from the date they are received. On May 5, 2020, Flutter Entertainment PLC ("Flutter") completed the acquisition of all of the issued and outstanding common shares of TSG in exchange for 0.2253 Flutter shares per common share of TSG. In addition, we will receive a revenue share from the operation of the applicable verticals by TSG under our licenses.

Reportable Segments

The following table sets forth certain information regarding our properties (listed by segment in which each property is reported) as of September 30, 2020:

Las Vegas	Regional	Managed, International, CIE
^(a) Bally's Las Vegas	Eldorado Resort Casino Reno	^(a) Harrah's Atlantic City
^(a) The Cromwell	Silver Legacy Resort Casino	^(a) Harrah's Laughlin
^(a) Flamingo Las Vegas	Circus Circus Reno	^(a) Harrah's New Orleans
^(a) The LINQ Hotel & Casino	MontBleu Casino Resort & Spa ^(c)	^(a) Hoosier Park ^(f)
^(a) Paris Las Vegas	Tropicana Laughlin Hotel & Casino	^(a) Indiana Grand ^(g)
^(a) Planet Hollywood Resort & Casino	Isle Casino Hotel - Blackhawk	^(a) Bally's Atlantic City ^(b)
^(a) Caesars Palace Las Vegas	Lady Luck Casino - Black Hawk	^(a) Caesars Atlantic City
^(a) Harrah's Las Vegas	Isle Casino Waterloo	^(a) Caesars Southern Indiana ^{(e)(b)}
^(a) Rio All-Suite Hotel & Casino	Isle Casino Bettendorf	^(a) Harrah's Council Bluffs
	Isle of Capri Casino Boonville	^(a) Harrah's Gulf Coast
	Isle of Capri Casino Kansas City ^(d)	^(a) Harrah's Joliet
	Isle Casino Racing Pompano Park	^(a) Harrah's Lake Tahoe
		<u>International</u>
		^(a) Caesars Cairo
		^(a) Ramses Casino
		^(a) Emerald Casino Resort ^(b)
		^(a) Alea Glasgow ^(b)
		^(a) Alea Nottingham ^(b)
		^(a) The Empire Casino ^(b)
		^(a) Manchester235 ^(b)
		^(a) Playboy Club London ^(b)
		^(a) Rendezvous Brighton ^(b)
		^(a) Rendezvous Southend-on-Sea ^{(j)(b)}
		^(a) The Sportsman ^(b)

Eldorado Resort Casino Shreveport ^(c)	^(a) Harrah's Louisiana Downs ^{(h)(b)}	<u>Managed</u>
Isle of Capri Casino Hotel Lake Charles	^(a) Harrah's Metropolis	^(a) Harrah's Ak-Chin
Belle of Baton Rouge Casino & Hotel	^(a) Harrah's North Kansas City	^(a) Harrah's Cherokee
Isle of Capri Casino Lula	^(a) Harrah's Philadelphia	^(a) Harrah's Cherokee Valley River
Lady Luck Casino Vicksburg ^(d)	^(a) Harrah's Reno ^{(i)(b)}	^(a) Harrah's Resort Southern California
Trop Casino Greenville	^(a) Harveys Lake Tahoe	^(a) Horseshoe Baltimore ^(k)
Eldorado Gaming Scioto Downs	^(a) Horseshoe Bossier City	^(a) Caesars Windsor
Tropicana Casino and Resort, Atlantic City	^(a) Horseshoe Council Bluffs	^(a) Kings & Queens Casino
Grand Victoria Casino	^(a) Horseshoe Hammond ^{(e)(b)}	^(a) Caesars Dubai
Lumière Place Casino	^(a) Horseshoe Tunica	<u>CIE</u>
Tropicana Evansville ^(e)		^(a) Caesars Interactive Entertainment

^(a) These properties were acquired from the Merger with Former Caesars on July 20, 2020.

^(b) As a result of the Merger, the sales of these properties met the requirements for presentation as discontinued operations as of September 30, 2020.

^(c) In April 2020, the Company entered into an agreement to sell Eldorado Shreveport and MontBleu, which are expected to close in the first quarter of 2021. As of September 30, 2020, the properties' assets and liabilities were classified as held for sale.

^(d) Kansas City and Vicksburg were sold on July 1, 2020.

^(e) On October 27, 2020, the Company entered into an agreement to sell Evansville, which is expected to close mid-2021. In addition, the Company plans to enter into an agreement to divest of Caesars Southern Indiana, and Horseshoe Hammond prior to December 31, 2020. As of September 30, 2020, Evansville's assets and liabilities were classified as held for sale.

^(f) Hoosier Park includes operations of our off-track betting locations, Winner's Circle Indianapolis and Winner's Circle New Haven.

^(g) Indiana Grand includes operations of our off-track betting location, Winner's Circle Clarksville.

^(h) On September 3, 2020, the Company entered into an agreement to sell Harrah's Louisiana Downs, which is expected to close in the first half of 2021.

⁽ⁱ⁾ Harrah's Reno was sold on September 30, 2020.

^(j) Rendezvous Southend-on-Sea permanently closed in June 2020 following the recent closure due to the COVID-19 public health emergency.

^(k) As of September 30, 2020, Horseshoe Baltimore was 44.3% owned and held as an equity-method investment.

The executive decision maker of the Company reviews operating results, assesses performance and makes decisions on a "significant market" basis. Management views each of our casinos as an operating segment. Operating segments are aggregated based on their similar economic characteristics, types of customers, types of services and products provided, and their management and reporting structure. Prior to the Merger, our principal operating activities occurred in five geographic regions and reportable segments: West, Midwest, South, East and Central. Following the Merger, our principal operating activities occur in three regionally-focused reportable segments. The reportable segments continue to be based on the similar characteristics of the operating segments within the regions in which they operate and align with the way management assesses these results and allocates resources. The Company's reportable segments are: (1) Las Vegas, (2) Regional, and (3) Managed, International, CIE, in addition to Corporate and Other.

Presentation of Financial Information

The financial information included in this Item 2 for the period after our acquisition of Former Caesars on July 20, 2020 is not fully comparable to the periods prior to the acquisition. In addition, the presentation of financial information herein for the periods after our sales of Presque and Nemaquin on January 11, 2019 and March 8, 2019, respectively, our sales of Mountaineer, Cape Girardeau and Caruthersville on December 6, 2019, and our sales of Kansas City and Vicksburg on July 1, 2020 are not fully comparable to the periods prior to their respective sale dates.

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide information to assist in better understanding and evaluating our financial condition and results of operations. Our historical operating results may not be indicative of our future results of operations because of these factors and the changing competitive landscape in each of our markets, as well as by factors discussed elsewhere herein. We recommend that you read this MD&A in conjunction with our unaudited consolidated condensed financial statements and the notes to those statements included in this Quarterly Report on Form 10-Q.

Key Performance Metrics

Our primary source of revenue is generated by our gaming operations, but we use our hotels, restaurants, bars, entertainment, retail shops, racing, sportsbook offerings and other services to attract customers to our properties. Our operating results are highly dependent on the volume and quality of customers visiting and staying at our properties. Key performance metrics include volume indicators such as table games drop and slot handle, which refer to amounts wagered by our customers. The amount of volume we retain, which is not fully controllable by us, is recognized as casino revenues and is referred to as our win or hold.

Other Recent Developments and Significant Factors Impacting Financial Results

The following summary highlights recent developments and significant factors impacting our financial results for the three and nine months ended September 30, 2020 and 2019.

- **COVID-19 Public Health Emergency** – In January 2020, an outbreak of a new strain of coronavirus (“COVID-19”) was identified and has since spread throughout much of the world, including the United States. All of our casino properties were temporarily closed for the period from mid-March 2020 through mid-May 2020 due to orders issued by various government agencies and tribal bodies as part of certain precautionary measures intended to help slow the spread of the COVID-19 public health emergency. On May 15, 2020, we began reopening our properties and have resumed certain operations at all of our properties as of September 30, 2020, with the exception of The Cromwell, Planet Hollywood Resort and Casino (“Planet Hollywood”), Rio All-Suite Hotel & Casino (“Rio”), and Caesars Windsor. Planet Hollywood and Caesars Windsor reopened on October 8, 2020 and The Cromwell reopened on October 29, 2020. The COVID-19 public health emergency has had a material adverse effect on our business, financial condition and results of operations for the three and nine months ended September 30, 2020. We continued to pay our full-time employees through April 10, 2020, including tips and tokens. Effective April 11, 2020, we furloughed approximately 90% of our employees, implemented salary reductions and committed to continue to provide benefits to our employees through September 30, 2020. Subsequently, the benefit coverage for furloughed employees was extended indefinitely. A portion of our workforce has returned to service as the properties have resumed with limited capacities and in compliance with operating restrictions imposed by governmental or tribal orders, directives, and guidelines. Due to the impact of the ongoing COVID-19 public health emergency on our results of operations, we obtained waivers on the financial covenants in our former credit facility agreement and the GLPI Master Lease. Furthermore, we obtained waivers from VICI in relation to annual capital expenditure requirements under the leases with VICI.

The extent of the ongoing and future effects of the COVID-19 public health emergency on our business and the casino resort industry generally is uncertain, but we expect that it will continue to have a significant impact on our business, results of operations and financial condition. The extent and duration of the impact of COVID-19 will ultimately depend on future developments, including but not limited to, the duration and severity of the outbreak, restrictions on operations imposed by governmental authorities, the potential for authorities reimposing stay at home orders or additional restrictions in response to continued developments with the COVID-19 public health emergency, our ability to adapt to evolving operating procedures, the impact on consumer demand and discretionary spending, the length of time it takes for demand to return and our ability to adjust our cost structures for the duration of the outbreak’s effect on our operations.

- **Caesars Acquisition** – The Merger closed on July 20, 2020. Transaction costs related to our acquisition of Former Caesars totaled \$107 million and \$129 million for the three and nine months ended September 30, 2020, respectively, and \$13 million and \$17 million for the three and nine months ended September 30, 2019, respectively.
- **Discontinued Operations** – As result of the Merger, Former Caesars properties including Harrah’s Louisiana Downs, Caesars Southern Indiana, Horseshoe Hammond, Harrah’s Reno, Caesars UK group including Emerald Resort & Casino, and Bally’s Atlantic City have met, or are expected to meet within a short period of time, held for sale criteria as of the date of the closing of the Merger. The sales of these properties have or are expected to close within one year from the date of the closing of the Merger and the properties are classified as discontinued operations. Additionally, we closed the sale of Harrah’s Reno on September 30, 2020.
- **Proposed William Hill Acquisition** – On September 30, 2020, we announced that we had reached an agreement with William Hill plc on the terms of a recommended cash acquisition pursuant to which we would acquire the entire issued and to be issued share capital (other than shares owned by us or held in treasury) of William Hill plc, in an all-cash transaction of approximately £2.9 billion, or \$3.7 billion. The transaction is conditioned on, among other things, the approval of William Hill plc shareholders and receipt of required regulatory approvals.

- *ESPN Agreement* – On September 10, 2020, we entered into a multi-year agreement with ESPN including link integrations from ESPN’s website and app to sportsbooks with our sports betting partner, William Hill.
- *Divestitures* – We closed the sales of Kansas City and Vicksburg on July 1, 2020 and recorded a gain of approximately \$8 million during the quarter ended September 30, 2020. We closed the sales of Presque and Nemaquin on January 11, 2019 and March 8, 2019, respectively, and recorded a net gain of \$22 million. We closed the sales of Mountaineer, Cape Girardeau and Caruthersville on December 6, 2019 and recorded a net gain of \$29 million during the fourth quarter of 2019. The properties that have been sold are collectively referred to as the “Divestitures.” In conjunction with the classification of MontBleu’s operations as assets held for sale as a result of the announced sale, an impairment charge totaling \$45 million was recorded during the nine months ended September 30, 2020 due to the carrying value exceeding the estimated net sales proceeds. None of the sales listed met requirements for presentation as discontinued operations and are included in income from continuing operations for the periods prior to their respective closing dates.
- *Impairment Charges* – As a result of declines in recent performance and the expected impact on future cash flows as a result of COVID-19, we recognized impairment charges in our Regional segment related to goodwill and trade names totaling \$100 million and \$16 million, respectively, during the nine months ended September 30, 2020.
- *Weather and Construction Disruption* – Our Regional segment was negatively impacted by severe weather, including flooding, during the first quarter of 2019 compared to the same current year period. Additionally, our Regional segment was negatively impacted by disruption to our casino floor and hotel availability associated with renovation projects at our Black Hawk properties during the construction period from January to June 2019. In late August 2020, our Regional segment was negatively impacted by Hurricane Laura, causing severe damage to Isle of Capri Casino Hotel Lake Charles (“Lake Charles”), which remains temporarily closed. We recorded an insurance receivable of \$31 million, of which \$15 million related to fixed asset impairments and \$16 million related to remediation costs and repairs that have been incurred in the three months ended September 30, 2020.

Results of Operations

The following table highlights the results of our operations:

<i>(Dollars in millions)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net revenues:				
Las Vegas	\$ 304	\$ —	\$ 304	\$ —
Regional	1,000	661	1,596	1,930
Managed, International, CIE	69	—	69	—
Corporate and Other ^(a)	4	2	8	6
Total	\$ 1,377	\$ 663	\$ 1,977	\$ 1,936
Net (loss) income	\$ (925)	\$ 37	\$ (1,201)	\$ 94
Adjusted EBITDA ^(b):				
Las Vegas	\$ 43	\$ —	\$ 43	\$ —
Regional	331	205	439	569
Managed, International, CIE	18	—	18	—
Corporate and Other ^(a)	(41)	(8)	(59)	(27)
Total	\$ 351	\$ 197	\$ 441	\$ 542
Net (loss) income margin ^(c)	(67.2)%	5.6 %	(60.7)%	4.9 %
Adjusted EBITDA margin	25.5 %	29.7 %	22.3 %	28.0 %

^(a) Corporate and Other includes revenues related to certain licensing revenue and various revenue sharing agreements. Expenses incurred for corporate activities that are directly attributable to a property or are otherwise incurred to support a property are allocated to each property. The Other category also includes corporate overhead costs, which consist of certain expenses, such as: payroll, professional fees, travel expenses and other general and administrative expenses that do not directly relate to or have not otherwise been allocated to a property.

^(b) See the “Supplemental Unaudited Presentation of Consolidated Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”)” discussion later in this MD&A for a definition of Adjusted EBITDA and a reconciliation of net (loss) income to Adjusted EBITDA related margins.

(c) Net (loss) income margin is calculated as net (loss) income divided by net revenues.

Consolidated comparison of the three and nine months ended September 30, 2020 and 2019

Net Revenues

Net revenues were as follows:

<i>(Dollars in millions)</i>	Three Months Ended September 30,		Variance	Percent Change	Nine Months Ended September 30,		Variance	Percent Change
	2020	2019			2020	2019		
Net Revenues:								
Casino and pari-mutuel commissions	\$ 919	\$ 458	\$ 461	100.7 %	\$ 1,360	\$ 1,386	\$ (26)	(1.9)%
Food and beverage	125	78	47	60.3 %	188	229	(41)	(17.9)%
Hotel	200	94	106	112.8 %	257	237	20	8.4 %
Other	133	33	100	*	172	84	88	104.8 %
Net Revenues	<u>\$ 1,377</u>	<u>\$ 663</u>	<u>\$ 714</u>	107.7 %	<u>\$ 1,977</u>	<u>\$ 1,936</u>	<u>\$ 41</u>	2.1 %

* Not meaningful.

Consolidated revenues increased for the three and nine months ended September 30, 2020 as a result of our acquisition of Former Caesars on July 20, 2020. This was offset by a decline in revenues associated with the COVID-19 public health emergency and, to a lesser extent, divestitures of certain properties discussed earlier. Both we and Former Caesars began temporarily closing our properties from mid-March 2020. We began reopening our properties on May 15, 2020. Former Caesars began opening properties on May 18, 2020. As of September 30, 2020, all but The Cromwell, Planet Hollywood, Rio and Caesars Windsor were reopened. Due to the impact of the COVID-19 public health emergency, including local and state regulations and the implementation of social distancing and health and safety protocols, our properties are subject to reduced gaming capacity and hotel occupancy, limited operation of food and beverage outlets, live entertainment events and group business. As a result, gaming revenue represents a larger portion of our total revenues following the reopening of our properties as compared to earlier periods, which we expect to continue until at least such time that social distancing and safety and health protocols, along with governmental capacity or other restrictions, are relaxed or no longer necessary.

Our diversified portfolio has yielded mixed results as the properties have reopened under the conditions noted above. Net revenues for properties which have historically relied on a local customer base, not dependent on air travel or convention business, showed a smaller decrease as compared to the three months ended September 30, 2019 results. These properties' gaming and hotel revenues have historically been the largest portion of their total revenue. Properties in destination markets such as Las Vegas, Atlantic City, Northern Nevada and New Orleans, which have historically relied on a broader regional and national customer base or convention business have declined significantly from the prior year period. These properties have historically relied on a broader mix of revenue sources including convention, entertainment, and food and beverage offerings. As a result of reduced visitation, state and local restrictions on capacity, and social distancing and safety and health protocols, these sources of revenue have been materially reduced as compared to prior periods.

Operating Expenses

Operating expenses were as follows:

<i>(Dollars in millions)</i>	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020	2019	Variance	Percent Change	2020	2019	Variance	Percent Change
Operating Expenses:								
Casino and pari-mutuel commissions	\$ 461	\$ 229	\$ 232	101.3 %	685	693	\$ (8)	(1.2)%
Food and beverage	91	60	31	51.7 %	153	180	(27)	(15.0)%
Hotel	63	27	36	133.3 %	91	76	15	19.7 %
Other	52	12	40	*	62	34	28	82.4 %
General and administrative	330	130	200	153.8 %	495	381	114	29.9 %
Corporate	90	13	77	*	120	51	69	135.3 %
Impairment charges	—	—	—	*	161	1	160	*
Depreciation and amortization	223	53	170	*	322	167	155	92.8 %
Transaction costs and other operating costs	219	14	205	*	242	2	240	*
Total operating expenses	\$ 1,529	\$ 538	\$ 991	184.2 %	\$ 2,331	\$ 1,585	\$ 754	47.6 %

* Not meaningful.

Casino and pari-mutuel expenses consist primarily of salaries and wages associated with our gaming operations, marketing and promotions and gaming taxes. Hotel expenses consist principally of salaries, wages and supplies associated with our hotel operations. Food and beverage expenses consist principally of salaries and wages and costs of goods sold associated with our food and beverage operations. Other expenses consist principally of salaries and wages and costs of goods sold associated with our retail, entertainment and other operations.

Casino and pari-mutuel, hotel, food and beverage, and other expenses for the three and nine months ended September 30, 2020 increased year over year as a result of our acquisition of Former Caesars. This was offset as a result of the temporary closures of all of our properties due to the COVID-19 public health emergency, which reduced our salaries and wages, gaming taxes, costs of goods sold, and other expenses. As discussed above, our reopened properties are operating with reduced gaming and hotel capacity and limited food and beverage options. As such, our properties are operating with a reduced workforce, which resulted in decreased salaries and wages. In addition, our properties have reduced marketing and promotional spend, resulting in further declines in gaming expenses.

General and administrative expenses include items such as compliance, facility maintenance, utilities, property and liability insurance, expenses for administrative departments such as accounting, purchasing, human resources, legal and internal audit, and property taxes. Property, general and administrative expenses also include stock-based compensation expense for certain property executives, sports sponsorships and other marketing expenses not directly related to our gaming operations.

General and administrative expenses for the three and nine months ended September 30, 2020 increased year over year as the result of our acquisition of Former Caesars. This was offset by actions taken to reduce our cost structure while our properties were temporarily closed and during the period of reduced operations due to the impact of the COVID-19 public health emergency, which are discussed above and implemented.

For the three and nine months ended September 30, 2020 compared to the same prior year period, corporate expenses increased primarily due to the acquisition of Former Caesars offset by reductions in salaries and wages due to reductions in workforce implemented as a result of the impact of the COVID-19 public health emergency.

For the three and nine months ended September 30, 2020 compared to the same prior year period, depreciation and amortization expense increased mainly due to the acquisition of Former Caesars offset by ceasing depreciation and amortization expense on assets held for sale and the Divestitures.

For the three and nine months ended September 30, 2020 compared to the same prior year period, transaction costs and other operating costs increased primarily due to costs or fees incurred related to the Merger, various project exit fees and related write offs, and higher severance expense related to synergies with the Merger.

Other income (expenses)

Other income (expenses) were as follows:

(Dollars in millions)	Three Months Ended September 30,		Variance	Percent Change	Nine Months Ended September 30,		Variance	Percent Change
	2020	2019			2020	2019		
Other income (expenses)								
Interest expense, net	\$ (473)	\$ (72)	\$ (401)	*	\$ (608)	\$ (217)	\$ (391)	(180.2)%
Loss on extinguishment of debt	(173)	(1)	(172)	*	(173)	(1)	(172)	*
Other (loss) income	9	3	6	200.0 %	(1)	—	(1)	*
Provision for income taxes	(135)	(18)	(117)	*	(64)	(39)	(25)	(64.1)%

* Not meaningful.

For the three and nine months ended September 30, 2020, interest expense, net increased year over year as a result of our acquisition of Former Caesars. Outstanding debt assumed, additional debt raised, and assumed financing obligations resulted in the increase in interest expense.

For the three and nine months ended September 30, 2020, the loss on extinguishment of debt increased year over year due to the payment of outstanding debt as a result of our acquisition of Former Caesars.

Segment comparison of the three and nine months ended September 30, 2020 and 2019

Las Vegas Segment

(Dollars in millions)	Three Months Ended September 30,		Variance	Percent Change	Nine Months Ended September 30,		Variance	Percent Change
	2020	2019			2020	2019		
Revenues:								
Casino and pari-mutuel commissions	\$ 122	\$ —	\$ 122	*	\$ 122	\$ —	\$ 122	*
Food and beverage	52	—	52	*	52	—	52	*
Hotel	79	—	79	*	79	—	79	*
Other	51	—	51	*	51	—	51	*
Net Revenues	<u>\$ 304</u>	<u>\$ —</u>	<u>\$ 304</u>	<u>*</u>	<u>\$ 304</u>	<u>\$ —</u>	<u>\$ 304</u>	<u>*</u>
Adjusted EBITDA	\$ 43	\$ —	\$ 43	*	\$ 43	\$ —	\$ 43	*
Adjusted EBITDA margin	14.1 %	— %		14.1 pts	14.1 %	— %		14.1 pts
Net loss attributable to Caesars	\$ (162)	\$ —	\$ (162)	*	\$ (162)	\$ —	\$ (162)	*

* Not meaningful.

Las Vegas segment's net revenues and Adjusted EBITDA increased as a result of the acquisition of Former Caesars. As of September 30, 2020, all of our Las Vegas properties other than The Cromwell, Planet Hollywood and Rio were reopened. Planet Hollywood opened on October 8, 2020 and The Cromwell reopened on October 29, 2020. All of our properties within the Las Vegas segment reopened with reduced gaming and hotel capacity and with limited food and beverage offerings. As of September 30, 2020, entertainment and convention venues have not reopened due to capacity limitations.

During the third quarter of 2020 or in the period between properties reopening and September 30, 2020, all of our reopened properties in the Las Vegas segment experienced a significant decline in net revenues and Adjusted EBITDA compared to Former Caesars' prior year results for the same properties due to the general weakness in the economic environment resulting from reduced visitation and travel to Las Vegas resulting from the COVID-19 public health emergency. Adjusted EBITDA margins for our Las Vegas properties were negatively impacted by greater declines in revenue than our Regional segment as well as rent expense associated with our Rio lease in our Las Vegas segment.

Regional Segment

<i>(Dollars in millions)</i>	Three Months Ended September 30,			Percent Change	Nine Months Ended September 30,			Percent Change
	2020	2019	Variance		2020	2019	Variance	
Revenues:								
Casino and pari-mutuel commissions	\$ 774	\$ 458	\$ 316	69.0 %	\$ 1,215	\$ 1,386	\$ (171)	(12.3)%
Food and beverage	72	78	(6)	(7.7)%	135	229	(94)	(41.0)%
Hotel	121	94	27	28.7 %	178	237	(59)	(24.9)%
Other	33	31	2	6.5 %	68	78	(10)	(12.8)%
Net Revenues	<u>\$ 1,000</u>	<u>\$ 661</u>	<u>\$ 339</u>	51.3 %	<u>\$ 1,596</u>	<u>\$ 1,930</u>	<u>\$ (334)</u>	(17.3)%
Adjusted EBITDA	\$ 331	\$ 205	\$ 126	61.5 %	\$ 439	\$ 569	\$ (130)	(22.8)%
Adjusted EBITDA margin	33.1 %	31.0 %		2.1 pts	27.5 %	29.5 %		(2) pts
Net (loss) income attributable to Caesars	\$ 47	\$ 117	\$ (70)	(59.8)%	\$ (175)	300	\$ (475)	(158.3)%

Regional segment's net revenues, Adjusted EBITDA and margin increased for the three months ended September 30, 2020 compared to the same prior year period as a result of the acquisition of Former Caesars. All of our properties in our Regional segment have reopened as of September 30, 2020. All of our properties within the Regional segment reopened with reduced gaming and hotel capacity and with limited food and beverage offerings.

During the third quarter of 2020 or in the period between properties reopening and September 30, 2020, our Regional properties experienced a decline in net revenues as compared to the prior year. However, in the period between reopening and September 30, 2020 for all of our Regional properties other than Atlantic City, Northern Nevada and New Orleans. Adjusted EBITDA grew as compared to prior year, and Former Caesars' prior year, for the same properties. Adjusted EBITDA margin for these properties were higher as compared to prior year due to operating with a reduced workforce, reducing marketing costs, and limiting certain lower margin food and beverage offerings such as buffets.

Properties in Atlantic City, Northern Nevada and New Orleans experienced significant declines in net revenues and Adjusted EBITDA as compared to prior year and Former Caesars' prior year for the same properties as they were all negatively impacted by reduced visitation and limitations on capacity due to the COVID-19 public health emergency.

Managed, International & CIE Segment

<i>(Dollars in millions)</i>	Three Months Ended September 30,			Percent Change	Nine Months Ended September 30,			Percent Change
	2020	2019	Variance		2020	2019	Variance	
Revenues:								
Casino and pari-mutuel commissions	\$ 23	\$ —	\$ 23	*	\$ 23	\$ —	\$ 23	*
Food and beverage	1	—	1	*	1	—	1	*
Hotel	—	—	—	*	—	—	—	*
Other	45	—	45	*	45	—	45	*
Net Revenues	<u>\$ 69</u>	<u>\$ —</u>	<u>\$ 69</u>	*	<u>\$ 69</u>	<u>\$ —</u>	<u>\$ 69</u>	*
Adjusted EBITDA	\$ 18	\$ —	\$ 18	*	\$ 18	\$ —	\$ 18	*
Adjusted EBITDA margin	26.1 %	— %		26.1 pts	26.1 %	— %		26.1 pts
Net income attributable to Caesars	\$ 3	\$ —	\$ 3	*	\$ 3	\$ —	\$ 3	*

* Not meaningful.

Managed, International, CIE segment's net revenues and Adjusted EBITDA increased as a result of the acquisition of Former Caesars. All of our managed properties have reopened as of September 30, 2020 except for Caesars Windsor, which opened on October 8, 2020. Our CIE business was not closed at any point related to the COVID-19 public health emergency.

For the three and nine months ended September 30, 2020, net revenues for Managed, International and CIE declined as compared to Former Caesars' prior period related to reimbursed management costs related to Caesars Windsor remaining closed throughout the quarter. Excluding that, net revenues increased primarily related to increased revenue in our CIE business. Adjusted EBITDA for Managed, International and CIE increased as compared to Former Caesars' prior period.

Corporate & Other

<i>(Dollars in millions)</i>	Three Months Ended September 30,		Variance	Percent Change	Nine Months Ended September 30,		Variance	Percent Change
	2020	2019			2020	2019		
Revenues:								
Other	\$ 4	\$ 2	\$ 2	100.0 %	\$ 8	\$ 6	\$ 2	33.3 %
Net Revenues	\$ 4	\$ 2	\$ 2	100.0 %	\$ 8	\$ 6	\$ 2	33.3 %
Adjusted EBITDA	\$ (41)	\$ (8)	\$ (33)	*	\$ (59)	\$ (27)	\$ (32)	(118.5)%

* Not meaningful.

Supplemental Unaudited Presentation of Consolidated Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted EBITDA for the Three and Nine Months Ended September 30, 2020 and 2019

Adjusted EBITDA (defined below), a non-GAAP financial measure, has been presented as a supplemental disclosure because it is a widely used measure of performance and basis for valuation of companies in our industry and we believe that this non-GAAP supplemental information will be helpful in understanding our ongoing operating results. Management has historically used Adjusted EBITDA when evaluating operating performance because we believe that the inclusion or exclusion of certain recurring and non-recurring items is necessary to provide a full understanding of our core operating results and as a means to evaluate period-to-period results. Adjusted EBITDA represents net income (loss) before interest expense, (benefit) provision for income taxes, unrealized (gain) loss on investments and marketable securities, depreciation and amortization, stock-based compensation, impairment charges, transaction expenses, severance expense, selling costs associated with the divestitures of properties, equity in income (loss) of unconsolidated affiliates, (gain) loss on the sale or disposal of property and equipment, (gain) loss related to divestitures, changes in the fair value of certain derivatives and certain non-recurring expenses such as sign-on and retention bonuses, business optimization expenses and transformation expenses, litigation awards and settlements, losses on inventory associated with properties temporarily closed as a result of the COVID-19 public health emergency, contract exit or termination costs, and regulatory settlements. Adjusted EBITDA also excludes the expense associated with certain of our leases as these transactions were accounted for as financing obligations and the associated expense is included in interest expense. Adjusted EBITDA is not a measure of performance or liquidity calculated in accordance with GAAP, is unaudited and should not be considered an alternative to, or more meaningful than, net income (loss) as an indicator of our operating performance. Uses of cash flows that are not reflected in Adjusted EBITDA include capital expenditures, interest payments, income taxes, debt principal repayments, payments under our leases with affiliates of GLPI and VICI Properties Inc. and certain regulatory gaming assessments, which can be significant. As a result, Adjusted EBITDA should not be considered as a measure of our liquidity. Other companies that provide EBITDA information may calculate Adjusted EBITDA differently than we do. The definition of Adjusted EBITDA may not be the same as the definitions used in any of our debt agreements.

The following table summarizes our Adjusted EBITDA for our operating segments for the three and nine months ended September 30, 2020 and 2019, respectively, in addition to reconciling net (loss) income to Adjusted EBITDA in accordance with US GAAP (unaudited):

	Three Months Ended September 30, 2020			
<i>(In millions)</i>	CEI	Add: Disc. Ops ^(d)	Pre-Acq. CEC ^(e)	Total ^(f)
Net (loss) income attributable to Caesars	\$ (926)	\$ —	\$ (173)	\$ (1,099)
Net income (loss) attributable to noncontrolling interests	1	—	(62)	(61)
Net loss from discontinued operations	1	2	—	3
Interest expense, net	473	26	72	571
Provision (benefit) for income taxes	135	4	(51)	88
Other loss (a)	164	—	67	231
Impairment charges	—	—	124	124
Depreciation and amortization	223	2	53	278
Stock-based compensation	45	1	3	49
Transaction costs and other operating costs (b)	219	3	22	244
Other items (c)	16	—	19	35
Adjusted EBITDA	\$ 351	\$ 38	\$ 74	\$ 463

	Three Months Ended September 30, 2019			
<i>(In millions)</i>	CEI	Less: Divestitures ^(g)	Pre-Acq. CEC ^(e)	Total ^(h)
Net income (loss) attributable to Caesars	\$ 37	\$ 14	\$ (359)	\$ (336)
Net loss attributable to noncontrolling interests	—	—	(1)	(1)
Provision (benefit) for income taxes	18	5	(22)	(9)
Other income (a)	(2)	—	(27)	(29)
Interest expense, net	72	1	341	412
Depreciation and amortization	53	1	255	307
Impairment charges	—	—	380	380
Transaction costs and other operating costs (b)	14	—	33	47
Stock-based compensation expense	4	—	19	23
Other items (c)	1	1	16	16
Adjusted EBITDA	\$ 197	\$ 22	\$ 635	\$ 810

	Nine Months Ended September 30, 2020			
<i>(In millions)</i>	CEI	Less: Divest. Add: Disc. Ops ^{(d) (g)}	Pre-Acq. CEC ^(e)	Total ^(f)
Net loss attributable to Caesars	\$ (1,202)	\$ (11)	\$ (1,059)	\$ (2,250)
Net income (loss) attributable to noncontrolling interests	1	—	(67)	(66)
Net loss (income) from discontinued operations	1	(2)	—	3
Interest expense, net	608	(23)	750	1,381
Provision (benefit) for income taxes	64	(4)	(224)	(156)
Other loss (income) (a)	174	—	(45)	129
Impairment charges	161	—	189	350
Depreciation and amortization	322	—	559	881
Stock-based compensation	55	(1)	26	82
Transaction costs and other operating costs (b)	242	(1)	71	314
Other items (c)	15	1	54	68
Adjusted EBITDA	\$ 441	\$ (41)	\$ 254	\$ 736

<i>(In millions)</i>	Nine Months Ended September 30, 2019			
	CEI	Less: Divestitures ^(g)	Pre-Acq. CEC ^(e)	Total ^(h)
Net income (loss) attributable to Caesars	\$ 94	\$ 33	\$ (891)	\$ (830)
Net loss attributable to noncontrolling interests	—	—	(2)	(2)
Provision (benefit) for income taxes	39	11	(111)	(83)
Other loss (a)	1	—	412	413
Interest expense, net	217	2	1,033	1,248
Depreciation and amortization	167	13	743	897
Impairment charges	1	—	430	431
Transaction costs and other operating costs (b)	2	—	86	88
Stock-based compensation expense	16	—	62	78
Other items (c)	5	1	66	70
Adjusted EBITDA	\$ 542	\$ 60	\$ 1,828	\$ 2,310

- (a) Other loss (income) for the three and nine months ended September 30, 2020 primarily represent loss on early repayment of debt in connection with the consummation of the Merger and unrealized loss on the change in fair value of the derivative liability related to CEC's 5% convertible notes, slightly offset by gain on William Hill UK and Flutter stock and realized gain on conversion of CEC's 5% convertible notes. Other loss (income) for the three and nine months ended September 30, 2019 primarily represent unrealized loss on the change in fair value of the derivative liability related to CEC's 5% convertible notes.
- (b) Transaction costs and other operating costs for the three and nine months ended September 30, 2020 primarily represent costs related to the Merger with Former Caesars, various contract or license termination exit costs, and severance costs.
- (c) Other represents internal labor charges related to certain departed executives and contract labor.
- (d) Discontinued operations include Horseshoe Hammond, Caesars Southern Indiana, Harrah's Louisiana Downs, Caesars UK group including Emerald Resorts & Casino, and Bally's Atlantic City.
- (e) Pre-acquisition CEC represents results of operations for Former Caesars for the period from July 1, 2020 and January 1, 2020 to July 20, 2020, the date on which the Merger was consummated, for the three and nine months ended September 30, 2020, respectively, and for the three and nine months ended September 30, 2019. Additionally, certain corporate overhead costs which were historically charged to properties within the segments have been reclassified to the Corporate and Other. These costs primarily include centralized marketing expenses, redundant executive and management payroll and benefits expenses, centralized contract labor expenses, and corporate rent expenses. Such figures are based on unaudited internal financial statements and have not been reviewed by the Company's auditors and, for the 2020 periods, do not conform to GAAP.
- (f) 2020 Total for the three months ended September 30, 2020 includes results of operations from discontinued operations and from Former Caesars prior to July 20, 2020, the date on which the Merger was consummated. Such presentation does not conform to GAAP or the Securities and Exchange Commission rules for pro forma presentation; however, we believe that the additional financial information will be helpful to investors in comparing current results with results of prior periods. This is non-GAAP data and should not be considered a substitute for data prepared in accordance with GAAP, but should be viewed in addition to the results of operations reported by the Company.
- (g) Divestitures for the three and nine months ended September 30, 2019 include results of operations for Mountaineer, Cape Girardeau, Caruthersville, Kansas City, and Vicksburg for the three and nine months ended September 30, 2019. Divestitures for the nine months ended September 30, 2020 include results of operations for Kansas City and Vicksburg for the period beginning January 1, 2020 to July 1, 2020. Such figures are based on unaudited internal financial statements and have not been reviewed by the Company's auditors and do not conform to GAAP.
- (h) 2019 Total for the three and nine months ended September 30, 2019 excludes results of operations from divestitures as detailed in (g) and includes results of operations of Former Caesars, including discontinued operations, for the relevant period. Such presentation does not conform to GAAP or the Securities and Exchange Commission rules for pro forma presentation; however, we believe that the additional financial information will be helpful to investors in comparing current results with results of prior periods. This is non-GAAP data and should not be considered a substitute for data prepared in accordance with GAAP, but should be viewed in addition to our reported results of operations.
- (i) 2020 Total for the nine months ended September 30, 2020 excludes divestitures as detailed in (g) and includes results of operations from discontinued operations and from Former Caesars prior to July 20, 2020, the date on which the Merger was consummated. Such presentation does not conform to GAAP or the Securities and Exchange Commission rules for pro forma presentation; however, we believe that the additional financial information will be helpful to investors in comparing current results with results of prior periods. This is non-GAAP data and should not be considered a substitute for data prepared in accordance with GAAP, but should be viewed in addition to our reported results of operations.

Liquidity and Capital Resources

We are a holding company and our only significant assets are ownership interests in our subsidiaries. Our ability to fund our obligations depends on existing cash on hand, contracted asset sales, cash flow from our subsidiaries and our ability to raise capital. Our primary sources of liquidity and capital resources have been existing cash on hand, cash flow from operations, borrowings under our revolving credit facilities, proceeds from the issuance of debt and equity securities and proceeds from completed asset sales and lease transactions.

Our cash requirements fluctuate significantly depending on our decisions with respect to business acquisitions or divestitures and strategic capital investments to maintain the quality of our properties. Beginning on May 18, 2020, we began reopening our properties and as of September 30, 2020 we have resumed operations at all of our properties, with the exception of The

Cromwell, Planet Hollywood, Rio, and Caesars Windsor. Planet Hollywood and Caesars Windsor reopened on October 8, 2020 and The Cromwell reopened on October 29, 2020. In an effort to mitigate the impacts of COVID-19 public health emergency on our business and maintain liquidity, we furloughed approximately 90% of our employees beginning on April 11, 2020. A portion of the workforce has returned to service as the properties have resumed with limited capacities and in compliance with operating restrictions in accordance with governmental orders, directives and guidelines. As a result of these payroll changes combined with other cost saving measures, our operating expenses were reduced significantly.

In an effort to maintain liquidity and provide financial flexibility as the effects of COVID-19 public health emergency continue to evolve and impact global financial markets, we borrowed \$465 million under our revolving credit facility on March 16, 2020, which we repaid utilizing, in part, proceeds from the sale of our interests in Kansas City and Vicksburg.

On June 19, 2020, we completed a public offering of 20,700,000 shares of common stock, at a public offering price of \$39.00 per share, with proceeds of \$772 million, net of fees and estimated expenses of \$35 million. On July 6, 2020, we issued \$3.4 billion aggregate principal amount of 6.250% Senior Secured Notes due 2025 (the “CEI Senior Secured Notes”) and \$1.8 billion aggregate principal amount of 8.125% Senior Notes due 2027 (the “CEI Senior Notes”). In addition, we issued \$1.0 billion aggregate principal amount of 5.75% Senior Secured Notes due 2025 (the “CRC Senior Secured Notes”).

On July 1, 2020, we completed the sale of Kansas City and Vicksburg for \$230 million and used a portion of the proceeds to repay the outstanding balance under our revolving credit facility. In addition, we closed the sale of Harrah’s Reno on September 30, 2020 which provided additional proceeds of \$8 million, net of certain closing costs.

On July 20, 2020, in connection with the Merger, we consummated the sale leaseback transactions related to Harrah’s New Orleans, Harrah’s Laughlin and Harrah’s Resort Atlantic City, including the Harrah’s Atlantic City Waterfront Conference Center, for approximately \$1.8 billion of net proceeds. Additionally, we received a one-time payment from VICI of approximately \$1.4 billion for amendments to the VICI leases. Furthermore, we entered into an incremental agreement to the existing CRC credit agreement, for an incremental term loan in an aggregate principal amount of \$1.8 billion.

In connection with the consummation of the Merger, on July 20, 2020, our current and future liquidity significantly changed. A portion of the proceeds from our newly issued debt and proceeds we received from VICI, as well as cash on hand generated from our sale of common stock, were used (a) to fund a portion of the cash consideration of the Merger, (b) to prepay in full the loans outstanding and terminate all commitments under our existing Credit Agreement, dated as of April 17, 2017, (c) to satisfy and discharge our Senior Notes, (d) to repay \$975 million of the outstanding amount under the existing CRC revolving credit facility, (e) to repay in full the loans outstanding and terminate all commitments under the existing CEOC, LLC Credit Agreement, dated as of October 6, 2017, (f) to pay fees and expenses related to the financing arrangements, and (g) for general corporate use. Additionally, we entered into the CEI Revolving Credit Facility which provides for a five-year senior secured revolving credit facility in an aggregate principal amount of \$1.2 billion.

On September 18, 2020, we entered into a \$400 million Loan Agreement with a subsidiary of VICI for a term of five years, with such loan secured by, among other things, a first priority fee mortgage on the Caesars Forum Convention Center (the “Forum Convention Center Mortgage Loan”). The interest rate on the Forum Convention Center Mortgage Loan is initially 7.7% per annum, which escalates annually to a maximum interest rate of 8.3% per annum. After the second anniversary of the closing of the loan, we have the option of prepaying the loan, which may include a premium.

As of September 30, 2020, our cash on hand and revolving borrowing capacity was as follows:

<i>(In millions)</i>	September 30, 2020
Cash and cash equivalents	\$ 1,037
Revolver capacity	1,310
Revolver capacity committed to letters of credit	(83)
Total	<u>\$ 2,264</u>

On September 30, 2020, we announced that we had reached an agreement with William Hill on the terms of a recommended cash acquisition pursuant to which the we would acquire the entire issued and to be issued share capital (other than shares owned by us or held in treasury) of William Hill, in an all-cash transaction of approximately £2.9 billion, or \$3.7 billion. The transaction is conditional on, among other things, the approval of William Hill shareholders and state and federal regulators.

On September 25, 2020, to provide liquidity to potentially fund a portion of the cash purchase price, as required by UK regulators, we borrowed \$900 million on our CEI Revolving Credit Facility. On September 28, 2020, we deposited \$2.1 billion, which included the proceeds from the revolver, into an escrow account related to the William Hill offer. As of September 30,

2020 these funds in escrow were classified as restricted cash until we received certain regulatory approvals for financing described below.

On September 28, 2020, we entered into a foreign exchange forward contract to hedge the risk of appreciation of the GBP denominated purchase price. Under the agreement, we would purchase £1.3 billion at a contracted exchange rate. An unrealized loss of \$5 million related to the change in fair value during the period from September 28, 2020 and September 30, 2020 was recorded in the consolidated condensed statement of operations. On October 1, 2020 the contract was cancelled.

On October 1, 2020, we completed a public offering of 35,650,000 shares of our common stock at a public offering price of \$56.00 per share. Net proceeds from the offering, after deducting the underwriting discounts and commissions and estimated expenses, was approximately \$1.9 billion. We expect to use \$1.7 billion of these proceeds for the acquisition of William Hill and, as such, we deposited that amount into a UK escrow account denominated in British Pounds.

Upon receipt of regulatory approval of our Interim Facilities Agreement (described below), the restriction on the \$2.1 billion funded as of September 30, 2020, was released and we transferred \$1.4 billion of cash back into our operating accounts and the outstanding balance of our revolving credit facility was repaid in full. Approximately \$598 million of cash remains in an unrestricted account.

On October 9, 2020, we entered into a foreign exchange forward contract to hedge the risk of appreciation of the GBP denominated purchase price for the William Hill acquisition. Under the agreement, we would purchase £536 million at a contracted exchange rate. The forward term of the contract ends on March 31, 2021.

On October 6, 2020, we entered into a £1.5 billion interim facilities agreement (the "Interim Facilities Agreement") with Deutsche Bank AG, London Branch and JPMorgan Chase Bank, N.A. (the "Arrangers"). Pursuant to the Interim Facilities Agreement, the Arrangers have made available to the Company: (a) a 540-day £1.0 billion asset sale bridge facility and (b) a 60-day £503.0 million cash confirmation bridge facility (collectively, the "Facility"). The Facility may be used to finance the acquisition, refinance or otherwise discharge the indebtedness of William Hill and its subsidiaries, pay transaction fees and expenses related to the foregoing and for working capital and general corporate purposes, among other things. The availability of the borrowings under the Facility is subject to the satisfaction of certain customary conditions. If drawn upon, outstanding borrowings under the Facility will bear interest at a rate equal to the London interbank offered rate plus 3.50% per annum. We entered into the Interim Facilities Agreement in connection with requirement under applicable United Kingdom law to demonstrate that we have "funds certain" to pay the entirety of the cash purchase price for the acquisition of William Hill. We do not intend to borrow under the Interim Facilities Agreement. Instead, we intend to negotiate long-form financing documentation pursuant to which a subsidiary will incur the Debt Financing for the acquisition.

In addition to the capital required to complete the proposed acquisition of William Hill, we expect that our primary capital requirements going forward will relate to the operation and maintenance of our properties, taxes, servicing our outstanding indebtedness, and rent payments under our GLPI Master Lease, the VICI Leases and other leases. We make capital expenditures and perform continuing refurbishment and maintenance at our properties to maintain our quality standards. Our capital expenditure requirements for 2020 are expected to significantly increase as a result of the additional properties acquired in the Merger. In addition to our future capital expenditures for the normal course of business, we funded \$400 million to escrow as of the closing of the Merger and will utilize those funds in accordance with a three year capital expenditure plan in the state of New Jersey. We will also be required to fund a similar escrow account with \$25 million for improvements at our racing properties within the state of Indiana. During the remainder of 2020, we plan to spend an estimated \$50 million to \$75 million on capital expenditures. We expect to use cash on hand and cash generated from operations to meet such obligations.

On August 27, 2020, Hurricane Laura made landfall on Lake Charles as a Category 4 storm. The hurricane severely damaged the Isle of Capri Casino Lake Charles and the Company has recorded in insurance receivable of \$31 million, of which \$15 million related to fixed asset impairments and \$16 million related to remediation costs and repairs that have been incurred in the three months ended September 30, 2020. The property has remained closed.

A significant portion of our liquidity needs are for debt service and payments associated with our leases. In addition to our newly issued debt, our debt obligations increased as a result of outstanding debt of Former Caesars that remained outstanding following the consummation of the Merger. Our estimated debt service (including principal and interest) is approximately \$165 million for the remainder of 2020. We also lease certain real property assets from third parties, including GLPI and VICI. We estimate our lease payments to be approximately \$300 million for the remainder of 2020.

The 5% Convertible Notes (defined below) remain outstanding following the consummation of the Merger. As a result of the Merger, the 5% Convertible Notes are convertible into weighted average of the number of shares of Company Common Stock and amount of cash actually received per share by holders of common stock of Former Caesars that made elections for

consideration in the Merger. The 5% Convertible Notes are convertible at any time at the option of the holders thereof and, beginning in October 2020, are convertible at the option of the Company if the last reported sale price of Company Common Stock equals or exceeds 140% of the conversion price for the 5% Convertible Notes in effect on each of at least 20 trading days during any 30 consecutive trading day period. As of September 30, 2020, we have paid approximately \$574 million and issued approximately 6.8 million shares upon conversion of \$487 million in aggregate principal amount of the convertible notes during 2020. Through November 2, 2020, we paid an additional \$328 million and issued 3.9 million shares upon conversion of an additional \$281 million in aggregate principal amount of the 5% Convertible Notes. At such time as the holders of the 5% Convertible Notes elect to cause conversion, we estimate using cash of \$380 million and issuing 4.5 million shares to settle the remaining outstanding 5% Convertible Notes.

On April 24, 2020, the Company entered into a definitive purchase agreement with Twin River and certain of its affiliates for the sale of the equity interests of Eldorado Resort Casino Shreveport Joint Venture and Columbia Properties Tahoe, LLC, the entities that hold Eldorado Shreveport and MontBleu, respectively, for aggregate consideration of \$155 million, subject to a working capital adjustment. The definitive agreement provides that the consummation of the sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals and the sale of Eldorado Shreveport and MontBleu is expected to close in the first quarter of 2021.

On September 3, 2020, the Company and VICI entered into agreement to sell Harrah's Louisiana Downs with Rubico Acquisition Corp. for \$22 million, subject to a customary working capital adjustment, where the proceeds will be split between the Company and VICI. The sale is subject to satisfaction of customary conditions, including receipt of required regulatory approvals and is expected to close in the first half of 2021.

We previously reached an agreement with VICI to sell Bally's Atlantic City Hotel & Casino to Twin River for approximately \$25 million. Caesars will receive approximately \$6 million from the sale. In addition, on October 9, 2020, we reached an agreement to sell the Bally's brand to Twin River Worldwide Holding, Inc. for \$20 million, while retaining the right to use the brand within Bally's Las Vegas into perpetuity.

In addition to the agreements above, we also expect to enter into additional agreements to divest of Caesars Southern Indiana, Horseshoe Hammond and Evansville prior to December 31, 2020, as required by the Indiana Gaming Commission. Further, we expect to enter into agreements to sell several other non-core properties including our international properties within our Caesars UK group, which includes Emerald Resorts Casino. We expect these divestitures to close by mid-year 2021.

We expect that our current liquidity, cash flows from operations, borrowings under committed credit facilities and the announced asset sales, net of associated taxes, will be sufficient to fund our operations, capital requirements and service our outstanding indebtedness for the next twelve months. However, the COVID-19 public health emergency has had, and is expected to continue to have, an adverse effect on our business, financial condition and results of operations and has caused, and may continue to cause, disruption in the financial markets. While we have undertaken efforts to mitigate the impacts of COVID-19 on our business and maintain liquidity, the extent of the ongoing and future effects of the COVID-19 public health emergency on our business, results of operations and financial condition is uncertain and may adversely impact our liquidity in the future. Our ability to access additional capital may be adversely affected by the disruption in the financial markets caused by the COVID-19 public health emergency, restrictions on incurring additional indebtedness contained in the agreements governing our indebtedness and the impact of the public health emergency on our business, results of operations and financial condition.

Debt and Master Lease Covenant Compliance

The CRC Credit Agreement, the CEI Revolving Credit Facility and the indenture related to the CRC Notes and CEI 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 our ability to (among other items) incur additional indebtedness, make investments, make restricted payments, including dividends, grant liens, sell assets and make acquisitions. The indenture for the 5% Convertible Notes contained limited covenants as a result of amendments that became effective in connection with the consummation of the Merger.

The CRC Revolving Credit Facility and CEI Revolving Credit Facility include a maximum first-priority net senior secured leverage ratio financial covenant of 6.35:1, which is applicable solely to the extent that certain testing conditions are satisfied. Failure to comply with such covenants could result in an acceleration of the maturity of indebtedness outstanding under the relevant debt document.

The Company's results of operations have been materially adversely affected by the impacts of the COVID-19 public health emergency. As a result, the current terms of the CRC Credit Agreement and the CEI Credit Agreement provide that the financial covenant measurement period is not effective through September 30, 2021 so long as the CRC and the Company,

respectively, comply with a minimum liquidity requirement, which includes any such availability under the applicable revolving credit facilities.

The GLPI Master Lease contains certain operating, capital expenditure and financial covenants thereunder, and our ability to comply with these covenants was negatively impacted by the effects of the COVID-19 public health emergency on our results of operations. On June 15, 2020, we entered into an amendment to the GLPI Master Lease which provides certain relief under these covenants in the event of facility closures due to public health emergencies, governmental restrictions and certain other instances of unavoidable delay. On July 17, 2020, the amendment to the GLPI Master Lease became effective as the Company obtained all necessary approvals and the applicable waiting period expired. Furthermore, the Company obtained waivers from VICI with relation to annual capital expenditure requirements related to the leases with VICI, starting with the annual period ending December 31, 2020.

As of September 30, 2020, we were in compliance with all of the applicable financial covenants under the CRC Credit Agreement, the CEI Credit Agreement, CEI Senior Secured Notes, CEI Senior Notes, CRC Secured Notes, 5% Convertible Notes, the GLPI Leases and VICI Leases.

Share Repurchase Program

On November 8, 2018, we issued a press release announcing that its Board of Directors has authorized a \$150 million common stock repurchase program (the "Share Repurchase Program") pursuant to which we may, from time to time, repurchase shares of common stock on the open market (either with or without a 10b5-1 plan) or through privately negotiated transactions. The Share Repurchase Program has no time limit and may be suspended or discontinued at any time without notice. There is no minimum number of shares of common stock that we are required to repurchase under the Share Repurchase Program.

As of September 30, 2020, we acquired 223,823 shares of common stock under the program at an aggregate value of \$9 million and an average of \$40.80 per share. No shares were repurchased during the nine months ended September 30, 2020 and 2019.

Debt Obligations and Leases

New Debt Transactions

We were party to a credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto dated as of April 17, 2017 (as amended, the "ERI Credit Facility"), consisting of a \$1.5 billion term loan facility and a \$500 million revolving credit facility.

In an effort to maintain liquidity and provide financial flexibility as the effects of COVID-19 continued to evolve and impact global financial markets, we borrowed \$465 million under the ERI Credit Facility on March 16, 2020, which we repaid in July 2020 utilizing, in part, proceeds from the sale of our interests in Kansas City and Vicksburg.

On July 6, 2020, Colt Merger Sub, Inc., a wholly-owned subsidiary of the Company ("Escrow Issuer") issued \$3.4 billion aggregate principal amount of 6.250% Senior Secured Notes due 2025 (the "CEI Senior Secured Notes"), \$1.8 billion aggregate principal amount of 8.125% Senior Notes due 2027 (the "CEI Senior Notes") and \$1.0 billion aggregate principal amount of 5.75% Senior Secured Notes due 2025 (the "CRC Senior Secured Notes").

On July 20, 2020, in connection with the closing of the Merger, the Company entered into a new credit agreement ("CEI Credit Agreement") which provides a five-year senior secured revolving credit facility for an aggregate principal amount of \$1.2 billion (the "CEI Revolving Credit Facility"). In addition, Caesars Resort Collection, LLC, which became a wholly-owned subsidiary of the Company as a result of the Merger ("CRC"), entered into an incremental agreement to the CRC Credit Agreement (described below) for an aggregate principal amount of \$1.8 billion.

A portion of the proceeds from these arrangements was used to prepay in full the loans outstanding and terminate all commitments under the ERI Credit Facility, and to satisfy and discharge the Company's 6% Senior Notes due 2025, 6% Senior Notes due 2026, and the 7% Senior Notes due 2023.

The 6% Senior Notes due 2025 were redeemed at a redemption price of 105%, the 7% Senior Notes due 2023 were redeemed at a redemption price of 103.5%, and \$210 million aggregate principal amount of the 6% Senior Notes due 2026 was redeemed at a redemption price of 106% with the remaining balance redeemed at a redemption price of 100% of the aggregate principal amount thereof plus the Applicable Premium, as defined in the indenture for the 6% Senior Notes due 2026. The redemption of these Notes resulted in a loss on extinguishment of debt of \$132 million during the three and nine months ended September 30, 2020, which is recorded within other (loss) income on the Statement of Operations.

CEI Senior Secured Notes due 2025

On July 6, 2020, Escrow Issuer issued \$3.4 billion in aggregate principal amount of 6.250% CEI Senior Secured Notes pursuant to an indenture dated July 6, 2020 (the "Senior Secured Notes Indenture"), by and among the Escrow Issuer, U.S. Bank National Association, as trustee, and U.S. Bank National Association, as collateral agent. In connection with the consummation of the Merger, we assumed the rights and obligations under the CEI Senior Secured Notes and the Senior Secured Notes Indenture on July 20, 2020. The CEI Senior Secured Notes will mature on July 1, 2025 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year, commencing January 1, 2021.

CEI Senior Notes due 2027

On July 6, 2020, Escrow Issuer issued \$1.8 billion in aggregate principal amount of 8.125% Senior Notes due 2027 pursuant to an indenture, dated July 6, 2020 (the "Senior Notes Indenture"), by and between the Escrow Issuer and U.S. Bank National Association, as trustee. We assumed the rights and obligations under the CEI Senior Notes and the Senior Notes Indenture on July 20, 2020. The CEI Secured Notes will mature on July 1, 2027 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year, commencing January 1, 2021.

CRC Senior Secured Notes due 2025

On July 6, 2020, Escrow Issuer issued \$1.0 billion in aggregate principal amount of 5.75% Senior Notes due 2025 pursuant to an indenture, dated July 6, 2020 (the "CRC Senior Secured Notes Indenture"), by and among the Escrow Issuer, U.S. Bank National Association, as trustee and Credit Suisse AG, Cayman Islands Branch, as collateral agent. CRC assumed the rights and obligations, jointly and severally, under the CRC Senior Secured Notes on July 20, 2020. The rights and obligations under the CRC Senior Secured Notes to be assumed jointly and severally by CRC. The CRC Senior Secured Notes will mature on July 1, 2025 with interest payable semi-annually in cash in arrears on January 1 and July 1 of each year, commencing January 1, 2021.

CEI Revolving Credit Facility

On July 20, 2020, we entered into a new credit agreement with JPMorgan Chase Bank, N.A., as administrative agent, U.S. Bank National Association, as collateral agent, and certain banks and other financial institutions and lenders party thereto, as well as an incremental amendment thereto, which provide for a five-year CEI Revolving Credit Facility for an aggregate principal amount of \$1.2 billion. The CEI Revolving Credit Facility matures in 2025 and includes a letter of credit sub-facility of \$250 million.

The interest rate per annum applicable under the CEI Revolving Credit Facility, at the Company's option is either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by JPMorgan Chase Bank, N.A. and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be 3.25% per annum in the case of any LIBOR loan and 2.25% per annum in the case of any base rate loan, subject to three 0.25% step-downs based on the Company's total leverage ratio.

Additionally, we are required to pay a commitment fee in respect of any unused commitments under CEI Revolving Credit Facility in the amount of 0.50% of principal amount of the commitments of all lenders, subject to a step-down to 0.375% based upon the Company's total leverage ratio. We are also required to pay customary agency fees as well as letter of credit participation fees computed at a rate per annum equal to the applicable margin for LIBOR borrowings on the dollar equivalent of the daily stated amount of outstanding letters of credit, plus such letter of credit issuer's customary documentary and processing fees and charges and a fronting fee in an amount equal to 0.125% of the daily stated amount of such letter of credit.

We had \$266 million of available borrowing capacity, after consideration of \$19 million in outstanding letters of credit under CEI Revolving Credit Facility, as of September 30, 2020.

Convention Center Mortgage Loan

On September 18, 2020, we entered into a loan agreement with VICI to borrow a 5-year, \$400 million Forum Convention Center mortgage loan (the "Mortgage Loan"). The Mortgage Loan bears interest at a rate of, initially, 7.7% per annum, which escalates annually to a maximum interest rate of 8.3% per annum.

Assumed Debt Activity

Former Caesars and its subsidiaries incurred the following indebtedness that remained outstanding following the consummation of the Merger.

CRC Term Loans and CRC Revolving Credit Facility

In connection with the Merger, we assumed the CRC senior secured credit facility (the “CRC Senior Secured Credit Facilities”), which included a \$1.0 billion five-year revolving credit facility (the “CRC Revolving Credit Facility”) and an initial \$4.7 billion seven-year first lien term loan (the “CRC Term Loan”). The CRC Senior Secured Credit Facilities were funded pursuant to the Credit Agreement, dated as of December 22, 2017 (the “CRC Credit Agreement”). On July 20, 2020, in connection with the closing of the Merger, CRC entered into an incremental amendments to the CRC Credit Agreement, which provided a \$1.8 billion incremental term loan (“CRC Incremental Term Loan”).

The CRC Term Loan matures in 2024. The CRC Incremental Term Loan matures in 2025. The CRC Revolving Credit Facility matures in 2022 and includes a letter of credit sub-facility. Each of the CRC Term Loan requires scheduled quarterly principal payments in amounts equal to 0.25% of the original aggregate principal amount, with the balance due at maturity. The CRC Credit Agreement also includes customary voluntary and mandatory prepayment provisions, subject to certain exceptions. As of September 30, 2020, approximately \$64 million was committed to outstanding letters of credit. As of September 30, 2020, there were no borrowings outstanding under the CRC Revolving Credit Facility.

Borrowings under the CRC Credit Agreement bear interest at a rate equal to either (a) LIBOR adjusted for certain additional costs, subject to a floor of 0% or (b) a base rate determined by reference to the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate as determined by Credit Suisse AG, Cayman Islands Branch, as administrative agent under the CRC Credit Agreement and (iii) the one-month adjusted LIBOR rate plus 1.00%, in each case plus an applicable margin. Such applicable margin shall be (a) with respect to the CRC Term Loan, 2.75% per annum in the case of any LIBOR loan or 1.75% per annum in the case of any base rate loan, (b) with respect to the CRC Incremental Term Loan, 4.50% per annum in the case of any LIBOR loan or 3.50% in the case of any base rate loan and (c) in the case of the CRC Revolving Credit Facility, 2.25% per annum in the case of any LIBOR loan and 1.25% per annum in the case of any base rate loan, subject in the case of the CRC Revolving Credit Facility to two 0.125% step-downs based on CRC’s senior secured leverage ratio (“SSLR”), the ratio of first lien senior secured net debt to adjusted earnings before interest, taxes, depreciation and amortization. The CRC Revolving Credit Facility is subject to a financial covenant discussed below.

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

Former Caesars 5% Convertible Notes

On October 6, 2017, Former Caesars issued \$1.1 billion aggregate principal amount of 5.00% convertible senior notes maturing in 2024 (the “5% Convertible Notes”).

The 5% Convertible Notes are convertible into weighted average of the number of shares of Company Common Stock and amount of cash actually received per share by holders of common stock of Former Caesars that made elections for consideration in the Merger. As of September 30, 2020, we have paid approximately \$574 million and issued approximately 6.8 million shares to settle \$487 million of the convertible notes during 2020. In October 2020, we paid an additional \$328 million and issued 3.9 million shares to settle an additional \$281 million of the convertible notes.

The Company has determined that the 5% Convertible Notes contain derivative features that require bifurcation. The Company separately account for the liability component and equity conversion option of the Convertible Notes. The portion of the overall fair value allocated to the liability was calculated by using a market-based approach without the conversion features included. The difference between the overall instrument value and the value of the liability component was assumed to be the value of the equity component. See Note 11 for more information on the Convertible Notes’ fair value measurements.

Net amortization of the debt issuance costs and the discount and/or premium associated with the Company’s indebtedness totaled \$34 million and \$2 million for the three months ended September 30, 2020 and 2019, respectively, and \$37 million and \$6 million for the nine months ended September 30, 2020 and 2019 respectively. Amortization of debt issuance costs is computed using the effective interest method and is included in interest expense.

VICI Leases

Upon consummation of the Merger, we assumed obligations of certain real property assets leased from VICI by Former Caesars under the following agreements: (i) for a portfolio of properties at various locations throughout the United States (the “Non-

CPLV lease”), (ii) for Caesars Palace Las Vegas (the “CPLV lease”), (iii) for Harrah’s Joliet Hotel & Casino (the “Joliet Lease”) and (iv) for Harrah’s Las Vegas (the “HLV Lease”). These lease agreements provided for annual fixed rent (subject to escalation) of \$773 million during an initial period, then rent consisting of both base rent and variable rent elements. The lease agreements had a 15-year initial term and four five-year renewal options. The lease agreements included escalation provisions beginning in year two of the initial term and continuing through the renewal terms. The lease agreements also included provisions for variable rent 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.

Former Caesars entered into a Golf Course Use Agreement with VICI, which has a 35-year term (inclusive of all renewal periods), pursuant to which such affiliates of the Company agreed to pay (i) an annual payment of \$10 million, subject to escalation, (ii) an annual use fee of \$3 million, subject to escalation beginning in the second year, and (iii) certain per-round fees, all as more particularly set forth in the Golf Course Use Agreement.

In connection with the closing of the Merger on July 20, 2020, we consummated a series of transactions with VICI and certain of its affiliates in accordance with the MTA entered on June 24, 2019 and certain purchase and sales agreement entered on September 26, 2019. We consummated sale leaseback transactions related to Harrah’s New Orleans, Harrah’s Laughlin and Harrah’s Resort Atlantic City, including the Harrah’s Atlantic City Waterfront Conference Center, for approximately \$1.8 billion of net proceeds. The CPLV Lease with VICI was amended, among other things, (i) add Harrah’s Las Vegas (“HLV”) to the leased premises thereunder (and in connection therewith HLV Lease was terminated), (ii) add (subject to certain adjustments) the rent payable with respect to HLV under such terminated stand-alone lease to such lease and further increase the annual rent payable with respect to HLV by approximately \$15 million, (iii) increase the annual rent with respect to CPLV by approximately \$84 million and (iv) extend the term of such lease so that following the amendment of such lease there will be 15 years remaining until the expiration of the initial term. In addition, Harrah’s New Orleans, Harrah’s Laughlin, and Harrah’s Resort Atlantic City, including the Harrah’s Atlantic City Waterfront Conference Center, were added to the Regional Lease and such lease was further amended to increase the annual rent thereunder by \$154 million in the aggregate related to such added properties and extend the term of such lease so that following the amendment of such lease there will be 15 years remaining until the expiration of the initial term. Furthermore, the Joliet Lease, as well as the term of the Golf Course Use Agreement, were extended such that there will be 15 years remaining until the expiration of the initial term. Our VICI lease is accounted for as a financing obligation and totaled \$11 billion as of September 30, 2020. Furthermore, we obtained waivers from VICI with relation to annual capital expenditure requirements. This waiver is effective as of June 1, 2020 until December 31, 2020. See Note 9 to our Consolidated Condensed Financial Statements for additional information about our VICI Lease and related matters.

GLPI Leases

Our GLPI Master Lease is accounted for as a financing obligation and totaled \$1.2 billion as of September 30, 2020. Additionally, our GLPI Master Lease contains certain operating, capital expenditure and financial covenants thereunder, and our ability to maintain compliance with these covenants was also negatively impacted. On June 15, 2020, we entered into an amendment to the GLPI Master Lease which, among other things, provides certain relief under these covenants in the event of facility closures due to pandemics, governmental restrictions and certain other instances of unavoidable delay. As of July 17, 2020, the amendment to the GLPI Master Lease became effective as we obtained all necessary approvals and the applicable waiting period expired. See Note 9 to our Consolidated Condensed Financial Statements for additional information about our GLPI Master Lease and related matters.

Contractual Obligations

The Company assumed various long-term debt arrangements, financing obligations and leases, previously described, associated with Former Caesars as result of the consummation of the Merger. See Note 2 for a description of the Merger and the related obligations assumed and Note 13 for additional contractual obligations. There have been no material changes during the nine months ended September 30, 2020 to our contractual obligations as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019.

Other Liquidity Matters

We are faced with certain contingencies involving litigation and environmental remediation and compliance. These commitments and contingencies are discussed in “Part II, Item 1. Legal Proceedings” and Note 13 to our unaudited consolidated condensed financial statements, both of which are included elsewhere in this report. In addition, new competition may have a material adverse effect on our revenues, and could have a similar adverse effect on our liquidity. See “Part I, Item 1A. Risk Factors—Risks Related to Our Business” which is included in our Annual Report on Form 10-K for the year ended December 31, 2019 and “Part II, Item IA. Risk Factors” which is included in this Quarterly Report on Form 10-Q for the quarter ended September 30, 2020.

Critical Accounting Policies

Our critical accounting policies disclosures are included in our Annual Report on Form 10-K for the year ended December 31, 2019. Except as described in Note 1 and Note 2, as it relates to the Merger with Former Caesars, to the accompanying notes of these consolidated condensed financial statements, we believe there have been no material changes since December 31, 2019. We have not substantively changed the application of our policies and there have been no material changes in assumptions or estimation techniques used as compared to prior periods.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. We are exposed to changes in interest rates primarily from long-term variable-rate debt arrangements. As of September 30, 2020, interest on borrowings under our Credit Facility was subject to fluctuation based on changes in short-term interest rates.

As of September 30, 2020, our long-term variable-rate borrowings totaled \$6.4 billion under the CRC Term Loans and \$900 million was outstanding under the CEI Revolving Credit Facility. Long-term variable-rate borrowings under the CRC Term Loans and the CEI Revolving Credit Facility represented approximately 45% of our long-term debt as of September 30, 2020. Of our \$16.2 billion face value of debt, as of September 30, 2020, we have entered into ten interest rate swap agreements to fix the interest rate on \$3.0 billion of variable rate debt, and \$4.3 billion of debt remains subject to variable interest rates for the term of the agreement. During the nine months ended September 30, 2020, the weighted average interest rates on our variable and fixed rate debt were 3.67% and 6.35%, respectively.

LIBOR is expected to be discontinued after 2021. The interest rate per annum applicable to loans under our credit facilities is, at our option, either LIBOR plus a margin or a base rate plus a margin. We intend to continue monitoring the developments with respect to the potential phasing out of LIBOR after 2021 and work with our lenders to ensure any transition away from LIBOR will have minimal impact on our financial condition, but can provide no assurances regarding the impact of the discontinuation of LIBOR.

On September 28, 2020, we entered into a foreign exchange forward contract to hedge the risk of appreciation of the GBP denominated purchase price. Under the agreement, we would purchase £1.3 billion at a contracted exchange rate. An unrealized loss of \$5 million related to the change in fair value during the period from September 28, 2020 and September 30, 2020 was recorded in the consolidated condensed statement of operations. On October 1, 2020 the contract was cancelled. We may continue to utilize similar contracts in the future to hedge the risk of appreciation of the GBP denominated purchase of our possible acquisition of William Hill.

We evaluate our exposure to market risk by monitoring interest rates in the marketplace and have, on occasion, utilized derivative financial instruments to help manage this risk. We do not utilize derivative financial instruments for trading purposes. There were no material quantitative changes in our market risk exposure, or how such risks are managed, for the nine months ended September 30, 2020.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures

We have established and maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports that we file under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, evaluated and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

We carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q are effective to ensure that the information required to be disclosed by us in the reports that we file under the Exchange Act is recorded, processed, summarized, evaluated and reported within the time periods specified in SEC rules and forms and that such

information is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Controls

Except as noted below, there were no changes in our internal control over financial reporting during the period covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

On July 20, 2020, we completed the Merger with Former Caesars. See Part I, Item 1, Notes to Unaudited Consolidated Condensed Financial Statements, Note 2: Acquisition of Former Caesars, for a discussion of the acquisition and related financial data. The Company is in the process of integrating Former Caesars and our internal controls over financial reporting. As a result of these integration activities, certain controls will be evaluated and may be changed. Excluding the Merger, there were no changes in our internal control over financial reporting that have materially affected, or are reasonable likely to materially affect, our internal control over financial reporting.

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to various lawsuits, which have arisen in the normal course of our business. Estimated losses are accrued for these lawsuits and claims when the loss is probable and can be estimated. The current liability for the estimated losses associated with those lawsuits is not material to our consolidated financial condition and those estimated losses are not expected to have a material impact on our results of operations.

On July 14, 2020, the Company filed a lawsuit for damages and declaratory relief in state court in New York relating to a transfer fee of \$50 million that was assessed by the Indiana Gaming Commission upon the Company's purchase of Hoosier Park Racino and Casino in 2017 from Centaur Holdings, LLC. Contemporaneous with the filing of the lawsuit, the Company notified Centaur that it was withholding payment of \$50 million from Centaur Holdings that was otherwise due as a portion of a deferred payment for the purchase from Centaur. In the lawsuit, the Company seeks a declaration from the Court that the Sellers are required to indemnify Caesars for its losses arising out of or relating to payment of the transfer fee and that the Company is entitled to offset the \$50 million transfer fee against payments otherwise due to Centaur.

Legal matters are discussed in greater detail in "Part I, Item 3. Legal Proceedings" and Note 18 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2019.

Cautionary Statement Regarding Forward-Looking Information

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements include statements regarding our strategies, objectives and plans for future development or acquisitions of properties or operations, as well as expectations, future operating results and other information that is not historical information. When used in this report, the terms or phrases such as "anticipates," "believes," "projects," "plans," "intends," "expects," "might," "may," "estimates," "could," "should," "would," "will likely continue," and variations of such words or similar expressions are intended to identify forward-looking statements. Specifically, forward-looking statements may include, among others, statements concerning:

- the impact of COVID-19 on our business and financial condition;
- projections of future results of operations or financial condition;
- our ability to consummate the acquisition of William Hill and the disposition of MontBleu, Eldorado Shreveport and certain of our other properties, including required divestitures of certain properties located in Indiana;
- expectations regarding our business and results of operations of our existing casino properties and prospects for future development;
- expectations regarding trends that will affect our market and the gaming industry generally and the impact of those trends on our business and results of operations;
- our ability to comply with the covenants in the agreements governing our outstanding indebtedness and leases;
- our ability to meet our projected debt service obligations, operating expenses, and maintenance capital expenditures;
- expectations regarding availability of capital resources;
- our intention to pursue development opportunities, including the development of a mixed-use entertainment and hospitality destination expected to be located on unused land adjacent to the Pompano casino and racetrack, and additional acquisitions and divestitures;
- our ability to realize the anticipated benefits of the acquisition of Former Caesars, William Hill and future development and acquisition opportunities; and
- the impact of regulation on our business and our ability to receive and maintain necessary approvals for our existing properties and future projects and operation of online sportsbook, poker and gaming

Any forward-looking statements are based upon underlying assumptions, including any assumptions mentioned with the specific statements, as of the date such statements were made. Such assumptions are in turn based upon internal estimates and analyses of market conditions and trends, management plans and strategies, economic conditions and other factors. Such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond our control, and are subject to change. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend upon future circumstances that may not occur. Actual results may differ materially from any future results, performance or achievements expressed or implied by such statements. Forward-looking statements speak only as of the date they are made, and we assume no duty to update forward-looking statements. Forward-looking statements should not be regarded as a representation by us or any other person that the forward-looking statements will be achieved. Undue reliance should not be placed on any forward-looking statements. Some of the contingencies and uncertainties to which any forward-looking statement contained herein are subject include, but are not limited to, the following:

- the extent and duration of the impact of the global COVID-19 public health emergency on the Company's business, financial results and liquidity;
- the impact and cost of new operating procedures expected to be implemented upon re-opening of the Company's casinos;
- the impact of actions we have undertaken to reduce costs and improve efficiencies to mitigate losses as a result of the COVID-19 public health emergency, which could negatively impact guest loyalty and our ability to attract and retain our employees;
- the impact of the COVID-19 public health emergency and resulting unemployment and changes in general economic conditions on discretionary consumer spending and customer demand;
- our substantial indebtedness and significant financial commitments, including our obligations under our lease arrangements, could adversely affect our results of operations and our ability to service such obligations, react to changes in our markets and pursue development and acquisition opportunities;
- restrictions and limitations in agreements governing our debt and leased properties could significantly affect our ability to operate our business and our liquidity;
- risks relating to payment of a significant portion of our cash flow as debt service and rent under the leases of our casino properties with VICI and GLPI;
- financial, operational, regulatory or other potential challenges that may arise as a result of leasing of a number of our properties;
- our facilities operate in very competitive environments and we face increasing competition including through legalization of online betting and gaming;
- uncertainty regarding legalization of betting and online gaming in the jurisdictions in which we operate and conditions applicable to obtaining the licenses required to enable our betting and online gaming partners to conduct betting and gaming activities;
- the ability to identify suitable acquisition opportunities and realize growth and cost synergies from any future acquisitions;
- future maintenance, development or expansion projects will be subject to significant development and construction risks;
- our gaming operations are highly regulated by governmental authorities and the cost of complying or the impact of failing to comply with such regulations;
- changes in gaming taxes and fees in jurisdictions in which we operate;
- risks relating to pending claims or future claims that may be brought against us;
- changes in interest rates and capital and credit markets;
- our ability to comply with certain covenants in our debt documents and lease arrangements;
- the effect of disruptions to our information technology and other systems and infrastructure;

- our ability to attract and retain customers;
- weather or road conditions limiting access to our properties;
- the effect of war, terrorist activity, acts of violence, natural disasters, public health emergencies and other catastrophic events;
- the intense competition to attract and retain management and key employees in the gaming industry; and
- other factors described in Part II, Item 1A. “Risk Factors” contained herein and our reports on Form 10-K, Form 10-Q and Form 8-K filed with the Securities and Exchange Commission.

In addition, the acquisition of William Hill and the disposition of Eldorado Shreveport, MontBleu, Harrah’s Louisiana Downs and certain of our other properties, including required divestitures of certain properties located in Indiana, create additional risks, uncertainties and other important factors, including but not limited to:

- the possibility that the proposed transactions are not consummated when expected or at all because required regulatory or other approvals are not received or other conditions to the consummation thereof are not satisfied on a timely basis or at all;
- the possibility that one or more of such transactions do not close on the terms described herein or that we are required to modify aspects of one or more of such transactions to obtain, or otherwise take action to satisfy conditions imposed in connection with, required regulatory approvals;
- the possibility that the Company will be required to pay a break fee under certain circumstances if the proposed William Hill acquisition is not consummated;
- risks associated with increased leverage as a result of the proposed acquisition of William Hill;
- the possibility that the anticipated benefits of the proposed transactions are not realized when expected or at all;
- the incurrence of significant transaction and acquisition-related costs and the possibility that the transactions may be more expensive to complete than expected;
- competitive responses to the proposed transactions;
- legislative, regulatory and economic developments;
- the possibility that our business or William Hill’s business may suffer as a result of the announcement of the acquisition;
- the ability to retain certain of our key employees and William Hill’s key employees;
- the outcome of legal proceedings that may be instituted as a result of the proposed transactions;
- the impact of the proposed transactions, or the failure to consummate the proposed transactions, on our stock price;
- diversion of management’s attention from our ongoing operations; and
- the impact of the announcement or consummation of the proposed transactions on the Company’s relationships with third parties, which may make it more difficult to maintain business relationships.

In light of these and other risks, uncertainties and assumptions, the forward-looking events discussed in this report might not occur. These forward-looking statements speak only as of the date on which this statement is made, even if subsequently made available on our website or otherwise, and we do not intend to update publicly any forward-looking statement to reflect events or circumstances that occur after the date on which the statement is made, except as may be required by law.

You should also be aware that while we from time to time communicate with securities analysts, we do not disclose to them any material non-public information, internal forecasts or other confidential business information. Therefore, you should not assume that we agree with any statement or report issued by any analyst, irrespective of the content of the statement or report. To the extent that reports issued by securities analysts contain projections, forecasts or opinions, those reports are not our responsibility and are not endorsed by us.

ITEM 1A. RISK FACTORS

A description of our risk factors can be found in “Part I, Item 1A. Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2019. There have been no material changes to those risk factors during the nine months ended September 30, 2020, except for the following additional risk factors related to the impact of COVID-19, the Merger and the recently announced William Hill acquisition.

The outbreak of COVID-19 has impacted our operations and caused an economic downturn, widespread unemployment and an adverse impact on consumer sentiment. Such negative impacts could continue for an extended period of time and may worsen.

On March 13, 2020, in response to the coronavirus public health emergency the U.S. government declared a national state of emergency. In an effort to help control the spread of COVID-19, public health officials imposed or recommended various measures, including social distancing, quarantine and stay-at-home or shelter-in-place directives, limitations on the size of gatherings, closures of work facilities, schools, public buildings and businesses, and cancellation of events, including sporting events, concerts, conferences and meetings. As a result of orders issued by governmental authorities in the states in which our properties are located, all of our properties were closed beginning on March 18, 2020. While our properties have reopened, our operations, financial results and cash flows have been affected by social distancing measures, including reduced gaming operations arising from the reconfiguration of our gaming floor, limitations on the number of customers present in our facilities, implementation of additional health and safety measures, restrictions on hotel, food and beverage outlets and limits on concerts, conventions or special events that would otherwise attract customers to our properties. We expect that our operations will continue to be impacted by such restrictions for the foreseeable future. In addition, our operations, financial results and cash flows would be further adversely affected by the implementation or extension of new or existing restrictions, including reinstatement of shelter-in-place requirements or additional restrictions on travel and business operations. The implementation of stay-at-home or additional social distancing and mitigation measures in response to COVID-19 or other public health emergencies could cause future closures of all or a portion of our properties, which would adversely affect operations, financial results and cash flows.

We may also face unforeseen liability or be subject to additional obligations as a result of the COVID-19 public health emergency, including as a result of claims alleging exposure to COVID-19 in connection with our operations or facilities or to the extent we are subject to a governmental enforcement action as a result of failing to comply with applicable health and safety regulations. COVID-19 has materially adversely affected the economy and financial markets of the United States and the world and has resulted in widespread unemployment in the United States. Consumer demand for casino hotel and racetrack properties such as ours is particularly sensitive to downturns in the economy, unemployment and the associated impact on discretionary spending on leisure activities which bring demand for casino hotel properties such as ours. Reduced customer demand could result in lower occupancy rates, reduced visitation and additional disruptions in our casino business. The extent of changes in customer demand resulting from the economic downturn, widespread unemployment, reduced consumer confidence and consumer fears on our properties cannot reasonably be determined, but the impact of such factors may be significant and protracted.

As a result of the foregoing, we cannot predict the ultimate scope, duration and impact of the COVID-19 public health emergency, but we expect that it will continue to have a material impact on our business, financial condition, liquidity, results of operations (including revenues and profitability) and stock price for an extended period of time. The impact of the COVID-19 public health emergency may also have the effect of exacerbating many of the other risks described in our Annual Report on Form 10-K for the year ended December 31, 2019.

We have undertaken aggressive actions to reduce costs and improve efficiencies to mitigate losses as a result of the COVID-19 public health emergency, which could negatively impact guest loyalty and our ability to attract and retain employees.

As a result of the previous closure of all of our properties and the continued uncertainty regarding the duration and severity of this public health emergency, we have taken steps to reduce operating costs and improve efficiencies, including furloughing approximately 90% our employees while our casinos were closed. Such steps, and further changes we may make in the future to reduce costs, may negatively impact guest loyalty or our ability to attract and retain employees, and our reputation may suffer as a result. While a significant number of our employees returned to work once our casinos reopened, our operations continue to be affected by COVID-19 and our full work force has not returned. If our furloughed employees do not return to work with us when the COVID-19 public health emergency subsides, including because they find new employment during the furlough, we may experience operational challenges that may impact our ability to resume operations in full. We may also face demands or requests from labor unions that represent our employees, whether in the course of our periodic renegotiation of our collective bargaining agreements or otherwise, for additional health and safety measures, compensation, healthcare benefits or other terms

as a result of COVID-19 that could increase costs, and we could experience labor disputes or disruptions as we continue to implement our COVID-19 mitigation plans.

Our ability to remain in compliance with our covenants contained in the agreements governing our indebtedness and lease obligations, and our liquidity, may be negatively impacted by the COVID-19 public health emergency, measures implemented to curtail its spread, and changes in the economy, discretionary spending and consumer confidence.

Our casino operations are a primary source of income and operating cash flows which we rely upon to remain in compliance with covenants contained in the agreements governing our outstanding indebtedness and lease obligations. On September 25, 2020, we drew \$900 million under one of our revolving credit facilities and, as a result, as of September 30, 2020, we had an aggregate of \$900 million of borrowings outstanding under our credit facilities and \$3.5 billion in outstanding principal amount of senior notes, \$4.4 billion in outstanding principal amount of senior secured notes, \$6.4 billion principal amount outstanding under our Term Loan B, \$597 million principal amount outstanding of 5.00% Senior Convertible Notes due 2024 and \$400 million in aggregate principal amount of outstanding mortgage debt. On September 28, 2020, the Company deposited \$2.1 billion, which included the proceeds from the revolving credit facilities, into an escrow account. As of September 30, 2020, these funds in escrow were classified as restricted cash until certain regulatory approvals were received. While we were in compliance with the covenants under our lease obligations and the agreements governing our outstanding indebtedness as of September 30, 2020, our ability to remain in compliance with the quarterly maintenance covenants contained in such agreements would be negatively impacted by a prolonged period of closure of our properties or if the COVID-19 public health emergency, measures implemented to curtail its spread or changes in the economy, discretionary spending and consumer confidence have a protracted negative effect on our business. Failure to satisfy such quarterly maintenance covenants would require us to seek waivers or amendments of such covenants. If we are unable to obtain such waivers or amendments, our creditors and the lessor under some of our lease obligations would be entitled to exercise remedies under the documents governing such obligations, including acceleration of the outstanding principal amount of such indebtedness or termination of our lease arrangements. In addition, while we believe that our cash on hand will be sufficient to provide liquidity to meet our obligations during the period that our properties remain closed, a protracted period of closure of our casinos could impact our ability to make required payments under our outstanding indebtedness, lease obligations or other obligations. Our ability to raise additional financing may be restricted by the covenants and restrictions contained in the agreements governing our indebtedness and could be adversely affected by disruptions in the financing markets and changes to the economy caused by the COVID-19 public health emergency.

On October 6, 2020, the Company entered into a £1.5 billion interim facilities agreement. Upon receipt of regulatory approval of our interim facilities agreement, the Company transferred \$1.4 billion of cash back into the operating accounts and the outstanding balance of our revolving credit facilities was repaid in full. Approximately \$598 million of cash remains in an unrestricted account.

The COVID-19 public health emergency may exacerbate the risks associated with the Acquisition and the ongoing integration with Former Caesars.

As a result of the COVID-19 public health emergency, all of our properties were temporarily closed, and a significant majority of our employees were furloughed. The COVID-19 public health emergency has had an adverse impact on our businesses and results of operations. We cannot predict the scope, duration and impact of the COVID-19 public health emergency on our and William Hill's businesses or on our ability to recognize the potential benefits of the Acquisition or integration with Former Caesars. We expect that the COVID-19 public health emergency may have the effect of exacerbating many of the risks related to the Merger and integration of Former Caesars' with the Company as described in its Annual Report on Form 10-K for the year ended December 31, 2019 and the risks related to the Acquisition as described below. See "—We may fail to consummate the Acquisition or may not consummate it on the terms described herein." The integration of two independent businesses is a complex, costly and time-consuming process and we expect that the impact of the COVID-19 public health emergency will make such integrations, both the Acquisition and the integration of Former Caesars with the Company, more challenging. Further, the Company and its subsidiaries have a significant amount of additional indebtedness outstanding following the consummation of the Merger and will have a significant amount of additional indebtedness outstanding following the consummation of the Acquisition. The Company and its subsidiaries expect to satisfy such obligations with cash flows from operations, which may be adversely impacted by the COVID-19 public health emergency, cash on hand, borrowings under committed credit facilities, additional financing and proceeds from asset sales.

We may fail to consummate the Acquisition or may not consummate it on the terms described herein.

On September 30, 2020, we agreed to acquire William Hill plc for a cash purchase price of approximately £2.9 billion, or \$3.7 billion (the "Acquisition"). We intend to consummate the Acquisition in the second half of 2021. The acquisition must be accepted by a requisite number of William Hill shareholders and the closing of such transaction is subject to the receipt of

regulatory approvals and other customary closing conditions. As a result, the possible timing and likelihood of the completion of the Acquisition are uncertain, and, accordingly, there can be no assurance that such acquisition will be completed on the expected terms, anticipated schedule or at all.

We may not consummate the Acquisition or realize the expected benefits therefrom if we do. In the event that we fail to consummate the Acquisition, we will have issued a significant number of additional shares of common stock and we will not have acquired the revenue generating assets that will be required to produce the earnings and cash flow we anticipated. As a result, failure to consummate the Acquisition would adversely affect our earnings per share and our ability to make distributions to stockholders. If the Acquisition is not consummated, we could be subject to a number of risks that may adversely affect our business and the market price of our common stock, including:

- we will be required to pay costs relating to the Acquisition, such as legal, accounting, financial advisory and printing fees, whether or not the Acquisition is consummated;
- time and resources committed by our management to matters relating to the Acquisition could otherwise have been devoted to pursuing other beneficial opportunities;
- the market price of our common stock could decline to the extent that the current market price reflects a market assumption that the Acquisition will be consummated; and
- we would not realize the benefits we expect to realize from consummating the Acquisition.

We cannot provide any assurance that the Acquisition will be consummated or that there will not be a delay in the consummation of the Acquisition. Any increased costs associated with the delay or abandonment of the Acquisition, in addition to the impact of the COVID-19 public health emergency, may adversely impact our ability to remain in compliance with our covenants contained in the agreements governing our indebtedness and lease obligations, and our liquidity. See “—The COVID-19 public health emergency may exacerbate the risks associated with the Acquisition and the ongoing integration with Former Caesars.”

If the Acquisition is not consummated, our reputation in our industry and in the investment community could be damaged, and the market price of our common stock could decline.

The Acquisition is subject to the receipt of governmental approvals that may impose conditions that could have an adverse effect on us or, if not obtained, could prevent consummation of the Acquisition.

Consummation of the Acquisition is conditioned upon the receipt of governmental approvals, including, without limitation, antitrust and gaming regulatory approvals, including, among others, the Danish Gaming Authority, the Gambling Commissioner of Gibraltar, the Gaming Board For the Bahamas, Colorado Division of Gaming, Washington D.C. Office of Lottery and Charitable Games, Delaware Lottery, Florida Division of Pari-mutuel Wagering, Illinois Gaming Board, Indiana Gaming Commission, Iowa Racing and Gaming Commission, Michigan Gaming Control Board, Mississippi Gaming Commission, Nevada Gaming Control Board and Gaming Commission, New Jersey Division of Gaming Enforcement, Mescalero Apache Tribal Gaming Commission, Rhode Island Lottery, West Virginia Lottery and the National Indian Gaming Commission. There can be no assurance that these approvals will be obtained and that the other conditions to consummating the Acquisition will be satisfied. In addition, the governmental authorities from which the regulatory approvals are required may impose conditions on the consummation of the Acquisition or require changes to the terms of the Acquisition or agreements to be entered into in connection with the Acquisition. Such conditions or changes and the process of obtaining regulatory approvals could have the effect of delaying or impeding consummation of the Acquisition or of imposing additional costs or limitations on us following consummation of the Acquisition, any of which might have an adverse effect on our business, financial condition and results of operations.

Governmental gaming regulatory requirements may delay the timing of the approvals for or completion of the Acquisition.

The gaming and racing industries are highly regulated, and we must maintain our licenses and pay gaming taxes to continue our operations. We are subject to extensive regulation under laws, rules and supervisory procedures primarily in the jurisdictions where our facilities are located or docked. These laws, rules and regulations generally concern the responsibility, financial stability and characters of the owners, managers, and persons with financial interests in the gaming operations. Some jurisdictions require applications for findings of suitability, licensing or other approvals for owners of our stock exceeding certain thresholds. If a person purchases stock in us in an amount that results in such person attaining or exceeding thresholds of ownership requiring regulatory approvals from one or more gaming jurisdictions, the regulators could take the position that such person must make the requisite filings or obtain the requisite approvals from the regulator prior to receiving regulatory

approval for or completing the Acquisition. If such a position were taken, this could result in a delay in the timing of the approvals for or the consummation of the Acquisition. We cannot predict whether a gaming regulator may take such a position.

Antitrust approvals that would be required to consummate the Acquisition may not be received, may take longer than expected or may impose conditions, including the requirement to divest assets, that could have an adverse effect on us following the Acquisition.

In order to consummate the Acquisition, we and William Hill may be required to comply with divestitures, including selling properties, conditions, terms, obligations or restrictions imposed by antitrust, gaming and other regulatory entities, and such conditions, terms, obligations or restrictions may have the effect of delaying consummation of the Acquisition, imposing additional material costs on or materially limiting our revenue after the consummation of the Acquisition, or otherwise reducing the anticipated benefits to us of the Acquisition. Such conditions, terms, obligations or restrictions may result in the delay or abandonment of the Acquisition. We may be required to comply with divestitures, including selling properties, conditions, terms, obligations or restrictions imposed by antitrust, gaming and other regulatory entities, and such conditions, terms, obligations or restrictions may have the effect of delaying the consummation of the Acquisition, imposing additional material costs on or materially limiting our revenue after the consummation of the Acquisition, or otherwise reducing the anticipated benefits to us of the Acquisition. Such conditions, terms, obligations or restrictions may result in the delay or abandonment of the Acquisition. We cannot assure you that we or William Hill will be able to sell these required properties in order to be in compliance with such antitrust, gaming and other regulatory entities, within the time frame required. In addition, to the extent we and/or William Hill are able to sell any such properties, we cannot assure you that we or they will be able to sell such properties at a fair market price or upon terms and conditions that are beneficial or considered reasonably satisfactory by us or William Hill, as applicable. As a result, we and William Hill may not be able to realize any expected benefits from such asset dispositions, and may not receive adequate consideration in connection therewith.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the quarter ended September 30, 2020, we issued 6,839,299 shares of unregistered Company Common Stock to holders of 5% Convertible Notes due 2024 upon conversion of \$487 million in aggregate principal amount of such notes. For further information regarding such transactions, see Note 11, Fair Value Measurements, of the Notes to Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q. The shares of common stock were issued in reliance on the exemption from registration provided by Section 3(a)(9) of the Securities Act of 1933, as amended.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit Number	Description of Exhibit	Method of Filing
3.1	Certificate of Incorporation of Caesars Entertainment, Inc.	Previously filed on Form 8-K filed on July 21, 2020.
3.2	Bylaws of Caesars Entertainment, Inc.	Previously filed on Form 8-K filed on July 21, 2020.
4.1	Indenture (6.25% CEI Senior Secured Notes due 2025) dated as of July 6, 2020, by and between Colt Merger Sub, Inc. and U.S. Bank National Association.	Previously filed on Form 8-K filed on July 7, 2020.
4.2	Supplemental Indenture, dated as of July 20, 2020, to Indenture (6.25% CEI Senior Secured Notes due 2025), dated as of July 6, 2020, by and among Colt Merger Sub, Inc., Eldorado Resorts, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association.	Previously filed on Form 8-K filed on July 21, 2020.

Exhibit Number	Description of Exhibit	Method of Filing
4.3	Indenture (8.125% CEI Senior Notes due 2027) dated as of July 6, 2020, by and between Colt Merger Sub, Inc. and U.S. Bank National Association.	Previously filed on Form 8-K filed on July 7, 2020.
4.4	Supplemental Indenture, dated as of July 20, 2020, to Indenture (8.125% CEI Senior Notes due 2027), dated as of July 6, 2020, by and among Colt Merger Sub, Inc., Eldorado Resorts, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association.	Previously filed on Form 8-K filed on July 21, 2020.
4.5	Indenture (5.75% CRC Secured Notes due 2025) dated as of July 6, 2020, by and between Colt Merger Sub, Inc. and U.S. Bank National Association.	Previously filed on Form 8-K filed on July 7, 2020.
4.6	Supplemental Indenture, dated as of July 20, 2020, to Indenture (5.75% CRC Secured Notes due 2025), dated as of July 6, 2020, by and among Colt Merger Sub, Inc., CRC Finco, Inc., Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, U.S. Bank National Association and Credit Suisse AG, Cayman Islands Branch.	Previously filed on Form 8-K filed on July 21, 2020.
4.7	Indenture (5.00% CEC Convertible Notes due 2024), dated as of October 6, 2017, between Caesars Entertainment Corporation and Delaware Trust Company, as trustee.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on October 13, 2017.
4.8	First Supplemental Indenture (5.00% CEC Convertible Notes due 2024), dated November 27, 2019 between Caesars Entertainment Corporation and Delaware Trust Company, as trustee.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on November 29, 2019.
4.9	Second Supplemental Indenture (5.00% CEC Convertible Notes due 2024), dated as of July 20, 2020, by and among Caesars Entertainment Corporation, Eldorado Resorts, Inc. and Delaware Trust Company.	Previously filed on Form 8-K filed on July 21, 2020.
4.10	Indenture (5.25% CRC Notes due 2025), dated October 16, 2017, by and among CRC Escrow Issuer, LLC, CRC Finco, Inc. and Deutsche Bank Trust Company Americas, as trustee.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on October 16, 2017.
4.11	Supplemental Indenture (5.25% CRC Notes due 2025), dated December 22, 2017, by and among Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, CRC Finco, Inc. and Deutsche Bank Trust Company Americas, as trustee.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on December 22, 2017.
10.1	CPLV Lease (conformed through the Second Amendment), dated as of July 20, 2020, by and among CPLV Property Owner LLC, Desert Palace LLC and CEOC, LLC.	Previously filed on Form 8-K filed on July 21, 2020.
10.2	Third Amendment to CPLV Lease, dated as of September 30, 2020, by and among CPLV Property Owner LLC, Desert Palace LLC and CEOC, LLC.	Filed herewith.
10.3	Guaranty of Lease, dated as of July 20, 2020, by and among Eldorado Resorts, Inc., CPLV Property Owner LLC and Claudine Propco LLC (CPLV).	Previously filed on Form 8-K filed on July 21, 2020.
10.4**	Non-CPLV Lease (conformed through the Fifth Amendment), dated as of July 20, 2020, by and among the entities listed on Schedules A and B thereto and CEOC, LLC.	Previously filed on Form 8-K filed on July 21, 2020.
10.5**	Sixth Amendment to Non-CPLV Lease, dated as of September 30, 2020, by and among the entities listed on Schedules A and B thereto and CEOC, LLC.	Filed herewith.
10.6	Guaranty of Lease, dated as of July 20, 2020, by and among Eldorado Resorts, Inc. and the entities listed on Schedule A thereto (Non-CPLV).	Previously filed on Form 8-K filed on July 21, 2020.
10.7**	Second Amendment, dated as of July 20, 2020, to Lease (Joliet), dated as of October 7, 2017, by and between Harrah's Joliet Landco LLC and Des Plaines Development Limited Partnership.	Previously filed on Form 8-K filed on July 21, 2020.
10.8**	Third Amendment to Lease (Joliet), dated as of September 30, 2020, to Lease (Joliet), dated as of October 7, 2017, by and between Harrah's Joliet Landco LLC and Des Plaines Development Limited Partnership.	Filed herewith.
10.9	Guaranty of Lease, dated as of July 20, 2020, by and between Eldorado Resorts, Inc. and Harrah's Joliet Landco LLC (Joliet).	Previously filed on Form 8-K filed on July 21, 2020.

Exhibit Number	Description of Exhibit	Method of Filing
10.10*	Right of First Refusal Agreement, dated as of July 20, 2020, by and between Eldorado Resorts, Inc. and VICI Properties L.P. (Las Vegas Strip).	Previously filed on Form 8-K filed on July 21, 2020.
10.11*	Right of First Refusal Agreement, dated as of July 20, 2020, by and between Eldorado Resorts, Inc. and VICI Properties L.P. (Horseshoe Baltimore).	Previously filed on Form 8-K filed on July 21, 2020.
10.12	Second Amended and Restated Lease Agreement, dated April 3, 2020, by and among Jazz Casino Company, L.L.C., New Orleans Building Corporation, and the City of New Orleans.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on April 6, 2020.
10.13	Letter agreement, dated April 3, 2020, by and among Jazz Casino Company, L.L.C., New Orleans Building Corporation and the City of New Orleans.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on April 6, 2020.
10.14	Second Amendment, dated as of July 20, 2020, to Golf Course Use Agreement, dated as of October 6, 2017, by and among Rio Secco LLC, Cascata LLC, Chariot Run LLC, Grand Bear LLC, Caesars Enterprise Services, LLC, CEOC, LLC and, solely for purposes of Section 2.1(c) thereof, Caesars License Company, LLC.	Previously filed on Form 8-K filed on July 21, 2020.
10.15*	Amended and Restated Put-Call Right Agreement, dated as of July 20, 2020, by and among Claudine Propco, LLC and Eastside Convention Center, LLC.	Previously filed on Form 8-K filed on July 21, 2020.
10.16*	Second Amended and Restated Put-Call Right Agreement entered into as of September 18, 2020 by and among Claudine Propco LLC and Caesars Convention Center Owner, LLC.	Previously filed on Form 8-K filed on September 18, 2020.
10.17*	Put-Call Right Agreement entered into as of July 20, 2020 by and between Centaur Propco LLC and Caesars Resort Collection, LLC.	Previously filed on Form 8-K filed on July 21, 2020.
10.18	First Amendment to Third Amended and Restated Omnibus License and Enterprise Services Agreement, dated as of July 20, 2020, by and among Caesars Enterprise Services, LLC, CEOC, LLC, Caesars Resort Collection LLC, Caesars License Company, LLC and Caesars World LLC (including as Exhibit A thereto a conformed copy of the Third Amended and Restated Omnibus License and Enterprise Services Agreement, dated as of December 26, 2018, as amended).	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on July 21, 2020.
10.19	Credit Agreement, dated as of July 20, 2020, by and among Eldorado Resorts, Inc., the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as administrative agent, and U.S. Bank National Association, as collateral agent.	Previously filed on Form 8-K filed on July 21, 2020.
10.20	Incremental Assumption Agreement No. 1, dated as of July 20, 2020, by and among Eldorado Resorts, Inc., the subsidiary guarantors party thereto, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent.	Previously filed on Form 8-K filed on July 21, 2020.
10.21	Credit Agreement, dated as of December 22, 2017, by and among Caesars Resort Collection, LLC, the other borrowers from time to time party thereto, the lenders party thereto, and Credit Suisse, AG, Cayman Islands Branch, as administrative agent.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on December 22, 2017.
10.22	First Amendment to Credit Agreement, dated as of June 15, 2020, by and among Caesars Resort Collection, LLC, the subsidiary loan parties party thereto, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on June 12, 2020.
10.23	Incremental Assumption Agreement No. 1, dated as of July 20, 2020, by and among Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent.	Previously filed on Form 8-K filed on July 21, 2020.
10.24	Incremental Assumption Agreement No. 2, dated as of July 20, 2020, by and among Caesars Resort Collection, LLC, the subsidiary guarantors party thereto, the lender party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent.	Previously filed on Form 8-K filed on July 21, 2020.
10.25	Caesars Entertainment Corporation Amended and Restated Escrow Agreement, dated as of December 12, 2016, between Caesars Entertainment Corporation and Wells Fargo Bank, N.A.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on October 13, 2017.

Exhibit Number	Description of Exhibit	Method of Filing
10.26†	Amendment and Restatement of Harrah's Entertainment, Inc. Executive Deferred Compensation Plan, effective August 3, 2007.	Previously filed on Form 10-Q filed by Caesars Holdings, Inc. on August 9, 2007.
10.27†	Amendment and Restatement of Park Place Entertainment Corporation Executive Deferred Compensation Plan, effective as of August 3, 2007.	Previously filed on Form 10-Q filed by Caesars Holdings, Inc. on August 9, 2007.
10.28†	Amendment and Restatement of Harrah's Entertainment, Inc. Executive Supplemental Savings Plan, effective as of August 3, 2007.	Previously filed on Form 10-Q filed by Caesars Holdings, Inc. on August 9, 2007.
10.29†	Amendment and Restatement of Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II, effective as of August 3, 2007.	Previously filed on Form 10-Q filed by Caesars Holdings, Inc. on August 9, 2007.
10.30†	First Amendment to the Amendment and Restatement of Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II, effective as of February 9, 2009.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on February 13, 2009.
10.31†	Second Amendment to the Amendment and Restatement of the Caesars Entertainment Corporation Executive Supplemental Savings Plan II (fka Harrah's Entertainment, Inc. Executive Supplemental Savings Plan II), effective as of November 5, 2014.	Previously filed on Form 10-K filed by Caesars Holdings, Inc. on March 16, 2015.
10.32†	Caesars Entertainment Corporation Second Amended and Restated Executive Deferred Compensation Trust Agreement, dated as of December 12, 2016, between Caesars Entertainment Corporation and Wells Fargo Bank, N.A.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on October 13, 2017.
10.33	Trademark License Agreement, dated as of October 6, 2017, between Caesars License Company, LLC and Desert Palace LLC.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on October 13, 2017.
10.34	Amended and Restated Casino Operating Contract, dated April 1, 2020, by and between Jazz Casino Company, L.L.C. and the State of Louisiana, by and through the Louisiana Gaming Control Board.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on April 6, 2020.
10.35	First Amendment to the Amended and Restated Casino Operating Contract, made and entered into as of April 9, 2020, and made effective as of April 1, 2020, by and between Jazz Casino Company, L.L.C. and the State of Louisiana, by and through the Louisiana Gaming Control Board.	Previously filed on Form 8-K/A filed by Caesars Holdings, Inc. on April 14, 2020.
10.36†	Caesars Entertainment Corporation 2012 Performance Incentive Plan.	Previously filed on Form S-1/A filed by Caesars Holdings, Inc. on February 2, 2012.
10.37†	Amendment No. 1 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on July 25, 2012.
10.38†	Amendment No. 2 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on May 20, 2015.
10.39†	Amendment No. 3 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on May 20, 2016.
10.40†	Amendment No. 4 to the Caesars Entertainment Corporation 2012 Performance Incentive Plan.	Previously filed on Form 10-Q filed by Caesars Holdings, Inc. on August 2, 2016.

Exhibit Number	Description of Exhibit	Method of Filing
10.41†	Caesars Entertainment Corporation 2017 Performance Incentive Plan.	Previously filed on Form S-8 filed by Caesars Holdings, Inc. on October 6, 2017.
10.42†	Amendment No. 1 to Caesars Entertainment Corporation 2017 Performance Incentive Plan.	Previously filed on Form 8-K filed by Caesars Holdings, Inc. on April 6, 2018.
10.43†	Caesars Entertainment Corporation Executive Supplemental Savings Plan III.	Previously filed on Form S-8 filed by Caesars Holdings, Inc. on December 13, 2018.
10.44†	Caesars Entertainment Corporation Outside Director Deferred Compensation Plan.	Previously filed on Form S-8 filed by Caesars Holdings, Inc. on December 13, 2018.
10.45†	Caesars Acquisition Company 2014 Performance Incentive Plan.	Previously filed on Form 8-K filed by Caesars Acquisition Company on April 16, 2014.
10.46†	Form of Director Indemnification Agreement.	Filed herewith.
10.47	Amended and Restated Omnibus Amendment to Leases, dated as of October 27, 2020, by and among the entities listed on schedule A thereto, CPLY Property Owner LLC, Claudine Propco LLC, Harrah's Joliet Landco LLC, CEOC, LLC, the entities listed on schedule B thereto, Desert Palace LLC, Harrah's Las Vegas, LLC and Des Plaines Development Limited Partnership.	Filed herewith.
31.1	Certification of Thomas R. Reeg pursuant to Rule 13a-14a and Rule 15d-14(a).	Filed herewith.
31.2	Certification of Bret Yunker pursuant to Rule 13a-14a and Rule 15d-14(a).	Filed herewith.
32.1	Certification of Thomas R. Reeg in accordance with 18 U.S.C. Section 1350	Filed herewith.
32.2	Certification of Bret Yunker in accordance with 18 U.S.C. Section 1350	Filed herewith.
99.1	Financial Information of Caesars Resorts Collection, LLC	Filed herewith.
101.1	Inline XBRL Instance Document	Filed herewith.
101.2	Inline XBRL Taxonomy Extension Schema Document	Filed herewith.
101.3	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.4	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.
101.5	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith.
101.6	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	Filed herewith.

† Denotes a management contract or compensatory plan or arrangement.

* Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company will furnish supplementally copies of omitted schedules and exhibits to the U.S. Securities and Exchange Commission upon its request.

** Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K because such information is (i) not material and (ii) could be competitively harmful if publicly disclosed. The Company will furnish supplementally an unredacted copy of such exhibit to the U.S. Securities and Exchange Commission upon its request.

SIGNATURES

Pursuant to the requirements of the Securities and 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, INC.

Date: November 9, 2020

/s/ Thomas R. Reeg

Thomas R. Reeg
Chief Executive Officer (Principal Executive Officer)

Date: November 9, 2020

/s/ Bret Yunker

Bret Yunker
Chief Financial Officer (Principal Financial Officer)

THIRD AMENDMENT TO LEASE

This **THIRD AMENDMENT TO LEASE** (this "**Amendment**") is entered into as of September 30, 2020, by and among **CPLV PROPERTY OWNER LLC** and **CLAUDINE PROPCO LLC**, each a Delaware limited liability company (collectively, and together with their respective successors and assigns, "**Landlord**"), **DESERT PALACE LLC**, a Nevada limited liability company, **CEOC, LLC**, a Delaware limited liability company (for itself and as successor by merger to Caesars Entertainment Operating Company, Inc., a Delaware corporation), and **HARRAH'S LAS VEGAS, LLC**, a Nevada limited liability company (collectively, and together with their respective successors and assigns, "**Tenant**") and, solely for the purposes of the last paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company ("**Propco TRS**").

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the last paragraph of Section 1.1 of the Lease, Propco TRS are parties to that certain Lease (CPLV) dated as of October 6, 2017, as amended by that certain First Amendment to Lease (CPLV), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, and as amended by that certain Second Amendment to Lease (CPLV), dated as of July 20, 2020 (collectively, as amended, the "**Lease**"), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on the date hereof, Harrah's Reno LLC, being an Affiliate of Landlord, and CEOC, LLC, together as sellers, and Reno City Center, LLC, as purchaser, are closing a purchase and sale transaction under that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December 31, 2019, as amended by that certain First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions, dated as of May 29, 2020, with respect to certain real property and FF&E (as defined therein) associated with the gaming and entertainment facility known as "Harrah's Reno Hotel & Casino" located in Reno, Nevada (the "**Harrah's Reno Transaction**"); and

WHEREAS, in connection with the Harrah's Reno Transaction, the parties hereto desire to amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

- 1. Definitions.** Except as otherwise defined herein, all capitalized terms used herein without definition shall have the meanings applicable to such terms, respectively, as set forth in the Lease.
- 2. Amendments to the Lease.**

a. Triennial Minimum Cap Ex Amount B. Article II of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount B” is hereby revised and modified to replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)”.

b. Partial Periods.

i. Section 10.5(a)(v)(b) of the Lease is hereby amended to (a) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (b) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)” and

ii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (b) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)”.

3. **No Other Modification or Amendment to the Lease.** The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the “Lease” shall be deemed to refer to the Lease as amended by this Amendment.

4. **Governing Law; Jurisdiction.** This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) specified by the Lease without regard to its or their conflicts of law principles. The parties hereto hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Amendment.

5. **Counterpart.** This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Facsimile and/or .pdf signatures shall be deemed to be originals for all purposes.

6. **Effectiveness.** This Amendment shall be effective, as of the date hereof, only upon execution and delivery by each of the parties hereto.

7. **Miscellaneous.** If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect. Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, discharge or termination is sought. The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof. This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the date hereof.

LANDLORD:

CPLV PROPERTY OWNER LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

CLAUDINE PROPCO LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Las Vegas Lease]

TENANT:
DESERT PALACE LLC,
a Nevada limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

CEOC, LLC,
a Delaware limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HARRAH'S LAS VEGAS, LLC,
a Nevada limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Las Vegas Lease]

Acknowledged and agreed, solely for the purposes of the last paragraph of Section 1.1 of the Lease:

PROPCO TRS LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

[Signature Page to Third Amendment to Las Vegas Lease]

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Third Amendment to Lease (the "Amendment"; capitalized terms used herein with definition having the meanings set forth in the Amendment), dated as of September 30, 2020, by and among CPLV Property Owner LLC and Claudine Propco LLC, each a Delaware limited liability company, collectively as Landlord, Desert Palace LLC, a Nevada limited liability company, CEOC, LLC, a Delaware limited liability company (for itself and as successor by merger to Caesars Entertainment Operating Company, Inc., a Delaware corporation), and Harrah's Las Vegas, LLC, a Nevada limited liability company, collectively as Tenant, and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of September 30, 2020.

CAESARS ENTERTAINMENT, INC.

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

[Signature Page to Reaffirmation of Guaranty]

SIXTH AMENDMENT TO LEASE

This SIXTH AMENDMENT TO LEASE (this “Amendment”) is entered into as of September 30, 2020, by and among the entities listed on Schedule A attached hereto (collectively, and together with their respective successors and assigns, “Landlord”), the entities listed on Schedule B attached hereto (collectively, and together with their respective successors and assigns, “Tenant”) and, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company (“Propco TRS”).

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease, Propco TRS, are parties to that certain Lease (Non-CPLV), dated as of October 6, 2017, as amended by that certain First Amendment to Lease (Non-CPLV), dated as of December 22, 2017, as amended by that certain Second Amendment to Lease (Non-CPLV) and Ratification of SNDA, dated as of February 16, 2018, as amended by that certain Third Amendment to Lease (Non-CPLV), dated as of April 2, 2018, as amended by that certain Fourth Amendment to Lease (Non-CPLV), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, and as amended by that certain Fifth Amendment to Lease (Non-CPLV), dated as of July 20, 2020 (collectively, as amended, the “Lease”), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on the date hereof, Harrah’s Reno LLC and CEOC, LLC, together as sellers, and Reno City Center, LLC, as purchaser, are closing a purchase and sale transaction under that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December 31, 2019, as amended by that certain First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions, dated as of May 29, 2020, with respect to certain real property and FF&E (as defined therein) associated with the gaming and entertainment facility known as “Harrah’s Reno Hotel & Casino” located in Reno, Nevada (the “Harrah’s Reno Transaction”); and

WHEREAS, in connection with the Harrah’s Reno Transaction, the parties hereto desire to amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Definitions**. Except as otherwise defined herein, all capitalized terms used herein without definition shall have the meanings applicable to such terms, respectively, as set forth in the Lease.

2. **Amendments to the Lease**.

A. Termination of the Lease as to the Harrah's Reno Facility. Effective as of the date hereof:

- a. the Lease is hereby terminated with respect to the Harrah's Reno Leased Property (as defined below), the Harrah's Reno Leased Property no longer constitutes Leased Property under the Lease, and neither Landlord nor Tenant has any further liabilities or obligations, from and after the date of this Amendment, in respect of the Harrah's Reno Facility (as defined below) and the Harrah's Reno Leased Property, and
- b. the Guaranty hereby automatically, and without further action by any party, ceases to apply with respect to any Obligations (as defined in the Guaranty) with respect to the Harrah's Reno Facility or the Harrah's Reno Leased Property to the extent arising from and after the date of this Amendment (provided that any such Obligations arising prior to such date shall not be terminated, limited or affected by or upon entry into this Amendment).
- c. For the avoidance of doubt, the Lease shall continue in full force and effect with respect to the balance of (x) the Facilities (other than the Harrah's Reno Facility) and (y) the Leased Property (other than the Harrah's Reno Leased Property). The term "Harrah's Reno Facility." shall refer to the applicable Facility identified as Facility 16 on the list of the Facilities annexed as Exhibit A to the Lease, other than the portion thereof pertaining to the Leased Property set forth on Annex B hereto (the "Leased Property (Reno Billboard)"). The term "Harrah's Reno Leased Property." shall refer to the Leased Property set forth on Annex A hereto and any other Leased Property pertaining to the Harrah's Reno Facility (excluding, for the avoidance of doubt, the Leased Property (Reno Billboard)).

B. Rent. Landlord and Tenant hereby expressly acknowledge and agree that there shall be no reduction in the Rent under the Lease as a result of the removal of the Harrah's Reno Facility from the Lease or otherwise as a result of the Harrah's Reno Transaction.

C. Variable Rent.

- i. From and after the date hereof, for purposes of any calculation of Variable Rent under the Lease, including any adjustments in Variable Rent based on increases or decreases in Net Revenue, such calculations of Net Revenue shall exclude Net Revenue attributable to the Harrah's Reno Facility.
- ii. Article II of the Lease is hereby amended such that the definition of "Base Net Revenue Amount" is hereby deleted and replaced with the following:

"Base Net Revenue Amount": An amount equal to the arithmetic average of the following: (i) Three Billion Five Hundred Ninety-One Million One Hundred Fifty-Seven Thousand Six Hundred Twenty-Seven and No/100

Dollars (\$3,591,157,627.00), which amount Landlord and Tenant agree represents Net Revenue for the Fiscal Period immediately preceding the first (1st) Lease Year (i.e., the Fiscal Period ending September 30, 2017), (ii) Three Billion Five Hundred Ninety-Seven Million Seven Hundred Ninety-Three Thousand Two Hundred Two and No/100 Dollars (\$3,597,793,202.00), which amount Landlord and Tenant agree represents the Net Revenue for the Fiscal Period immediately preceding the end of the first (1st) Lease Year (i.e., the Fiscal Period ending September 30, 2018) and (iii) Three Billion Four Hundred Forty-Three Million Three Hundred Sixty-Four Thousand Two Hundred Four and No/100 Dollars (\$3,443,364,204.00), which amount Landlord and Tenant agree represents the Net Revenue for the Fiscal Period immediately preceding the end of the second (2nd) Lease Year (i.e., the Fiscal Period ending September 30, 2019). For the avoidance of doubt, the term “arithmetic average” as used in this definition refers to the quotient obtained by dividing (x) the sum of the amounts set forth in clauses (i), (ii) and (iii) by (y) three (3).”

- D. Annual Minimum Cap Ex Amount. Article II of the Lease is hereby amended such that the definition of “Annual Minimum Cap Ex Amount” is hereby revised and modified to replace the reference therein to “One Hundred Twenty Million Nine Hundred Thousand and No/100 Dollars (\$120,900,000.00)” with a reference to “One Hundred Nineteen Million Three Hundred Thousand and No/100 Dollars (\$119,300,000.00)”.
- E. Annual Minimum Per-Lease B&I Cap Ex Requirement. The Annual Minimum Per-Lease B&I Cap Ex Requirement shall be unchanged by this Amendment. Further, Landlord and Tenant hereby acknowledge, for the avoidance of doubt, that the Net Revenue attributable to the Harrah’s Reno Facility during the period the Harrah’s Reno Facility was included in the Lease (i.e., during the period from the Commencement Date until the date of this Amendment) shall be included for purposes of calculating the Capital Expenditures required under Section 10.5(a)(ii) of the Lease (i.e., the Annual Minimum Per-Lease B&I Cap Ex Requirement).
- F. Triennial Allocated Minimum Cap Ex Amount B Floor. Article II of the Lease is hereby amended such that the definition of “Triennial Allocated Minimum Cap Ex Amount B Floor” is hereby revised and modified to replace the reference therein to “Three Hundred Thirty-Three Million Six Hundred Thousand and No/100 Dollars (\$333,600,000.00)” with a reference to “Three Hundred Twenty-Seven Million Eight Hundred Thousand and No/100 Dollars (\$327,800,000.00)”.
- G. Triennial Minimum Cap Ex Amount A. Article II of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount A” is hereby revised and modified to replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)”.

H. Triennial Minimum Cap Ex Amount B. Article II of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount B” is hereby revised and modified to replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)”.

I. Partial Periods.

- i. Section 10.5(a)(v)(b) of the Lease is hereby amended to (a) replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)” and (b) replace the reference therein to “One Hundred Ninety-Nine Million Four Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$199,466,666.67)” with a reference to “One Hundred Ninety-Six Million Seven Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$196,766,666.67)”.
- ii. Section 10.5(a)(v)(c) of the Lease is hereby amended to (a) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (b) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)”, and
- iii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)”, (b) replace the reference therein to “One Hundred Ninety-Nine Million Four Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$199,466,666.67)” with a reference to “One Hundred Ninety-Six Million Seven Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$196,766,666.67)”, (c) replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)” and (d) replace the reference therein to “One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)” with a reference to “One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)”.

J. Section 22.2(ix) Transfer.

- i. Landlord and Tenant hereby acknowledge and agree that the Harrah's Reno Transaction shall be deemed to be, and treated as, a transfer and sale of the entire Leased Property with respect to a Facility pursuant to Section 22.2(ix) of the Lease.
- ii. All of the applicable requirements and conditions set forth in Section 22.2(ix) of the Lease with respect to such transfer and sale are deemed satisfied or waived by
- iii. the execution of this Amendment and the consummation of the closing of the Harrah's Reno Transaction.
- iv. The 2018 Facility EBITDAR of Tenant for the Harrah's Reno Facility is equal to [****].
- v. The amounts of the 2018 EBITDAR Pool and 2018 EBITDAR Pool Before Fifth Amendment shall not be reduced as a result of the Harrah's Reno Facility no longer being a Facility under the Lease.
- vi. The words, number and symbols "five percent (5%)" contained in Section 22.2(ix) of the Lease are hereby deleted and replaced with the following: "four and six-tenths percent (4.6%)".
- vii. For purposes of subsequent calculations of the L1/L2 EBITDAR to Rent Ratio under the Lease, the EBITDAR of Tenant in respect of the Harrah's Reno Facility shall be disregarded.
- viii.
- ix. The treatment of the Harrah's Reno Transaction hereunder is not intended to serve as a precedent for the treatment of future dispositions (if any) which may be effectuated under Section 22.2(ix) of the Lease or otherwise.

K. Revisions to Exhibits and Schedules to the Lease. The Exhibits and Schedules to the Lease are hereby amended as follows:

- i. Facilities. The list of Facilities set forth on Exhibit A annexed to the Lease is hereby amended such that the reference to "Harrah's Reno" thereon is deleted and replaced with a reference to "Reno Billboard Parcel".
- ii. Legal Description. The legal descriptions with respect to the Leased Property set forth on Exhibit B annexed to the Lease are hereby amended such that the legal description with respect to the Harrah's Reno Leased Property set forth on Annex A hereto is hereby deleted from said Exhibit B.

iii. Property Specific IP. The list of Property Specific IP set forth on Exhibit H annexed to the Lease is hereby amended such that the following items of Property Specific IP listed thereon (that relate solely to the Reno Facility) are hereby deleted from said Exhibit H:

Mark	Jurisdiction	Brand	Specific/ Enterprise	Property	App. No.	App. Date	Reg. No.	Reg. Date	Status
Carvings	United States of America	Harrah's	Specific	Harrah's Reno	78/732311	10/13/2005	3141982	9/12/2006	Registered
Joy Luck Noodle Bar	United States of America	Harrah's	Specific	Harrah's Reno	77/634470	12/16/2008	3647464	6/30/2009	Registered

Domain Name	Brand	Reg. Date	Registry Expiry Date
renonumbers.com	Harrah's Reno	2001-05-18	2021-05-18
renoweddingchapel.com	Harrah's Reno	2000-01-19	2022-01-19

- iv. Description of Title Policies. The list of Title Policies set forth on Exhibit J annexed to the Lease is hereby amended such that the reference thereon to the Title Policy relating solely to the Harrah's Reno Facility is hereby amended and shall be deemed to refer only to the portions of such Title Policy that pertain to the Leased Property (Reno Billboard).
- v. Managed Facilities IP Trademarks. The list of Managed Facilities IP set forth on Exhibit P annexed to the Lease is hereby amended such that "Harrah's Reno" is hereby deleted from said Exhibit P.
- vi. Gaming Licenses. The list of Gaming Licenses set forth on Schedule 1 annexed to the Lease is hereby amended such that the Gaming License bearing Unique ID 00718-02 relating to the Harrah's Reno Facility is hereby deleted from said Schedule 1.
- vii. Maximum Fixed Rent Term. The schedule setting forth the Maximum Fixed Rent Term with respect to each Facility set forth on Schedule 3 annexed to the Lease is hereby amended such that the reference to "Harrah's Reno" thereon is deleted and replaced with a reference to "Reno Billboard Parcel".
- viii. Specified Subleases. The list of Specified Subleases set forth on Schedule 4 annexed to the Lease is hereby amended such that (a) the Specified Subleases bearing Contract ID Nos. 7721, 14991, 14992, 15086, 9761, 7724, 7001, 7142, 7333, 14922,

14923, 14924, 14925, (b) the two (2) additional Specified Subleases pertaining solely to the Harrah’s Reno Facility that do not have a Contract ID No. are hereby deleted from said Schedule 4 and (c) the following Sublease is hereby added to said Schedule 4:

Contract ID	Debtor(s)	Property Name	Name of Operation	Counterparty	Description	Contract Date	File Name
N/A	CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.	Reno Billboard Parcel	I-80 Billboard	Donrey Outdoor Advertising Company	Lease Agreement	8/8/1985	I-80 Parcel Billboard Lease accounting.pdf

3. **No Other Modification or Amendment to the Lease.** The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the “Lease” shall be deemed to refer to the Lease as amended by this Amendment.

4. **Governing Law; Jurisdiction.** This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) specified by the Lease without regard to its or their conflicts of law principles. The parties hereto hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Amendment.

5. **Counterparts.** This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Facsimile and/or .pdf signatures shall be deemed to be originals for all purposes.

6. **Effectiveness.** This Amendment shall be effective, as of the date hereof, only upon execution and delivery by each of the parties hereto.

7. **Miscellaneous.** If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect. Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, discharge or termination is sought. The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof. This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the date hereof.

LANDLORD:

**HORSESHOE COUNCIL BLUFFS LLC
HARRAH'S COUNCIL BLUFFS LLC
HARRAH'S METROPOLIS LLC
HORSESHOE SOUTHERN INDIANA LLC
NEW HORSESHOE HAMMOND LLC
NEW HARRAH'S NORTH KANSAS CITY LLC
GRAND BILOXI LLC
HORSESHOE TUNICA LLC
NEW TUNICA ROADHOUSE LLC
CAESARS ATLANTIC CITY LLC
BALLY'S ATLANTIC CITY LLC
HARRAH'S LAKE TAHOE LLC
HARVEY'S LAKE TAHOE LLC
HARRAH'S RENO LLC
BLUEGRASS DOWNS PROPERTY OWNER LLC
VEGAS DEVELOPMENT LLC
VEGAS OPERATING PROPERTY LLC
MISCELLANEOUS LAND LLC
PROPCO GULFPORT LLC
PHILADELPHIA PROPCO LLC
HARRAH'S ATLANTIC CITY LLC
NEW LAUGHLIN OWNER LLC
HARRAH'S NEW ORLEANS LLC**
each, a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

**HORSESHOE BOSSIER CITY PROP LLC
HARRAH'S BOSSIER CITY LLC**
each, a Louisiana limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

TENANT:

CEOC, LLC,

a Delaware limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HBR REALTY COMPANY LLC,

a Nevada limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HARVEYS IOWA MANAGEMENT COMPANY LLC,

a Nevada limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC,

an Illinois limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

CAESARS RIVERBOAT CASINO, LLC,

an Indiana limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

ROMAN HOLDING COMPANY OF INDIANA LLC,
an Indiana limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HORSESHOE HAMMOND, LLC,
an Indiana limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HORSESHOE ENTERTAINMENT,
a Louisiana limited partnership

By: New Gaming Capital Partnership,
a Nevada Limited Partnership,
its general partner

By: Horseshoe GP, LLC,
a Nevada limited liability company
its general partner

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HARRAH'S BOSSIER CITY INVESTMENT COMPANY, L.L.C.,
a Louisiana limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HARRAH'S NORTH KANSAS CITY LLC,
a Missouri limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

GRAND CASINOS OF BILOXI, LLC,
a Minnesota limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

ROBINSON PROPERTY GROUP LLC,
a Mississippi limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

TUNICA ROADHOUSE LLC,
a Delaware limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

BOARDWALK REGENCY LLC,
a New Jersey limited liability company

By: Caesars New Jersey LLC,
a New Jersey limited liability company,
its sole member

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

CAESARS NEW JERSEY LLC,
a New Jersey limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

BALLY'S PARK PLACE LLC,
a New Jersey limited liability company

By: CEOC, LLC,
a Delaware limited liability company,
its sole member

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HARVEYS TAHOE MANAGEMENT COMPANY LLC,
a Nevada limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

PLAYERS BLUEGRASS DOWNS LLC,
a Kentucky limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

CASINO COMPUTER PROGRAMMING, INC.,

an Indiana corporation

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HARVEYS BR MANAGEMENT COMPANY, INC.,

a Nevada corporation

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HOLE IN THE WALL, LLC,

a Nevada limited liability company

By: CEOC, LLC,

as sole member

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer:

CHESTER DOWNS AND MARINA, LLC,

a Pennsylvania limited liability company

By: Harrah's Chester Downs Investment Company, LLC,

as sole member

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC,
a New Jersey limited liability company

By: Caesars Resort Collection, LLC,
a Delaware limited liability company,
its sole member

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

HARRAH'S LAUGHLIN, LLC,
a Nevada limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

JAZZ CASINO COMPANY, L.L.C.,
a Louisiana limited liability company

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

Acknowledged and agreed, solely for the purposes of the penultimate paragraph of Section 1.1 of the Lease:

PROPCO TRS LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Sixth Amendment to Lease (the "Amendment"; capitalized terms used herein with definition having the meanings set forth in the Amendment), dated as of September 30, 2020, by and among the entities listed on Schedule A attached thereto, as Landlord, and the entities listed on Schedule B attached thereto, as Tenant and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that, except as expressly set forth in Section 2.A.ii of the Amendment, nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of September 30, 2020.

CAESARS ENTERTAINMENT, INC.

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

Schedule A

LANDLORD ENTITIES

Horseshoe Council Bluffs LLC
Harrah's Council Bluffs LLC
Harrah's Metropolis LLC
Horseshoe Southern Indiana LLC
New Horseshoe Hammond LLC
Horseshoe Bossier City Prop LLC
Harrah's Bossier City LLC
New Harrah's North Kansas City LLC
Grand Biloxi LLC
Horseshoe Tunica LLC
New Tunica Roadhouse LLC
Caesars Atlantic City LLC
Bally's Atlantic City LLC
Harrah's Lake Tahoe LLC
Harvey's Lake Tahoe LLC
Harrah's Reno LLC
Bluegrass Downs Property Owner LLC
Vegas Development LLC
Vegas Operating Property LLC
Miscellaneous Land LLC
Propco Gulfport LLC
Philadelphia Propco LLC
Harrah's Atlantic City LLC
New Laughlin Owner LLC
Harrah's New Orleans LLC

Schedule A

Schedule B

TENANT ENTITIES

CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
HBR Realty Company LLC
Harveys Iowa Management Company LLC
Southern Illinois Riverboat/Casino Cruises LLC
Caesars Riverboat Casino LLC
Roman Holding Company of Indiana LLC
Horseshoe Hammond, LLC
Horseshoe Entertainment
Harrah's Bossier City Investment Company, LLC
Harrah's North Kansas City LLC
Grand Casinos of Biloxi, LLC
Robinson Property Group LLC
Tunica Roadhouse LLC
Boardwalk Regency LLC
Caesars New Jersey LLC
Bally's Park Place LLC
Harveys Tahoe Management Company LLC
Players Bluegrass Downs LLC
Casino Computer Programming, Inc.
Harveys BR Management Company, Inc.
Hole in the Wall, LLC
Chester Downs and Marina, LLC
Harrah's Atlantic City Operating Company, LLC
Harrah's Laughlin, LLC
Jazz Casino Company, L.L.C.

Schedule B

Annex A

Harrah's Reno Leased Property

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

PARCEL 1A:

Lot 13, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 1B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-37

PARCEL 2A:

Lots 14 and 15, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 2B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-38

PARCEL 3A:

Lot 16, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 3B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-39

PARCEL 4A:

Lot 17, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 4B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-40

PARCEL 5A:

Lot 18 and the West ½ of Lot 19, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 5B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-41

PARCEL 6A:

The East one-half of Lot 19 and the West 4 feet of Lot 20, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. The East 21 feet of Lot 20, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 6B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-42

PARCEL 7A:

Lots 21 through 24, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 7B:

All that portion of East Douglas Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-43

PARCEL 8A:

The North 15 feet of Lot 3 and the South 32 feet of Lot 4, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 8B:

All that portion of Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No.2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-45

PARCEL 9A:

The North 18 feet of Lot 4, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 9B:

All that portion of Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-46

PARCEL 10A:

The South half of Lot 5 and the North 6 inches (10 inches more or less per Survey) of Lot 4, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. The North half of Lot 5, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 10B:

All that portion of Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-47

PARCEL 11A:

Lot 6, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 11B:

All that portion of East Douglas Alley and Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, Official Records Washoe County, State of Nevada.

APN: 011-052-48

PARCEL 12:

Parcel 2 as shown on "Parcel Map 3531 for G and S Investment Company, a Nevada Limited Partnership a portion of Original Reno Townsite Between Blocks H and P-Section 11, T19N, R19E, MDM, Reno, Washoe County, Nevada", recorded June 18, 1999, Document No. 2352376 in the Office of the County Recorder of Washoe County, Nevada.

APN: 011-370-50

PARCEL 13A: The Northerly 36 feet of Lot 2, and the Southerly 35 feet of Lot 3 in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 13B: All that portion of Lincoln Alley granted by Order of Abandonment recorded March 19, 1990, as Document No. 1386768, Official Records Washoe County, State of Nevada. APN: 011-052-32

PARCEL 14A: Lot 1 and the South 14 feet of Lot 2, in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 14B: All that portion of Lincoln Alley granted by Order of Abandonment recorded March 19, 1990, as Document No. 1386768, Official Records Washoe County, State of Nevada. APN: 011-052-33

PARCEL 15A: Lots 7, 8, 9, 10, 11 and 12 in Block P of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 15B: All that portion of East Douglas Alley and Lincoln Alley granted by Order of Abandonment recorded February 22, 2000, as Document No. 2423996, and Lincoln Alley granted by Order of Abandonment recorded March 19, 1990, as Document No. 1386768, Official Records Washoe County, State of Nevada APN: 011-052-35, 36 and 44

PARCEL 16: Portions of public streets within the City of Reno, as shown on the official map of Town of Reno, Washoe County, Nevada, August 1, 1868, being more particularly described as follows: Beginning at the southwesterly corner of Lot 13 of Block P of the Town of Reno and proceeding thence in a southerly direction along the westerly line of said Block to the southwesterly corner of said Block; Thence proceeding along the southerly line of said Block in an easterly direction to the southeasterly corner of said Block; Thence proceeding along the easterly line of said block corner in a northerly direction to the southeasterly of Lot 24 of said

Block; Thence proceeding along the easterly prolongation of the southerly line of said Lot 24 to the centerline of North Center Street; Thence along said line in a southerly direction to the centerline of East Second Street; Thence along said line in a westerly direction to the centerline of North Virginia Street; Thence along said line a northerly direction to the westerly prolongation of the southerly line of said Lot 13; Thence along said line in an easterly direction to the TRUE POINT OF BEGINNING. Document Number 2910777 is provided pursuant to the requirements of Section 6.NRS 111.312

PARCEL 17: Portions of public streets and alleys within the City of Reno as shown on the Official Map of the Town of Reno, Washoe County, Nevada, August 1, 1868, being more particularly described as follows: Beginning at the southwesterly corner of Block Q of the Town of Reno and proceeding thence in an easterly direction along southerly line of said Block to the southeasterly corner of said Block; Thence along the easterly line of said Block in a northerly direction 230 feet; Thence in a westerly direction along a line parallel to the southerly line of said block 160 feet; Thence along a line parallel to the easterly line of said Block in a northerly direction 90 feet, to a point on the southerly line of Lot 16 of said Block; Thence in an easterly direction along the southerly lines of Lots 16, 17, 18, 19, 20, 21 and 22, 160 feet to the southeasterly corner of Lot 22 of said Block; Thence along the easterly line of said Lot in a northerly direction 50 feet; Thence along the line parallel to the southerly line of said Block in an easterly direction to a point on the centerline of Lake Street; Thence along said line in a southerly direction 60 feet; Thence in a westerly direction along the line parallel to the southerly line of said Block 190 feet; Thence along a line parallel to the easterly line of said Block in a southerly direction 70 feet; Thence along a line parallel with the southerly line of said Block in an easterly direction 190 feet, to a point on the centerline of Lake Street; Thence along said line in a southerly direction to the center line of East Second Street; Thence along said line in a westerly direction to the centerline of North Center Street; Thence along said line in a northerly direction 320 feet; Thence easterly along a line parallel to the southerly line of said Block to a point on the westerly of said Block; Thence along said line in a southerly direction 320 feet to the TRUE POINT OF BEGINNING. Document Number 2910777 is provided pursuant to the requirements of Section 6.NRS 111.312

PARCEL 18: Commencing at the Northeast corner of Second Street and Center Street, the same being the Southwest corner of Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; Thence Northerly along the East line of North Center Street, a distance of 51'3"; Thence Easterly a distance of 86 feet to a point 52'6" North of the North side line of Second Street; Thence Easterly parallel with the North side line of Second Street, 54 feet to the West line of an alley running Northerly and Southerly through said Block Q; Thence Southerly along the West line of said alley to the North side line of Second Street; Thence Westerly along the North side line of said Second Street a distance of 140 feet to the point of beginning. APN: 011-071-09

PARCEL 19A: Lot 3 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 19B: The West one-half of that portion of the North-South alley vacated by the City of Reno, by Order of Abandonment recorded October 29, 1979 in Book 1445, Page 215, File No. 638561, Official Records, and re-recorded November 8, 1979 in Book 1448, Page 951, File No. 640621, Official Records which lies Easterly of the Northerly and Southerly extension of the Easterly line of Lot 3 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. APN: 011-071-25

PARCEL 20A: Portion of Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871, being more particularly described as follows: Beginning at a point on the Easterly line of Center Street, 1'3" Northerly from the Southwest corner of Lot 2 of said Block Q; Thence Easterly 86 feet to a point 52'6" Northerly from the North line of Second Street; Thence Easterly parallel with the North line of Second Street, 54 feet to the West line of an alley running Northerly and Southerly through said Block Q; Thence Northerly along the West line of said alley 47'6" to the Northeast corner of Lot 2 in said Block Q; Thence Westerly along the North line of said Lot 2 a distance of 140 feet to the East line of Center Street; Thence Southerly along the East line of Center Street, a distance of 48'9" to the point of beginning.

PARCEL 20B: Lots 4 and 5 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 20C: Lots 8, 9 and 10 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. EXCEPTING THEREFROM that portion of Lot 10 conveyed to the City of Reno and described in Deed of Dedication recorded January 19, 1995 in Book 4231, Page 972 as Document No. 1865294 of Official Records.

PARCEL 20D: Lot 7 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871. EXCEPTING THEREFROM the North 20 feet of said Lot 7, conveyed to the City of Reno, by Quitclaim Deed recorded September 18, 1979 in Book 1430, page 962, File No. 630152, Official Records.

PARCEL 20E: Lots 11 through 22, inclusive in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 20F: That portion of the North-South alley vacated by the City of Reno, by Order of Abandonment, recorded October 29, 1979 in Book 1445, Page 215, File No. 638561, Official Records, and re-recorded November 8, 1979 in Book 1448, page 951, File No. 640621, Official Records, described as follows: Beginning at the Southeast corner of Lot 1 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; Thence along the Easterly ends of the tier of lots to a point in the Easterly end of Lot 4, 180 feet Northerly of said

point of beginning; Thence Easterly at a right angle 20 feet to a point in the Westerly end of Lot 7, 20 feet Southerly of the Northwest corner thereof; Thence along the Westerly ends of the tier of lots, 180 feet to the Southwesterly corner of Lot 10 in said block; Thence at a right angle of 20 feet to the point of beginning. EXCEPTING THEREFROM that portion of the West one-half of said vacated alley which lies Easterly of the Northerly and Southerly extension of the Easterly line of Lot 3 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871.

PARCEL 20G: That portion of the East-West alley vacated by the City of Reno by Order of Abandonment, recorded October 29, 1979 in Book 1445, page 215, File No. 638561 and re-recorded November 8, 1979 in Book 1448, page 951, File No. 640621, Official Records, described as follows: Beginning at the Southwest corner of Lot 11 in Block Q of ORIGINAL TOWN, NOW CITY OF RENO, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada, on June 27, 1871; Thence along the Southerly ends of the tier of lots to a point in the Southerly end of Lot 16, 140 feet Easterly of said point of beginning; Thence Southerly at a right angle 20 feet to the Northeasterly corner of Lot 5 of said Block; Thence along the Northerly line of said Lot 5, 140 feet to the Northwesterly corner of said Lot 5; Thence at right angle 20 feet to the point of beginning. APN: 011-071-26 Document Number 3715997 is provided pursuant to the requirements of Section 6.NRS 111.312

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

Lot 5, 6, 7 and 8 in Block 5 as shown on the map of Evans North Addition, Tract Map No. 24, according to the map thereof, filed in the office of the County Recorder of Washoe County, State of Nevada on December 16, 1879.

APN: 007-501-10, 11, 12 and 13

Annex A-7

THIRD AMENDMENT TO LEASE

This **THIRD AMENDMENT TO LEASE** (this "**Amendment**") is entered into as of September 30, 2020, by and among **HARRAH'S JOLIET LANDCO LLC**, a Delaware limited liability company (together with its successors and assigns, "**Landlord**"), **DES PLAINES DEVELOPMENT LIMITED PARTNERSHIP**, a Delaware limited partnership (together with its successors and assigns, "**Tenant**") and, solely for the purposes of the last paragraph of Section 1.1 of the Lease (as defined below), Propco TRS LLC, a Delaware limited liability company ("**Propco TRS**").

RECITALS

WHEREAS, Landlord, Tenant and, solely for the purposes of the last paragraph of Section 1.1 of the Lease, Propco TRS are parties to that certain Lease (Joliet) dated as of October 6, 2017, as amended by that certain First Amendment to Lease (Joliet), dated as of December 26, 2018, as amended by that certain Omnibus Amendment to Leases, dated as of June 1, 2020, and as amended by that certain Second Amendment to Lease (Joliet), dated as of July 20, 2020 (collectively, as amended, the "**Lease**"), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, certain real property as more particularly described in the Lease;

WHEREAS, on the date hereof, Harrah's Reno LLC, being an Affiliate of Landlord, and CEOC, LLC, being an Affiliate of Tenant, together as sellers, and Reno City Center, LLC, as purchaser, are closing a purchase and sale transaction under that certain Purchase and Sale Agreement and Joint Escrow Instructions, dated as of December 31, 2019, as amended by that certain First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions, dated as of May 29, 2020, with respect to certain real property and FF&E (as defined therein) associated with the gaming and entertainment facility known as "Harrah's Reno Hotel & Casino" located in Reno, Nevada (the "**Harrah's Reno Transaction**"); and

WHEREAS, in connection with the Harrah's Reno Transaction, the parties hereto desire to amend the Lease as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Definitions.** Except as otherwise defined herein, all capitalized terms used herein without definition shall have the meanings applicable to such terms, respectively, as set forth in the Lease.
2. **Amendments to the Lease.**
 - a. **Annual Minimum Cap Ex Amount.** **Article II** of the Lease is hereby amended such that the definition of "Annual Minimum Cap Ex Amount" is hereby revised and modified to replace the reference therein to "One Hundred Twenty Million Nine

Hundred Thousand and No/100 Dollars (\$120,900,000.00)” with a reference to “One Hundred Nineteen Million Three Hundred Thousand and No/100 Dollars (\$119,300,000.00)”.

- b. Annual Minimum Per-Lease B&I Cap Ex Requirement. The Annual Minimum Per-Lease B&I Cap Ex Requirement shall be unchanged by this Amendment. Further, Landlord and Tenant hereby acknowledge, for the avoidance of doubt, that the Net Revenue attributable to the Harrah’s Reno Facility (as defined in the Sixth Amendment to the Regional Lease being entered into concurrently with this Amendment) during the period the Harrah’s Reno Facility was included in the Regional Lease (i.e., during the period from the “Commencement Date” (as defined in the Regional Lease) until the date of this Amendment) shall be included for purposes of calculating the Capital Expenditures required under Section 10.5(a)(ii) of the Lease (i.e., the Annual Minimum Per-Lease B&I Cap Ex Requirement).
- c. Triennial Allocated Minimum Cap Ex Amount B Floor. Article II of the Lease is hereby amended such that the definition of “Triennial Allocated Minimum Cap Ex Amount B Floor” is hereby revised and modified to replace the reference therein to “Three Hundred Thirty-Three Million Six Hundred Thousand and No/100 Dollars (\$333,600,000.00)” with a reference to “Three Hundred Twenty-Seven Million Eight Hundred Thousand and No/100 Dollars (\$327,800,000.00)”.
- d. Triennial Minimum Cap Ex Amount A. Article II of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount A” is hereby revised and modified to replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)”.
- e. Triennial Minimum Cap Ex Amount B. Article II of the Lease is hereby amended such that the definition of “Triennial Minimum Cap Ex Amount B” is hereby revised and modified to replace the reference therein to “Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)” with a reference to “Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)”.
- f. Partial Periods.
 - i. Section 10.5(a)(v)(b) of the Lease is hereby amended to (a) replace the reference therein to “Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)” with a reference to “Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)” and (b) replace the reference therein to “One Hundred Ninety-Nine Million Four Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$199,466,666.67)” with a reference to “One Hundred

Ninety-Six Million Seven Hundred Sixty-Six Thousand Six Hundred SixtySix and 67/100 Dollars (\$196,766,666.67)",

- ii. Section 10.5(a)(v)(c) of the Lease is hereby amended to (a) replace the reference therein to "Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)" with a reference to "Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)" and (b) replace the reference therein to "One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)" with a reference to "One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)", and
- iii. The second sentence of Section 10.5(a)(v) of the Lease is hereby amended to (a) replace the reference therein to "Five Hundred Ninety-Eight Million Four Hundred Thousand and No/100 Dollars (\$598,400,000.00)" with a reference to "Five Hundred Ninety Million Three Hundred Thousand and No/100 Dollars (\$590,300,000.00)", (b) replace the reference therein to "One Hundred Ninety-Nine Million Four Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$199,466,666.67)" with a reference to "One Hundred Ninety-Six Million Seven Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$196,766,666.67)", (c) replace the reference therein to "Four Hundred Twenty-Seven Million Seven Hundred Thousand and No/100 Dollars (\$427,700,000.00)" with a reference to "Four Hundred Twenty-One Million Nine Hundred Thousand and No/100 Dollars (\$421,900,000.00)" and (d) replace the reference therein to "One Hundred Forty-Two Million Five Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$142,566,666.67)" with a reference to "One Hundred Forty Million Six Hundred Thirty-Three Thousand Three Hundred Thirty-Three and 33/100 Dollars (\$140,633,333.33)".

a. Regional Lease Section 22.2(ix) Transfer.

- i. Landlord and Tenant hereby acknowledge and agree that the Harrah's Reno Transaction shall be deemed to be, and treated as, a transfer and sale of the entire "Leased Property" (as defined in the Regional Lease) with respect to a "Facility" (as defined in the Regional Lease) pursuant to Section 22.2(ix) of the Regional Lease.
- ii. The 2018 Facility EBITDAR of Regional Tenant for the Harrah's Reno Facility is equal to [****].
- iii. The amount of the 2018 EBITDAR Pool shall not be reduced as a result of the Harrah's Reno Facility no longer being a Regional Facility under the Regional Lease.

3. **No Other Modification or Amendment to the Lease.** The Lease shall remain in full force and effect except as expressly amended or modified by this Amendment. From and after the date of this Amendment, all references in the Lease to the “Lease” shall be deemed to refer to the Lease as amended by this Amendment.

4. **Governing Law; Jurisdiction.** This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) specified by the Lease without regard to its or their conflicts of law principles. The parties hereto hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Amendment.

5. **Counterparts.** This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. Facsimile and/or .pdf signatures shall be deemed to be originals for all purposes.

6. **Effectiveness.** This Amendment shall be effective, as of the date hereof, only upon execution and delivery by each of the parties hereto.

7. **Miscellaneous.** If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect. Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, discharge or termination is sought. The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof. This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the date hereof.

LANDLORD:

HARRAH'S JOLIET LANDCO LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Joliet Lease]

TENANT:

**DES PLAINES DEVELOPMENT
LIMITED PARTNERSHIP,**
a Delaware limited partnership

By: Harrah's Illinois LLC,
a Nevada limited liability company,

its general partner

By: /s/ Bret D. Yunker
Name: Bret D. Yunker
Title: Chief Financial Officer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Joliet Lease]

Acknowledged and agreed, solely for the purposes of the last paragraph of Section 1.1 of the Lease:

PROPCO TRS LLC,
a Delaware limited liability company

By: /s/ David Kieske
Name: David Kieske
Title: Treasurer

[Signatures Continue on Following Pages]

[Signature Page to Third Amendment to Joliet Lease]

CEOC, LLC hereby acknowledges this Amendment and reaffirms its joinder attached to the Lease.

CEOC, LLC,
a Delaware limited liability company

By: /s/ Bret D. Yunker

Name: Bret D. Yunker

Title: Chief Financial Officer

[Signature Page to Third Amendment to Joliet Lease]

ACKNOWLEDGMENT AND AGREEMENT OF GUARANTOR

The undersigned ("Guarantor") hereby: (a) acknowledges receipt of the Third Amendment to Lease (the "Amendment"; capitalized terms used herein with definition having the meanings set forth in the Amendment), dated as of September 30, 2020, by and among Harrah's Joliet Landco LLC, a Delaware limited liability company, as Landlord, Des Plaines Development Limited Partnership, a Delaware limited partnership, as Tenant, and the other parties party thereto; (b) consents to the terms and execution thereof; (c) ratifies and reaffirms Guarantor's obligations to Landlord pursuant to the terms of that certain Guaranty of Lease, dated as of July 20, 2020 (the "Guaranty"), by and between Guarantor and Landlord, and agrees that nothing in the Amendment in any way impairs or lessens the Guarantor's obligations under the Guaranty; and (d) acknowledges and agrees that the Guaranty is in full force and effect and is valid, binding and enforceable in accordance with its terms.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment and Agreement of Guarantor to be duly executed as of September 30, 2020.

FORM OF INDEMNIFICATION AGREEMENT

This Indemnification Agreement (“Agreement”) is made as of ____, 20__, by and between Caesars Entertainment, Inc., a Delaware corporation (the “Company”), and _____ (“Indemnitee”). This Agreement supersedes and replaces any and all previous Agreements between the Company and Indemnitee covering the subject matter of this Agreement.

RECITALS

WHEREAS, Indemnitee currently serves as a director or officer of the Company and may, therefore, be subjected to claims, suits or proceedings arising as a result of his or her service;

WHEREAS, the Board of Directors of the Company (the “Board”) has determined to indemnify and to advance expenses and costs incurred by Indemnitee in connection with any such claims, suits or proceedings;

WHEREAS, the parties by this Agreement desire to set forth their agreement regarding indemnification and advance of expenses; and

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation of the Company, as amended (and as may be further amended from time to time, the “Certificate”), the Bylaws of the Company, as amended (and as may be further amended from time to time, the “Bylaws”) and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

NOW, THEREFORE, in consideration of the premises and the covenants contained herein the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Services to the Company. Indemnitee agrees to serve as a director of the Company and/or, at the request of the Company, as a director, officer, agent or fiduciary of another corporation, partnership, joint venture, trust employee benefit plan or other enterprise. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. The foregoing notwithstanding, this Agreement shall continue in force after Indemnitee has ceased to serve as director of the Company.

Section 2. Definitions. As used in this Agreement:

(a) References to “agent” shall mean any person who is or was a director, officer, or employee of the Company or a subsidiary of the Company or other person authorized by the Company to act for the Company, to include such person serving in such capacity as a director, officer, employee, fiduciary or other official of another corporation, partnership, limited liability

company, joint venture, trust or other enterprise at the request of, for the convenience of, or to represent the interests of the Company or a subsidiary of the Company.

(b) A “Change in Control” shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

i. Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company’s then outstanding securities;

ii. Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(b)(i), 2(b)(iii) or 2(b)(iv)) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Board;

iii. Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

iv. Liquidation. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company’s assets; and

v. Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(b), the following terms shall have the following meanings:

(X) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended from time to time.

(Y) “Person” shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(Z) “Beneficial Owner” shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the stockholders of the Company approving a merger of the Company with another entity.

(c) “Corporate Status” describes the status of a person who is or was a director, officer, employee or agent of the Company or of any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

(d) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) “Enterprise” shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

(f) “Expenses” shall include all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, ERISA excise taxes and penalties, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent, and (ii) for purposes of Section 14(d), only, Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement, by litigation or otherwise. The parties agree that for the purposes of any advancement of Expenses for which Indemnitee has made written demand to the Company in accordance with this Agreement, all Expenses included in such demand that are certified by affidavit of Indemnitee’s counsel as being reasonable shall be presumed conclusively to be reasonable. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such

party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(h) The term “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative legislative, or investigative (formal or informal) nature, including any appeal therefrom, in which Indemnitee was, is or will be involved as a party, potential party, non-party witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any action taken by him or of any action on his part while acting as director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of expenses can be provided under this Agreement. If the Indemnitee believes in good faith that a given situation may lead to or culminate in the institution of a Proceeding, this shall be considered a Proceeding under this paragraph.

(i) Reference to “other enterprise” shall include employee benefit plans; references to “fines” shall include any excise tax assessed with respect to any employee benefit plan; references to “serving at the request of the Company” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner “not opposed to the best interests of the Company” as referred to in this Agreement.

Section 3. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not

opposed to the best interests of the Company and, in the case of a criminal proceeding had no reasonable cause to believe that his or her conduct was unlawful. The parties hereto intend that this Agreement shall provide to the fullest extent permitted by law for indemnification in excess of that expressly permitted by statute, including, without limitation, any indemnification provided by the Company's Certificate of Incorporation, its Bylaws, vote of its stockholders or disinterested directors or applicable law.

Section 4. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Court of Chancery of the State of Delaware (the "Delaware Court") or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

Section 5. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection with or related to each successfully resolved claim, issue or matter to the fullest extent permitted by law. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 6. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his or her Corporate Status, a witness or otherwise asked to participate in any Proceeding to which Indemnitee is not a party, he or she shall be indemnified against all Expenses actually and reasonably incurred by him or her or on his or her behalf in connection therewith.

Section 7. Partial Indemnification. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of Expenses, but not,

however, for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

Section 8. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(b) For purposes of Section 8(a), the meaning of the phrase “to the fullest extent permitted by applicable law” shall include, but not be limited to:

i. to the fullest extent permitted by the provision of the General Corporation Law of the State of Delaware (the “DGCL”) that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL, and

ii. to the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 9. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act (as defined in Section 2(c) hereof) or similar provisions of state statutory law or common law, or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based, equity or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act, the rules of any securities exchange on which the Company’s securities are listed or otherwise applicable law (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act);

(c) except as provided in Section 14(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or

any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(d) in any circumstance where such indemnification is expressly prohibited by applicable law.

Section 10. Advances of Expenses. In accordance with the pre-existing requirement of Section 2 of Article XI of the Bylaws of the Company, and notwithstanding any provision of this Agreement to the contrary, the Company shall advance, to the extent not prohibited by law, the Expenses incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. This Section 10 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

Section 11. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses hereunder as soon as reasonably practicable following the receipt by Indemnitee of written notice thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such action, suit or proceeding. The failure by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) The Company will be entitled to participate in the Proceeding at its own expense.

Section 12. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to the Section 11(a), a determination that indemnification is proper in the specific case shall be made: (i) if a Change in Control shall have occurred, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee; or (ii) if a Change in Control shall not have occurred, (A) by a majority vote of a quorum of the Disinterested Directors, (B) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (C) by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or Expenses (including attorneys' fees and disbursements) incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) hereof, the Independent Counsel shall be selected as provided in this Section 12(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 11(a) hereof and the final disposition of the Proceeding, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent

Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 12(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 14(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 13. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall, to the fullest extent not prohibited by law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 11(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 14(e), if the person, persons or entity empowered or selected under Section 12 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 13(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 12(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held

for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 12(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(d) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 13(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others. The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 14. Remedies of Indemnitee.

(a) Subject to Section 14(e), in the event that (i) a determination is made pursuant to Section 12 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 10 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 12(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5, 6 or 7 or the last sentence of Section 12(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Section 3, 4 or 8 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or Proceeding designed to deny, or to recover from, the Indemnitee the benefits provided or intended to be provided to the Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by the Delaware Court to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association.

Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 14(a); provided, however, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 5 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 14 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 14 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 12(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 14, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) The Company shall, to the fullest extent not prohibited by law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 14 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall, to the fullest extent permitted by law, indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company if Indemnitee is wholly successful on the underlying claims; if Indemnitee is not wholly successful on the underlying claims, then such indemnification and advancement shall be only to the extent Indemnitee is successful on such underlying claims or otherwise as permitted by law, whichever is greater.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement of Indemnitee to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding.

Section 15. Non-exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Certificate, the Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person serves at the request of the Company, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of such claim or of the commencement of a proceeding, as the case may be, to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) The Company hereby agrees that the Company is the full indemnitor of first resort under this Agreement and under any other indemnification agreement providing advancement or indemnification rights to Indemnitee.

(d) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(e) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any

insurance policy, contract, agreement or otherwise, *except with respect to* any personal umbrella insurance policy maintained by or for the benefit of Indemnitee.

(f) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of Expenses from such other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise.

Section 16. Duration of Agreement. This Agreement shall continue until and terminate upon the later of: (a) ten (10) years after the date that Indemnitee shall have ceased to serve as a director of the Company, and/or, at the request of the Company, as a director, officer, agent or fiduciary of another corporation, partnership, joint venture, trust employee benefit plan or other enterprise or (b) one (1) year after the final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 14 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and his or her heirs, executors and administrators.

Section 17. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 18. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate,

the Bylaws and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnatee thereunder.

Section 19. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

Section 20. Notice by Indemnatee. Indemnatee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnatee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnatee under this Agreement or otherwise.

Section 21. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnatee, at the address indicated on the signature page of this Agreement, or such other address as Indemnatee shall provide to the Company.

(b) If to the Company at 100 West Liberty Street, Suite 1150 Reno, Nevada 89501 Facsimile: (281) 683-7511, or to any other address as may have been furnished to Indemnatee by the Company.

Section 22. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnatee for any reason whatsoever, the Company, in lieu of indemnifying Indemnatee, shall contribute to the amount incurred by Indemnatee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnatee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnatee in connection with such event(s) and/or transaction(s).

Section 23. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnatee pursuant to Section 14(a) of this Agreement, the

Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, irrevocably Corporation Service Company, 2711 Centerville Road, Suite 400 Wilmington, DE 19808, as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 24. Identical Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 25. Miscellaneous. The headings of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

CAESARS ENTERTAINMENT, INC.

By: _____

Name: _____

Title: _____

INDEMNITEE

By: _____

Name: _____

Title: _____

Address for Notices:

[Signature Page to Indemnification Agreement]

AMENDED AND RESTATED OMNIBUS AMENDMENT TO LEASES

THIS AMENDED AND RESTATED OMNIBUS AMENDMENT TO LEASES (this “**Amendment**”), is dated as of October 27, 2020 (the “**Effective Date**”) by and among the entities listed on Schedule A attached hereto (collectively, and together with their respective successors and assigns, “**Non-CPLV Landlord**”), CPLV Property Owner LLC, a Delaware limited liability company (together with its successors and assigns, “**CPLV Landlord**”), Claudine Propco LLC, a Delaware limited liability company (together with its successors and assigns, “**HLV Landlord**”), Harrah’s Joliet Landco LLC, a Delaware limited liability company (together with its successors and assigns, “**Joliet Landlord**” and, together with Non-CPLV Landlord, CPLV Landlord and HLV Landlord, collectively or individually as the context may require, “**Landlord**”), CEOC, LLC, a Delaware limited liability company (“**CEOC**”), the entities listed on Schedule B attached hereto (collectively with CEOC, and together with their respective successors and assigns, “**Non-CPLV Tenant**”), Desert Palace LLC, a Nevada limited liability company (collectively with CEOC (for itself, and as successor by merger to Caesars Entertainment Operating Company, Inc., a Delaware corporation), and together with their respective successors and assigns, “**CPLV Tenant**”), Harrah’s Las Vegas, LLC, a Nevada limited liability company (together with its successors and assigns, “**HLV Tenant**”), and Des Plaines Development Limited Partnership, a Delaware limited partnership (together with its successors and assigns, “**Joliet Tenant**” and, together with Non-CPLV Tenant, CPLV Tenant and HLV Tenant, collectively or individually as the context may require, “**Tenant**”).

RECITALS

A. Certain of the parties hereto are party to that certain Omnibus Amendment to Leases, dated as of June 1, 2020 (the “Existing Omnibus Amendment”).

B. Non-CPLV Landlord and Non-CPLV Tenant are parties to that certain LEASE (NON-CPLV) dated October 6, 2017 (as amended by (i) that certain First Amendment to Lease (Non-CPLV) dated December 22, 2017, (ii) that certain Second Amendment to Lease (Non-CPLV) and Ratification of SNDA dated February 16, 2018, (iii) that certain Third Amendment to Lease (Non-CPLV) dated April 2, 2018, (iv) that certain Fourth Amendment to Lease (Non-CPLV) dated December 26, 2018, (v) the Existing Omnibus Amendment, (vi) that certain Fifth Amendment to Lease (Non-CPLV) dated July 20, 2020 (the “Non-CPLV July 2020 Amendment”), and (vii) that certain Sixth Amendment to Lease, dated as of September 30, 2020, and as further amended, restated, supplemented or otherwise modified from time to time, the “**Non-CPLV Lease**”);

C. CPLV Landlord, HLV Landlord, CPLV Tenant and HLV Tenant are parties to that certain LEASE (CPLV) dated October 6, 2017 (as amended by (i) that certain First Amendment to Lease (CPLV) dated December 26, 2018, (ii) the Existing Omnibus Amendment, (iii) that certain Second Amendment to Lease (CPLV) dated July 20, 2020, and (iv) that certain Third Amendment to Lease, dated September 30, 2020, and as further amended restated, supplemented or otherwise modified from time to time, the “**CPLV Lease**”);

D. Joliet Landlord and Joliet Tenant are parties to that certain LEASE (JOLIET) dated October 6, 2017 (as amended by (i) that certain First Amendment to Lease (JOLIET) dated December 26, 2018, (ii) the Existing Omnibus Amendment, (iii) that certain Second Amendment to Lease (Joliet) dated July 20, 2020 (the “Joliet July 2020 Amendment”), and (iv) that certain Third Amendment to Lease, dated

as of September 30, 2020, and as further amended, restated, supplemented or otherwise modified from time to time, the “**Joliet Lease**” and, together with the Non-CPLV Lease and the CPLV Lease, collectively, the “**Leases**” and each a “**Lease**”); and

E. As a result of the addition of the Fifth Amendment Additional Property to the Non-CPLV Lease, the parties hereto desire to amend and restate the Existing Omnibus Amendment.

F. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings ascribed to such terms in the applicable Lease, respectively. The term “Minimum Cap Ex Requirements” as used herein shall mean, collectively, the Minimum Cap Ex Requirements (as defined in the Non-CPLV Lease and the Joliet Lease) and the Minimum Cap Ex Requirements (CPLV) (as defined in the CPLV Lease).

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto do hereby stipulate, covenant and agree as follows:

1. **Amendments to Leases.**

(a) **Deemed Satisfaction of 2020 Minimum Cap Ex Requirements and Deemed 2020 Capital Expenditure Amounts.** Notwithstanding the terms of Sections 10.5(a)(iii) and (iv) of the CPLV Lease and Sections 10.5(a)(i) – (iv) of each of the Non-CPLV Lease and the Joliet Lease, if, and for so long as, (x) from the Effective Date until and including January 1, 2024 (the “**Compliance Period**”) (a) each Tenant, as applicable, pays each monthly installment of Rent no later than (i) six (6) days following the date such payment is due under the CPLV Lease and (ii) ten (10) days following the date such payment is due under the Non-CPLV Lease and the Joliet Lease (“**Punctual Payment of Rent Condition**”) and (b) no Tenant Event of Default occurs under any of the Leases (“**No Default Condition**”, and together with the Punctual Payment of Rent Condition, collectively, the “**Tenant Compliance Conditions**”) and (y) the 2020 Cap Ex Conditions (as defined below) are satisfied, Tenant shall be deemed to have:

(i) expended Capital Expenditures in an amount and of a nature sufficient to satisfy each of the Minimum Cap Ex Requirements under each Lease for the 2020 Fiscal Year and any Triennial Period ending December 31, 2020, as applicable, and

(ii) expended Capital Expenditures during the 2020 Fiscal Year in an amount equal to (x) Two Hundred Sixty Million Two Hundred Thousand and No/100 Dollars (\$260,200,000.00) to be applied against the Triennial Minimum Cap Ex Requirement A under each of the Non-CPLV Lease and the Joliet Lease in respect of the Triennial Periods ending on December 31, 2020, December 31, 2021 and December 31, 2022, as the case may be and (y) Two Hundred Thirty-Two Million Seven Hundred Thousand and No/100 Dollars \$232,700,000.00) to be applied against the Triennial Minimum Cap Ex Requirement B under each of the Leases (and, for purposes of determining compliance with the Triennial Allocated Minimum Cap Ex Amount B Floors, allocated twenty percent (20%) to the Triennial Allocated Minimum Cap Ex Amount B Floor set forth in the CPLV Lease and eighty percent (80%) to the Triennial Allocated Minimum Cap Ex Amount B Floor set forth in the Non-CPLV Lease and Joliet Leases) in respect of the

Triennial Periods ending on December 31, 2020, December 31, 2021 and December 31, 2022, as the case may be.

(b) **2020 Cap Ex Conditions.** The following shall collectively constitute the “**2020 Cap Ex Conditions**”:

(i) During the 2020 Fiscal Year, Tenant shall collectively expend Capital Expenditures pursuant to Section 10.5(a)(ii) of each of the Non-CPLV Lease and the Joliet Lease and Section 10.5(a)(iii) of the CPLV Lease that, in each case, constitute installation or restoration and repair or other improvements of items with respect to the Leased Property thereunder, in an aggregate amount among the Leases equal to no less than Forty-One Million Five Hundred Thousand and No/100 Dollars (\$41,500,000.00); and

(ii) During the 2020 Fiscal Year, Tenant shall collectively expend Capital Expenditures under the Leases pursuant to Section 10.5(a)(iii) of each of the Non-CPLV Lease and the Joliet Lease in an aggregate amount equal to no less than One Hundred Four Million One Hundred Thousand and No/100 Dollars (\$104,100,000.00) (the “**2020 Triennial Cap Ex Amount**”) (provided, that, notwithstanding anything to the contrary herein or in the Leases, for purposes of calculating the 2020 Triennial Cap Ex Amount pursuant to this Amendment, Capital Expenditures expended during the 2020 Fiscal Year (x) may count and include Services Co Capital Expenditures (as defined in the Non-CPLV Lease and the Joliet Lease prior to giving effect to the Non-CPLV July 2020 Amendment and the Joliet July 2020 Amendment, as applicable) but (y) shall not include Services Co Capital Expenditures or Capital Expenditures in respect of the London Clubs in an aggregate amount in excess of Eleven Million and No/100 Dollars (\$11,000,000.00) comprising at least Ninety-Three Million One Hundred Thousand and No/100 Dollars (\$93,100,000.00) in the aggregate collectively expended by Tenant pursuant to Section 10.5(a)(iv) of each of the Leases (provided, that, for purposes of calculating such amount, (1) the proviso in the first sentence in the definition of “Triennial Minimum Cap Ex Amount B” of the applicable Lease shall apply, and (2) Services Co Capital Expenditures shall not be included).

For the avoidance of doubt the provisions of Section 10.5(a)(viii) of the respective Leases shall apply to the foregoing Capital Expenditures.

(c) **Failure to Satisfy 2020 Cap Ex Conditions and Tenant Compliance Conditions.**

(i) Any failure to satisfy any of the Tenant Compliance Conditions during the Compliance Period is referred to herein as a “**Tenant Non Compliance Trigger Event**” and any failure to satisfy any of the 2020 Cap Ex Conditions as of January 1, 2021 is referred to herein as a “**Cap Ex Trigger Event.**”

(ii) If, during the 2020 Fiscal Year, any Tenant Compliance Condition is not satisfied, then, in any such case, without the need for notice or any other precondition, the terms of this Amendment shall immediately become null and void and of no further force or effect.

(iii) If (a) any Cap Ex Trigger Event occurs as of January 1, 2021, or (b) any Tenant Non Compliance Trigger Event occurs at any time from and including January 1, 2021 until and including December 31, 2021, then (x) Tenant shall be obligated, within five (5) Business Days after such Trigger Event Date (as defined below), to deposit funds into the Cap Ex Reserve under

each applicable Lease in an aggregate amount equal to the difference between (A) the amount of Capital Expenditures each Tenant would have been required to expend in the 2020 Fiscal Year (determined pursuant to the terms of the Leases then in effect without giving effect to this Amendment or the Existing Omnibus Amendment) in order to satisfy the respective Minimum Cap Ex Requirements under each Lease (calculated as of December 31, 2020), and (B) the amount of Capital Expenditures each Tenant actually expended in the 2020 Fiscal Year with respect to such Minimum Cap Ex Requirements (the “**2020 Cap Ex Shortfall Amount**”), (y) Tenant shall be required to expend the 2020 Cap Ex Shortfall Amount on Capital Expenditures within six (6) months of the date of such Cap Ex Trigger Event or Tenant Non Compliance Trigger Event (“**Trigger Event Date**”), in each case, as necessary to satisfy the respective Minimum Cap Ex Requirements for the 2020 Fiscal Year, as applicable (calculated as of December 31, 2020), and (z) it is understood that compliance with the requirements of this clause (iii) shall not be deemed to relieve Tenant of compliance with (a) the Triennial Minimum Cap Ex Requirement A and the Triennial Minimum Cap Ex Requirement B, in each case with respect to the Triennial Periods ending December 31, 2021 and December 31, 2022; provided, however, such shortfall deposit shall be applied towards such Minimum Cap Ex Requirements, as applicable, in accordance with the provisions of the respective Leases as if the amount of such shortfall deposit was expended for applicable Capital Expenditures in the year in respect of which such shortfall deposit was made and (b) the Annual Minimum Per-Lease B&I Cap Ex Requirement and, if applicable, the Annual Minimum Cap Ex Requirement, in each case with respect to the 2021 Fiscal Year.

(iv) If a Tenant Non Compliance Trigger Event occurs at any time from and including January 1, 2022 until and including December 31, 2022, then (x) Tenant shall be obligated, within five (5) Business Days after such Trigger Event Date, to immediately deposit funds into the Cap Ex Reserve under each applicable Lease in an aggregate amount equal to the sum of (I) the 2020 Cap Ex Shortfall Amount, and (II) the difference between (A) the amount of Capital Expenditures each Tenant would have been required to expend in the 2021 Fiscal Year pursuant to the terms of the Leases (determined pursuant to the terms of the Leases then in effect without giving effect to this Amendment or the Existing Omnibus Amendment), in order to satisfy the respective Minimum Cap Ex Requirements under each Lease (calculated as of December 31, 2021, and determined after giving effect to the deposit of the 2020 Cap Ex Shortfall Amount into the Cap Ex Reserve, and as if such deposited 2020 Cap Ex Shortfall Amount had been expended in Fiscal Year 2020), and (B) the amount of Capital Expenditures each Tenant actually expended in the 2021 Fiscal Year with respect to such Minimum Cap Ex Requirements (the “**2021 Cap Ex Shortfall Amount**”), (y) Tenant shall be required to expend at least fifty percent (50%) of each of the 2020 Cap Ex Shortfall Amount and 2021 Cap Ex Shortfall Amount on Capital Expenditures within six (6) months of the Trigger Event Date with the remaining portions of such amounts to be expended within twelve (12) months of the Trigger Event Date, in each case, as necessary to satisfy the respective Minimum Cap Ex Requirements for the 2020 and 2021 Fiscal Years, as applicable (calculated as of December 31, 2020 and December 31, 2021, respectively), and (z) it is understood that compliance with the requirements of this clause (iv) shall not be deemed to relieve Tenant of compliance with (a) the Triennial Minimum Cap Ex Requirement A and the Triennial Minimum Cap Ex Requirement B, in each case with respect to the Triennial Periods ending December 31, 2022 and December 31, 2023; provided, however, such shortfall deposit shall be applied towards such Minimum Cap Ex Requirements, as applicable, in accordance with the provisions of the respective Leases as if the amount of such shortfall deposit was expended for applicable Capital Expenditures in the applicable year(s) in respect of which such shortfall deposit was made and (b) the Annual Minimum Per-Lease B&I Cap Ex Requirement and, if

applicable, the Annual Minimum Cap Ex Requirement, in each case with respect to the 2021 and 2022 Fiscal Years.

(v) If a Tenant Non Compliance Trigger Event occurs on or after January 1, 2023 and prior to the expiration of the Compliance Period, then (x) Tenant shall be obligated, within five (5) Business Days after such Trigger Event Date, to immediately deposit funds into the Cap Ex Reserve under each applicable Lease in an aggregate amount equal to the sum of (I) the 2020 Cap Ex Shortfall Amount, (II) the 2021 Cap Ex Shortfall Amount, and (III) the difference between (A) the amount of Capital Expenditures each Tenant would have been required to expend in the 2022 Fiscal Year (determined pursuant to the terms of the Leases then in effect without giving effect to this Amendment or the Existing Omnibus Amendment) in order to satisfy the respective Minimum Cap Ex Requirements under each Lease (calculated as of December 31, 2022, and determined after giving effect to the deposit of the 2020 Cap Ex Shortfall Amount and the 2021 Cap Ex Shortfall Amount into the Cap Ex Reserve, and as if such deposited 2020 Cap Ex Shortfall Amount and 2021 Cap Ex Shortfall Amount had been expended in Fiscal Years 2020 or 2021, as applicable), and (B) the amount of Capital Expenditures each Tenant actually expended in the 2022 Fiscal Year with respect to such Minimum Cap Ex Requirements (the “**2022 Cap Ex Shortfall Amount**” and together with the 2020 Cap Ex Shortfall Amount and 2021 Cap Ex Shortfall Amount, collectively, the “**Cap Ex Shortfall Amount**”), (y) Tenant shall be required to expend at least fifty percent (50%) of the Cap Ex Shortfall Amount on Capital Expenditures within six (6) months of the Trigger Event Date with the remaining portion of such amount to be expended within twelve (12) months of the Trigger Event Date, in each case, as necessary to satisfy the respective Minimum Cap Ex Requirements for the 2020, 2021 and 2022 Fiscal Years, as applicable (calculated as of December 31, 2020, December 31, 2021 and December 31, 2022, respectively), and (z) it is understood that compliance with the requirements of this clause (v) shall not be deemed to relieve Tenant of compliance with (a) the Triennial Minimum Cap Ex Requirement A and the Triennial Minimum Cap Ex Requirement B, in each case with respect to the Triennial Periods ending December 31, 2023 and December 31, 2024; provided, however, such shortfall deposit shall be applied towards such Minimum Cap Ex Requirements, as applicable, in accordance with the provisions of the respective Leases as if the amount of such shortfall deposit was expended for applicable Capital Expenditures in the applicable year(s) in respect of which such deposit was made and (b) the Annual Minimum Per-Lease B&I Cap Ex Requirement and, if applicable, the Annual Minimum Cap Ex Requirement, in each case with respect to (I) the 2021 and 2022 Fiscal Years and (II) the Fiscal Year in which the Tenant Non Compliance Trigger Event occurs.

(vi) Any portion of the Cap Ex Shortfall Amount expended by Tenant shall be credited against (and shall count towards satisfaction of) the applicable Minimum Cap Ex Requirements that include the Fiscal Year for which such funds were deposited. It is further understood that if Tenant is required to deposit and expend a Cap Ex Shortfall Amount pursuant to this Section 1(c), then for so long as Tenant is in compliance with the provisions of this Section 1(c), then any Tenant Event of Default that may otherwise exist as a result of Section 1(a) no longer being in effect shall be deemed cured.

(d) **Unavoidable Delay.** The provisions of Section 10.5(a)(ix) of the respective Leases shall not apply to any Unavoidable Delay directly or indirectly resulting from the coronavirus (COVID-19) pandemic.

2. **No Waiver.** Except to the extent expressly set forth in this Amendment, Landlord is not waiving any obligations of Tenants under their respective Leases or any rights of Landlord under the Leases or at law, nor is Landlord waiving or consenting to any other events that may have occurred under or in relation to any of the Leases.

3. **Incorporation into the Lease.** The provisions of this Amendment applicable to each Lease are hereby incorporated into each such Lease and made an integrated, non-severable part thereof.

4. **Other Documents.** Any and all agreements entered into in connection with any Lease which make reference therein to “the Lease” shall be intended to, and are deemed hereby, to refer to such Lease as amended by this Amendment.

5. **Miscellaneous.**

(a) This Amendment shall be construed according to and governed by the laws of the jurisdiction(s) which are specified by the Leases without regard to its conflicts of law principles. The parties hereto hereby irrevocably submit to the jurisdiction of any court of competent jurisdiction located in such applicable jurisdiction in connection with any proceeding arising out of or relating to this Amendment.

(b) If any provision of this Amendment is adjudicated to be invalid, illegal or unenforceable, in whole or in part, it will be deemed omitted to that extent and all other provisions of this Amendment will remain in full force and effect.

(c) Neither this Amendment nor any provision hereof may be changed, modified, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of such change, modification, waiver, waiver, discharge or termination is sought.

(d) The paragraph headings and captions contained in this Amendment are for convenience of reference only and in no event define, describe or limit the scope or intent of this Amendment or any of the provisions or terms hereof.

(e) This Amendment shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, successors and permitted assigns.

(f) This Amendment may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed

together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

(g) Except as specifically modified in this Amendment, all of the provisions of the Leases remain unchanged and continue in full force and effect.

(h) This Amendment amends, restates, replaces and supersedes the Existing Omnibus Amendment.

(i) This Amendment shall not be effective unless and until (i) all requisite notices in respect hereof have been filed with all applicable Gaming Authorities, (ii) any advance notice period with respect to Gaming Authorities applicable hereto shall have expired and (iii) all approvals from all applicable Gaming Authorities required for the parties hereto to consummate the amendments to the Leases hereunder shall have been obtained, whereupon this Amendment shall be effective retroactive as of the Effective Date. Each of Tenant and Landlord hereby agrees to give prompt written notice to the other upon the satisfaction of the foregoing clauses (i) through (iii) with respect to such party.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the Effective Date.

LANDLORD:

**HORSESHOE COUNCIL BLUFFS LLC
HARRAH'S COUNCIL BLUFFS LLC
HARRAH'S METROPOLIS LLC
HORSESHOE SOUTHERN INDIANA LLC
NEW HORSESHOE HAMMOND LLC
NEW HARRAH'S NORTH KANSAS CITY LLC
GRAND BILOXI LLC
HORSESHOE TUNICA LLC
NEW TUNICA ROADHOUSE LLC
CAESARS ATLANTIC CITY LLC
BALLY'S ATLANTIC CITY LLC
HARRAH'S LAKE TAHOE LLC
HARVEY'S LAKE TAHOE LLC
HARRAH'S RENO LLC
BLUEGRASS DOWNS PROPERTY OWNER LLC
VEGAS DEVELOPMENT LLC
VEGAS OPERATING PROPERTY LLC
MISCELLANEOUS LAND LLC
PROPCO GULFPORT LLC
PHILADELPHIA PROPCO LLC
CPLV PROPERTY OWNER LLC
HARRAH'S JOLIET LANDCO LLC
HARRAH'S ATLANTIC CITY LLC
NEW LAUGHLIN OWNER LLC
HARRAH'S NEW ORLEANS LLC
CLAUDINE PROPCO LLC,**
each, a Delaware limited liability company

By: /s/ David A. Kieske
Name: David A. Kieske
Title: Treasurer

**HORSESHOE BOSSIER CITY PROP LLC
HARRAH'S BOSSIER CITY LLC,**
each, a Louisiana limited liability company

By: /s/ David A. Kieske
Name: David A. Kieske
Title: Treasurer

[Signature Page to Amended and Restated Omnibus Amendment]

TENANT:

[Signature Page to Amended and Restated Omnibus Amendment]

CEOC, LLC, a Delaware limited liability company,
HBR REALTY COMPANY LLC, a Nevada limited liability company,
HARVEYS IOWA MANAGEMENT COMPANY LLC, a Nevada limited liability company,
SOUTHERN ILLINOIS RIVERBOAT/CASINO CRUISES LLC, an Illinois limited liability company,
CAESARS RIVERBOAT CASINO, LLC, an Indiana limited liability company,
ROMAN HOLDING COMPANY OF INDIANA LLC, an Indiana limited liability company,
HORSESHOE HAMMOND, LLC, an Indiana limited liability company,
HARRAH'S BOSSIER CITY INVESTMENT COMPANY, L.L.C., a Louisiana limited liability company,
HARRAH'S NORTH KANSAS CITY LLC, a Missouri limited liability company,
GRAND CASINOS OF BILOXI, LLC, a Minnesota limited liability company,
ROBINSON PROPERTY GROUP LLC, a Mississippi limited liability company,
TUNICA ROADHOUSE LLC, a Delaware limited liability company,
CAESARS NEW JERSEY LLC, a New Jersey limited liability company,
HARVEYS TAHOE MANAGEMENT COMPANY LLC, a Nevada limited liability company,
PLAYERS BLUEGRASS DOWNS LLC, a Kentucky limited liability company,
CASINO COMPUTER PROGRAMMING, INC., an Indiana corporation,
HARVEYS BR MANAGEMENT COMPANY, INC., a Nevada corporation,
HARRAH'S LAUGHLIN, LLC, a Nevada limited liability company,
JAZZ CASINO COMPANY, L.L.C., a Louisiana limited liability company,
DESERT PALACE LLC, a Nevada limited liability company,
HARRAH'S LAS VEGAS, LLC, a Nevada limited liability company

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary **HORSESHOE ENTERTAINMENT**,

[Signature Page to Amended and Restated Omnibus Amendment]

a Louisiana limited partnership

By: New Gaming Capital Partnership,
a Nevada limited partnership,
its general partner

By: Horseshoe GP, LLC,
a Nevada limited liability company,
its general partner

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

BOARDWALK REGENCY LLC,
a New Jersey limited liability company

By: Caesars New Jersey LLC,
a New Jersey limited liability company,
its sole member

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

BALLY'S PARK PLACE LLC,
a New Jersey limited liability company

By: CEOC, LLC,
a Delaware limited liability company,
its sole member

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

HOLE IN THE WALL, LLC,

[Signature Page to Amended and Restated Omnibus Amendment]

a Nevada limited liability company

By: CEOC, LLC,
a Delaware limited liability company,
its sole member

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

CHESTER DOWNS AND MARINA, LLC,

a Pennsylvania limited liability company

By: Harrah's Chester Downs Investment Company, LLC,
its sole member

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC,

a New Jersey limited liability company

By: Caesars Resort Collection, LLC,
a Delaware limited liability company,
its sole member

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

DES PLAINES DEVELOPMENT LIMITED PARTNERSHIP,

a Delaware limited partnership

By: Harrah's Illinois Corporation,
an Illinois corporation,
its general partner

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

[Signature Page to Amended and Restated Omnibus Amendment]

Title: Executive Vice President, Chief Legal Officer and Secretary

[Signature Page to Amended and Restated Omnibus Amendment]

ACKNOWLEDGED AND AGREED:

PROPCO TRS LLC,
a Delaware limited liability company

By: /s/ David A. Kieske
Name: David A. Kieske
Title: Treasurer

CONSENT AND RATIFICATION

By executing this Amendment in the space provided below, Guarantor hereby: (i) consents to each Tenant's execution and delivery of this Amendment; and (ii) ratifies and confirms that the Guaranty executed by Guarantor is in full force and effect.

CAESARS ENTERTAINMENT, INC.,
a Delaware corporation

By: /s/ Edmund L. Quatmann, Jr.

Name: Edmund L. Quatmann, Jr.

Title: Executive Vice President, Chief Legal Officer and Secretary

[Signature Page to Amended and Restated Omnibus Amendment]

Schedule A

NON-CPLV LANDLORD ENTITIES

Horseshoe Council Bluffs LLC
Harrah's Council Bluffs LLC
Harrah's Metropolis LLC
Horseshoe Southern Indiana LLC
New Horseshoe Hammond LLC
Horseshoe Bossier City Prop LLC
Harrah's Bossier City LLC
New Harrah's North Kansas City LLC
Grand Biloxi LLC
Horseshoe Tunica LLC
New Tunica Roadhouse LLC
Caesars Atlantic City LLC
Bally's Atlantic City LLC
Harrah's Lake Tahoe LLC
Harvey's Lake Tahoe LLC
Harrah's Reno LLC
Bluegrass Downs Property Owner LLC
Vegas Development LLC
Vegas Operating Property LLC
Miscellaneous Land LLC
Propco Gulfport LLC
Philadelphia Propco LLC
Harrah's Atlantic City LLC
New Laughlin Owner LLC
Harrah's New Orleans LLC

Schedule A

Schedule B

NON-CPLV TENANT ENTITIES

CEOC, LLC, successor in interest by merger to Caesars Entertainment Operating Company, Inc.
HBR Realty Company LLC
Harveys Iowa Management Company LLC
Southern Illinois Riverboat/Casino Cruises LLC
Caesars Riverboat Casino LLC
Roman Holding Company of Indiana LLC
Horseshoe Hammond, LLC
Horseshoe Entertainment
Harrah's Bossier City Investment Company, LLC
Harrah's North Kansas City LLC
Grand Casinos of Biloxi, LLC
Robinson Property Group LLC
Tunica Roadhouse LLC
Boardwalk Regency LLC
Caesars New Jersey LLC
Bally's Park Place LLC
Harveys Tahoe Management Company LLC
Players Bluegrass Downs LLC
Casino Computer Programming, Inc.
Harveys BR Management Company, Inc.
Hole in the Wall, LLC
Chester Downs and Marina, LLC
Harrah's Atlantic City Operating Company, LLC
Harrah's Laughlin, LLC
Jazz Casino Company, L.L.C.

Schedule B

**CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Thomas R. Reeg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caesars Entertainment, Inc.;
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 officer 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 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 officer 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 registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2020

/s/ THOMAS R. REEG

Thomas R. Reeg
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULE 13a-14(a) AND 15d-14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934**

I, Bret Yunker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caesars Entertainment, Inc.;
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 officer 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 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 officer 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 registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2020

/s/ BRET YUNKER

Bret Yunker

Chief Financial Officer

(Principal Financial Officer)

CERTIFICATION
of
Thomas R. Reeg
Chief Executive Officer

I, Thomas R. Reeg, Chief Executive Officer of Caesars Entertainment, Inc. (the “Company”), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2020 (the “Periodic Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the Periodic Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2020

/s/ THOMAS R. REEG

Thomas R. Reeg

Chief Executive Officer

CERTIFICATION
of
Bret Yunker
Chief Financial Officer

I, Bret Yunker, Chief Financial Officer of Caesars Entertainment, Inc. (the “Company”), do hereby certify in accordance with 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2020 (the “Periodic Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
2. The information contained in the Periodic Report fairly represents, in all material respects, the financial condition and results of operations of the Company.

Date: November 9, 2020

/s/ BRET YUNKER

Bret Yunker

Chief Financial Officer

Supplemental Consolidating Financial Information
Caesars Resort Collection, LLC
(Unaudited)

Exhibit. Supplemental Consolidating Financial Information

The following tables present the balance sheet as of September 30, 2020 and December 31, 2019, income statement for three and nine months ended September 30, 2020 and September 30, 2019 and cash flows for nine months ended September 30, 2020 and September 30, 2019 of Caesars Resort Collection, LLC (“CRC”), as it consolidates into CEI as a wholly-owned subsidiary. “Other Operations and Eliminations” presents the operations of CEI’s other subsidiaries, including eliminations of intercompany transactions. CEI consolidated balance does not include CRC until the period starting from July 20, 2020.

The consolidating condensed balance sheet as of September 30, 2020 and December 31, 2019 are as follows:

<i>(In millions)</i>	September 30, 2020			December 31, 2019		
	CRC ⁽¹⁾	Other Operations, Eliminations	CEI Consolidated	CRC ⁽¹⁾	Other Operations, Eliminations	CEI Consolidated
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 485	\$ 552	\$ 1,037	\$ 1,393	\$ (1,187)	\$ 206
Restricted cash and investments	21	2,238	2,259	17	(13)	4
Accounts receivable, net	297	88	385	402	(348)	54
Due from affiliates	717	(680)	37	487	(483)	4
Inventories	34	15	49	35	(17)	18
Prepayments and other current assets	128	137	265	147	(81)	66
Assets held for sale	1,579	687	2,266	50	203	253
Total current assets	3,261	3,037	6,298	2,531	(1,926)	605
Investment in and advances to unconsolidated affiliates	—	170	170	—	136	136
Property and equipment, net	11,971	2,659	14,630	14,294	(11,679)	2,615
Gaming licenses and other intangibles, net	3,374	1,092	4,466	2,717	(1,606)	1,111
Goodwill	8,563	887	9,450	4,012	(3,102)	910
Other assets, net	1,397	(173)	1,224	750	(486)	264
Deferred income taxes	—	1	1	—	—	—
Total assets	<u>\$ 28,566</u>	<u>\$ 7,673</u>	<u>\$ 36,239</u>	<u>\$ 24,304</u>	<u>\$ (18,663)</u>	<u>\$ 5,641</u>
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Current portion of long-term debt	\$ 67	\$ —	\$ 67	\$ 64	\$ 182	\$ 246
Accounts payable	113	161	274	271	(209)	62
Accrued interest	139	102	241	20	16	36
Accrued other liabilities	940	431	1,371	1,335	(1,028)	307
Due to affiliates	11	(11)	—	4	(4)	—
Liabilities related to assets held for sale	389	128	517	7	30	37
Total current liabilities	1,659	811	2,470	1,701	(1,013)	688
Long-term financing obligation	11,324	1,223	12,547	10,070	(9,099)	971
Long-term debt, less current portion	8,281	6,922	15,203	7,420	(5,095)	2,325
Long-term debt to related party	15	(15)	—	15	(15)	—
Deferred income taxes	1,366	(285)	1,081	1,044	(847)	197
Other long-term liabilities	642	907	1,549	931	(588)	343
Total liabilities	23,287	9,563	32,850	21,181	(16,657)	4,524
STOCKHOLDERS' EQUITY:						
Caesars stockholders' equity	5,261	(1,906)	3,370	3,109	(1,992)	1,117
Noncontrolling interests	18	1	19	14	(14)	—
Total stockholders' equity	5,279	(1,890)	3,389	3,123	(2,006)	1,117
Total liabilities and stockholders' equity	<u>\$ 28,566</u>	<u>\$ 7,673</u>	<u>\$ 36,239</u>	<u>\$ 24,304</u>	<u>\$ (18,663)</u>	<u>\$ 5,641</u>

⁽¹⁾ In connection with the Merger, CEOC, LLC has been contributed to CRC and the results for the periods presented have been recast as the contribution was between entities under common control.

Supplemental Consolidating Financial Information
Caesars Resort Collection, LLC
(Unaudited)

The consolidating condensed income statement for three and nine months ended September 30, 2020 are as follows:

<i>(In millions)</i>	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
	CRC ⁽¹⁾	Other Operations, Eliminations	CEI Consolidated	CRC ⁽¹⁾	Other Operations, Eliminations	CEI Consolidated
REVENUES:						
Casino and pari-mutuel commissions	\$ 766	\$ 153	\$ 919	\$ 1,916	\$ (556)	\$ 1,360
Food and beverage	115	10	125	468	(280)	188
Hotel	179	21	200	527	(270)	257
Other	147	(14)	133	458	(286)	172
Net revenues	1,207	170	1,377	3,369	(1,392)	1,977
EXPENSES:						
Casino and pari-mutuel commissions	400	61	461	1,174	(489)	685
Food and beverage	85	6	91	386	(233)	153
Hotel	60	3	63	199	(108)	91
Other	70	(18)	52	242	(180)	62
General and administrative	300	30	330	859	(364)	495
Corporate	69	21	90	167	(47)	120
Impairment charges	—	—	—	65	96	161
Depreciation and amortization	223	—	223	722	(400)	322
Transaction costs and other operating costs	117	102	219	154	88	242
Total operating expenses	1,324	205	1,529	3,968	(1,637)	2,331
Operating loss	(117)	(35)	(152)	(599)	245	(354)
OTHER EXPENSE:						
Interest expense, net	(410)	(63)	(473)	(1,046)	438	(608)
Loss on extinguishment of debt	—	(173)	(173)	—	(173)	(173)
Other loss	(8)	17	9	(14)	13	(1)
Total other expense	(418)	(219)	(637)	(1,060)	278	(782)
Loss from continuing operations before income taxes	(535)	(254)	(789)	(1,659)	523	(1,136)
Provision for income taxes	(48)	(87)	(135)	(139)	75	(64)
Net loss from continuing operations, net of income taxes	(583)	(341)	(924)	(1,798)	598	(1,200)
Discontinued operations, net of income taxes	(1)	—	(1)	(1)	—	(1)
Net loss	(584)	(341)	(925)	(1,799)	598	(1,201)
Net income attributable to noncontrolling interests	(1)	—	(1)	3	(4)	(1)
Net loss attributable to Caesars	\$ (585)	\$ (341)	\$ (926)	\$ (1,796)	\$ 594	\$ (1,202)

⁽¹⁾ In connection with the Merger, CEOC, LLC has been contributed to CRC and the results for the periods presented have been recast as the contribution was between entities under common control.

Supplemental Consolidating Financial Information
Caesars Resort Collection, LLC
(Unaudited)

The consolidating condensed income statement for three and nine months ended September 30, 2019 are as follows:

<i>(In millions)</i>	Three Months Ended September 30, 2019			Nine Months Ended September 30, 2019		
	CRC ⁽¹⁾	Other Operations, Eliminations	CEI Consolidated	CRC ⁽¹⁾	Other Operations, Eliminations	CEI Consolidated
REVENUES:						
Casino and pari-mutuel commissions	\$ 1,118	\$ (660)	\$ 458	\$ 3,301	\$ (1,915)	\$ 1,386
Food and beverage	411	(333)	78	1,212	(983)	229
Hotel	409	(315)	94	1,202	(965)	237
Other	301	(268)	33	856	(772)	84
Net revenues	2,239	(1,576)	663	6,571	(4,635)	1,936
EXPENSES:						
Casino and pari-mutuel commissions	628	(399)	229	1,868	(1,175)	693
Food and beverage	287	(227)	60	846	(666)	180
Hotel	125	(98)	27	364	(288)	76
Other	153	(141)	12	445	(411)	34
General and administrative	386	(256)	130	1,138	(757)	381
Corporate	56	(43)	13	200	(149)	51
Impairment charges	380	(380)	—	430	(429)	1
Depreciation and amortization	255	(202)	53	742	(575)	167
Transaction costs and other operating costs	20	(6)	14	52	(50)	2
Total operating expenses	2,290	(1,752)	538	6,085	(4,500)	1,585
Operating (loss) income	(51)	176	125	486	(135)	351
OTHER EXPENSE:						
Interest expense, net	(325)	253	(72)	(980)	763	(217)
Loss on extinguishment of debt	—	(1)	(1)	—	(1)	(1)
Other (loss) income	—	3	3	(10)	10	—
Total other expense	(325)	255	(70)	(990)	772	(218)
(Loss) income from continuing operations before income taxes	(376)	431	55	(504)	637	133
Benefit (provision) for income taxes	27	(45)	(18)	9	(48)	(39)
Net (loss) income	(349)	386	37	(495)	589	94
Net income attributable to noncontrolling interests	(1)	1	—	—	—	—
Net (loss) income attributable to Caesars	\$ (350)	\$ 387	\$ 37	\$ (495)	\$ 589	\$ 94

⁽¹⁾ In connection with the Merger, CEOC, LLC has been contributed to CRC and the results for the periods presented have been recast as the contribution was between entities under common control.

The consolidating condensed statement of cash flows for nine months ended September 30, 2020 and September 30, 2019 are as follows:

Supplemental Consolidating Financial Information
Caesars Resort Collection, LLC
(Unaudited)

<i>(In millions)</i>	Nine Months Ended September 30, 2020			Nine Months Ended September 30, 2019		
	CRC ⁽¹⁾	Other Operations, Eliminations	CEI consolidated	CRC ⁽¹⁾	Other Operations, Eliminations	CEI consolidated
Net cash (used in) provided by operating activities	\$ (745)	\$ 525	\$ (220)	\$ 676	\$ (417)	\$ 259
CASH FLOWS FROM INVESTING ACTIVITIES:						
Purchase of property and equipment, net	(245)	151	(94)	(420)	285	(135)
Former Caesars acquisition, net of cash acquired	—	(6,374)	(6,374)	—	—	—
Acquisition of gaming rights	(65)	45	(20)	—	—	—
Sale of restricted investments	—	—	—	—	5	5
Proceeds from sale of businesses, property and equipment, net of cash sold	9	222	231	5	164	169
Investment in unconsolidated affiliates	—	(1)	(1)	—	(1)	(1)
Other	—	—	—	10	(10)	—
Net cash (used in) provided by investing activities	(301)	(5,957)	(6,258)	(405)	443	38
CASH FLOWS FROM FINANCING ACTIVITIES:						
Proceeds from long-term debt and revolving credit facilities	3,938	5,827	9,765	—	—	—
Repayments of long-term debt and revolving credit facilities	(2,396)	(430)	(2,826)	(398)	83	(315)
Proceeds from sale-leaseback financing arrangement	3,219	—	3,219	—	—	—
Financing obligation payments	(58)	9	(49)	(12)	12	—
Transactions with parent	(4,384)	4,384	—	228	(228)	—
Debt issuance and extinguishment costs	(121)	(235)	(356)	—	(1)	(1)
Proceeds from issuance of common stock	—	772	772	—	—	—
Cash paid to settle convertible notes	—	(574)	(574)	—	—	—
Taxes paid related to net share settlement of equity awards	—	(8)	(8)	—	(7)	(7)
Distributions to noncontrolling interests	—	—	—	(1)	1	—
Net cash (used in) provided by financing activities	198	9,745	9,943	(183)	(140)	(323)
CASH FLOWS FROM DISCONTINUED OPERATIONS:						
Cash flows from operating activities	22	1	23	—	—	—
Cash flows from investing activities	(4)	—	(4)	—	—	—
Net cash from discontinued operations	18	1	19	—	—	—
Change in cash classified as assets held for sale	(77)	77	—	—	—	—
Increase (decrease) in cash, cash equivalents and restricted cash	(907)	4,314	3,484	88	(114)	(26)
Cash, cash equivalents and restricted cash, beginning of period	1,422	(1,205)	217	904	(657)	247
Cash, cash equivalents and restricted cash, end of period	<u>\$ 515</u>	<u>\$ 3,109</u>	<u>\$ 3,701</u>	<u>\$ 992</u>	<u>\$ (771)</u>	<u>\$ 221</u>

Supplemental Consolidating Financial Information
Caesars Resort Collection, LLC
(Unaudited)

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