

CAESARS ENTERTAINMENT Corp  
Form 8-K  
July 21, 2015

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

**FORM 8-K**

**CURRENT REPORT**

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

**July 21, 2015 (July 20, 2015)**

**Date of Report (Date of earliest event reported)**

**Caesars Entertainment Corporation**

**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State of Incorporation)**

**001-10410**  
**(Commission**

**File Number)**

**62-1411755**  
**(IRS Employer**

**Identification Number)**

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**One Caesars Palace Drive**

**Las Vegas, Nevada 89109**

**(Address of principal executive offices) (Zip Code)**

**(702) 407-6000**

**(Registrant's telephone number, including area code)**

**N/A**

**(Former Name or Former Address, if Changed Since Last Report)**

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

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

**Item 1.01 Entry into Material Definitive Agreement.**

On July 20, 2015, Caesars Entertainment Corporation (CEC), Caesars Entertainment Operating Company, Inc., a majority owned subsidiary of CEC (CEOC), and holders (the Consenting Creditors) of a significant amount of claims in respect of CEOC's 12.75% Second-Priority Senior Secured Notes due 2018, 10.00% Second-Priority Senior Secured Notes due 2018 and 10.00% Second-Priority Senior Secured Notes due 2015 (collectively, the Second Lien Notes and the claims with respect thereto, the Second Lien Bond Claims) entered into an agreement (the RSA) with respect to the restructuring of CEOC's indebtedness (the Restructuring) pursuant to the terms of the term sheet (summarized below) incorporated into the RSA (the Term Sheet). The RSA will become effective upon the signing of the RSA by creditors holding at least 50.1% of the Second Lien Bond Claims (the Agreement Effective Date). All capitalized terms not defined herein shall have the meanings ascribed to them in the RSA and Term Sheet.

Consenting Creditors holding Second Lien Bond Claims who execute the RSA by the Forbearance Fee Date (as defined in the RSA) will receive a fee (the RSA Forbearance Fee) in an amount equal to their pro rata share of \$200 million in principal amount of Convertible Notes (as described below) for (i) forbearing from exercising their default related rights and remedies and (ii) instructing their respective trustee to stay the case titled BOKF, N.A., solely in its capacity as successor Indenture Trustee for the 12.75% Second-Priority Senior Secured Notes due 2018 v. Caesars Entertainment Corporation, Case No. 15-cv-01561 (S.D.N.Y.) (the BOKF Case) and the case titled Wilmington Savings Fund Society, FSB, solely in its capacity as successor Indenture Trustee for the 10% Second-Priority Senior Secured Notes due 2018, on behalf of itself and derivatively on behalf of Caesars Entertainment Operating Company, Inc. v. Caesars Entertainment Corporation, et. al., Case No. 10004-VCG (Del. Ch.) (the WSFS Case) solely to the extent required by, and as set forth in, the RSA.

In addition, the terms of the RSA and the Restructuring are substantially similar to the terms of the Third Amended and Restated Restructuring Support and Forbearance Agreement, dated as of January 14, 2015 (the First Lien Bond RSA), among CEC, CEOC and certain holders of claims under CEOC's first lien notes, except that:

CEC shall contribute (a) one-half of the Cash/Equity Contribution (as described below) to CEOC for distribution to the Second Lien Noteholders under the Plan and (b)(i) one-half of the Cash/Equity Contribution (the Class Acceptance Payment) and (ii) at least an additional \$200 million in principal amount of Convertible Notes to CEOC for distribution to the Second Lien Noteholders pro rata under the Plan so long as the Second Lien Noteholders vote as a class to accept the Plan (the Class Convertible Notes). If the Second Lien Noteholders do not vote as a class to accept the Plan, the Class Acceptance Payment and Class Convertible Notes shall be paid to the Forbearance Fee Parties. The Cash/Equity Contribution shall be (a) 9.8% of the direct or indirect interests in PropCo purchased by CEC (assuming all of the REIT New Common Stock Put Options are fully exercised) or cash in an amount equal to the shortfall from 9.8% of direct or indirect interests in PropCo (at Plan value) to the extent the REIT New Common Stock Put Options are not fully exercised and (b) the consideration that Caesars Acquisition Company is to receive under the Plan on account of claims it holds under the Unsecured Indentures;

Each Non-First Lien Noteholder shall have the right to participate (Rights Participants) in the Equity Rights (as defined below). Each participant may elect to purchase the right to receive its pro rata share of the greater of (a) 5% of the PropCo Common Stock to be distributed to the First Lien Noteholders if the holders of at least 66.66% of the Non-First Lien Obligations execute the RSA within 90 days from the date the First Lien Bond RSA is amended to allow for the modifications in respect of the Term Sheet (the First Lien RSA Amendment Date) or 2.5% of such PropCo Common Stock if such holders do not so execute by such date and (b) the aggregate amount of PropCo Common Stock elected to be sold by the First Lien Noteholders who elect to sell to the Rights Participants in connection with the Plan (the Equity Rights), subject to being

cut back on a pro rata basis based on the amount of Equity Rights exercised. Any Non-First Lien Noteholder exercising an Equity Right must (a) make any required investor representations required for federal and state securities law purposes and (b) execute the RSA. The Equity Rights shall be subject to and contingent on the Non-First Lien Noteholders voting as a class to accept the plan.

For those Non-First Lien Noteholders becoming Rights Participants with respect to any series of Non-First Lien Obligations within 30 days from the First Lien RSA Amendment Date, for every \$1 of PropCo Common Stock purchased pursuant to the Equity Rights, the Rights Participant shall also purchase \$0.50 of CPLV Mezzanine Debt to be received by the First Lien Noteholders at par until there is no more such CPLV Mezzanine Debt to

purchase, then New Second Lien OpCo Debt at par until there is no more such New Second Lien OpCo Debt, then New Second Lien PropCo Debt until there is no more such New Second Lien PropCo Debt (such debt, the Equity Rights Debt ).

For those Non-First Lien Noteholders becoming Rights Participants with respect to any series of Non-First Lien Obligations beginning from 30 days from the First Lien RSA Amendment Date until the date that is 60 days from the First Lien RSA Amendment Date, for every \$1 of PropCo Common Stock purchased pursuant to the Equity Rights, the Rights Participant shall also purchase \$0.60 of Equity Rights Debt at par in the same order as set forth above.

For those Non-First Lien Noteholders becoming Rights Participants with respect to any series of Non-First Lien Obligations from 60 days from the First Lien RSA Amendment Date until the date that is 90 days from the First Lien RSA Amendment Date, for every \$1 of PropCo Common Stock purchased pursuant to the Equity Rights, the Rights Participant shall also purchase \$0.70 of Equity Rights Debt at par in the same order as set forth above.

The Convertible Notes will be issued on the Effective Date;

If the lenders under CEOC's credit facility (the First Lien Bank Lenders ) beneficially owning or controlling at least 66.67% of the obligations under such credit facility do not sign the RSA or a similar restructuring support agreement agreeable to CEOC and CEC by September 15, 2015, CEC and CEOC may amend the RSA to provide alternative treatment for the First Lien Bank Lenders in good faith consultation with the Consenting Creditors, provided that no consents will be required by the Consenting Creditors for any such amendment except as required by the RSA;

PropCo will have a call right for Harrah's New Orleans on the same terms and conditions as PropCo's call rights on Harrah's Atlantic City and Harrah's Laughlin;

CEC or CEOC may terminate the RSA if the BOKF Case or the WSFS Case is not stayed within 75 days of the Agreement Effective Date or the stays of the BOKF Case and the WSFS Case are not at any time in place after such date; and

Certain milestone dates have been modified as described further below.

***Restructuring Support and Forbearance Agreement***

The RSA is substantially similar to the First Lien Bond RSA. Pursuant to the RSA, the Consenting Creditors will agree, subject to the terms and conditions set forth therein, to (a) support the Restructuring and vote all their claims in respect of indebtedness of CEOC, including their Second Lien Bond Claims, in favor of a joint pre-negotiated chapter 11 plan of reorganization of CEOC, when properly solicited to do so, (b) not take any actions materially inconsistent with the Restructuring, (c) not transfer their Claims (as defined in the RSA) unless the transferee agrees to be bound by the terms of the RSA and (d) forbear from exercising certain default-related rights and remedies under the indentures governing the Second Lien Notes (the Second Lien Indentures ).

Once entered into, the RSA may be terminated by CEOC if, among other things, (a) a Consenting Creditor breaches its obligations under the RSA, subject to the terms and conditions set forth therein, (b) any statute, regulation, ruling or order enjoins or restricts the consummation of the Restructuring, (c) required in the exercise of its fiduciary duties

as set forth in the RSA, (d) a party to the RSA files a motion in CEOC's voluntary chapter 11 cases that CEOC will commence to effectuate the Restructuring (the Chapter 11 Cases) substantially inconsistent with the terms of the RSA, (e) any document needed to effectuate the Restructuring has terms not substantially consistent with the RSA and otherwise reasonably acceptable to CEOC, or (f) by the earlier of July 15, 2016 and 60 days after the date on which CEOC shall have obtained entry by the Bankruptcy Court of an order confirming the plan that is materially consistent with the Restructuring Term Sheet and otherwise reasonably satisfactory to the Requisite Consenting Second Lien Creditors and CEOC (the Confirmation Order) the Effective Date (as defined in the RSA) shall not have occurred. The RSA may also be terminated by CEC or CEOC if, among other things, either the BOKF Case or the WSFS Case is not stayed within 75 days of the effectiveness of the RSA or the stays of the BOKF Case and the WSFS Case are not at any time in place after such date, and by CEOC on or after the date that is 45 days from the Agreement Effective Date if the Consenting Second Lien Creditors do not beneficially own or control with the power to vote sufficient Second Lien Bond Claims to accept the Plan under section 1126(c) of the Bankruptcy Code.

The Consenting Creditors holding greater than two-thirds of the aggregate amount of all Second Lien Bond Claims held by the Consenting Creditors (the Requisite Consenting Creditors ) (and CEC, except for (a), with respect to itself, (i) and (k) below) may terminate the RSA if (a) CEOC or CEC breaches its respective obligations under the RSA, subject to the terms and conditions set forth therein, (b) any statute, regulation, ruling or order enjoins or restricts the consummation of the Restructuring, (c) a trustee or examiner with expanded powers is appointed in CEOC's Chapter 11 Cases, (d) CEOC's Chapter 11 Cases are dismissed or converted under chapter 7 of the Bankruptcy Code, (e) any definitive document necessary to effectuate the Restructuring is not substantially consistent with the RSA, (f) CEOC files a motion substantially inconsistent with the terms of the RSA, (g) CEOC executes a letter of intent or similar documents stating its intention to pursue an Alternative Proposal, (h) the automatic stay is lifted with regard to CEOC's assets having a fair market value in excess of \$5 million (other than pursuant to relief sought by CEOC), (i) CEOC fails to meet or comply with the Milestones (as further described below), (j) the Restructuring is not consummated by the Outside Date, or (k) CEOC or CEC challenges the validity or priority of a material portion of the collateral securing the Second Lien Notes. The RSA will automatically terminate upon the termination of the First Lien Bond RSA.

The milestones that CEOC must meet or comply with under the RSA will be as follows (collectively, Milestones ): (a) by the earlier of February 15, 2016 and 60 days after the final report in respect of the investigation detailed in the Order Granting in Part and Denying in Part Motion to Appoint Examiner (Dkt. No. 675), entry of an order approving the disclosure statement (Disclosure Statement ) and solicitation procedures; (b) by the earlier of May 15, 2016 and 90 days after the Bankruptcy Court's approval of the Disclosure Statement, entry of an order confirming the Plan; and (c) by the earlier of July 15, 2016 and 60 days after the Confirmation Order the Effective Date (as defined in the RSA) shall have occurred.

The RSA may be amended by CEOC, CEC and the Requisite Consenting Creditors, provided that (a) no consents shall be required from any Consenting Creditor for CEC or CEOC to amend the Term Sheet to provide that the RSA Forbearance Fees, Cash/Equity Contributions, Convertible Notes (as defined below) and/or the Class Acceptance Payment may be paid to holders of (i) Second Lien Bond Claims and (ii) Unsecured Debt who, in each case, execute an RSA, (b) no consents shall be required from any Consenting Creditor or CEC to amend the RSA to implement the terms of a CEOC Governance Election (as defined below) if (i) greater than 66.67% of the Second Lien Bond Claims have signed the RSA, and (ii) on or after the date that is 15 days prior to the first Milestone, the Governance Committee determines, in its business judgment, that it must (x) direct CEC to contribute the RSA Forbearance Fees to CEOC for pro rata distribution under the Plan to the applicable class or classes of holders of Second Lien Bond Claims and/or Unsecured Debt and/or (y) distribute the Cash/Equity Contribution under the Plan pro rata to the applicable class or classes of holders of Second Lien Bond Claims and/or Unsecured Debt, in each case, in the same form and amount as set forth in Exhibit A to the RSA (such election, the CEOC Governance Election ), (c) no consents shall be required from any Consenting Creditor or CEC to amend the RSA (i) if less than 66.67% of the Second Lien Bond Claims have signed the RSA, and (ii) on or after the date that is 15 days prior to the first Milestone, the Governance Committee determines, in its business judgment, that in order for the Plan to be confirmed by the Bankruptcy Court it must direct CEC to contribute the Class Convertible Notes to CEOC for pro rata distribution under the Plan to the applicable class or classes of holders of Second Lien Bond Claims and/or Unsecured Debt, (d) any amendment to the treatment of claims (other than the Second Lien Bond Claims) will not require consent from any Consenting Creditors, so long as such amendment would not have an adverse impact on the interests of the holders of the Second Lien Bond Claims, (e) an amendment to the definition of Consenting Creditors or Requisite Consenting Creditors or the provisions regarding the transfer of claims requires the consent of CEOC, CEC and each Consenting Creditor, (f) any amendment that would materially and adversely affect any Consenting Creditor, in its capacity as such, disproportionately to other Second Lien Bond Claim holders requires the consent of such Consenting Creditor, and (g) the conditions to effectiveness of the RSA may only be waived by CEOC and CEC.

The Plan contemplated by the RSA also will provide that (subject to completion of the investigation by CEOC's governance committee) CEC, its affiliates and other parties will receive full releases in return for contributions to be

made to CEOC in connection with the Restructuring, including cash, the guaranty of lease payments, a backstop without fee of the sale of OpCo (as defined below) and PropCo equity, the right of first refusal to purchase certain properties and the provision of management services without fee. CEC and CEOC have agreed that, depending upon the valuation of CEC's contributions by CEOC's financial advisor, CEC may be required to make additional contributions of value to CEOC that may be material in return for releases. There are no assurances that the RSA will be entered into or that the Restructuring will be completed on the terms contemplated or at all.



***Term Sheet to the RSA***

The following is a summary of the materials terms of the Term Sheet, which are the same as the term sheet to the First Lien Bond RSA, except for the items highlighted above, including the issuance of the Convertible Notes (as defined below), the additional contributions by CEC, the Equity Rights and the Call Right for Harrah's New Orleans:

***Corporate Structure and Governance***

CEOC shall be restructured as a separate operating company (OpCo), and property company (PropCo), with a real estate investment trust (the REIT) directly or indirectly owning and controlling PropCo.

OpCo shall have three board members, with CEC appointing either two or three of such members depending on whether it owns 90% or more of the equity. If CEC appoints all three members, then one member shall be an independent member.

OpCo shall have a non-voting board observer, reasonably acceptable to OpCo, designated by the Requisite Consenting Creditors.

The REIT shall have seven board members, with certain holders of CEOC's first lien notes (First Lien Noteholders) appointing either six or seven of the members depending on whether the First Lien Noteholders own 90% or more of the equity.

PropCo shall own all of CEOC's real property and a separate subsidiary of PropCo shall own all of the assets of Caesars Palace Las Vegas (CPLV).

***Operating Leases***

Under the Restructuring, there will be two separate leases: one (the CPLV Lease) for the Caesars Palace Las Vegas facility (the CPLV Facility) and a second (the Non-CPLV Lease and, together with the CPLV Lease, the Leases) for certain other properties currently owned by CEOC other than the CPLV Facility (the Non-CPLV Facilities and, together with the CPLV Facility, the Facilities).

***Term***

Each of the CPLV Lease and the Non-CPLV Lease will have an initial 15 year term, subject to four five-year renewal terms at the option of the respective tenant.

***Rent***

CPLV Lease. The base rent for the first five years of the lease term will be \$160.0 million per year, subject to an annual escalator (the Escalator) equal to the higher of 2% and the Consumer Price Index increase with respect to such year. From and after the commencement of the 6th year of the lease term, rent will be (i) base rent equal to 80% of the rent for the 5th year of the lease term, subject to the annual Escalator, plus (ii) variable percentage rent equal to 20% of the rent for the 5th year of the lease term, with such variable percentage rent increased or decreased, as applicable, by 13.0% of the difference in net revenue of the CPLV Facility from the year prior to the first year of the lease term to

the 5th year of the lease term (such resulting amount being referred to herein as CPLV Initial Percentage Rent ). From and after the commencement of the 11th year of the lease term, variable percentage rent will be equal to a fixed annual amount equal to the CPLV Initial Percentage Rent, with such variable percentage rent increased or decreased, as applicable, by 13.0% of the difference in net revenue of the CPLV Facility from the 5th year of the lease term to the 10th year of the lease term.

At the commencement of each renewal term, rent will be based on (i) base rent for the first year of such renewal term adjusted to fair market value rent (provided that (A) in no event will the base rent be decreased and (B) such

adjustment may not cause the base rent to be increased by more than 10% of the prior year's base rent), subject thereafter to the annual Escalator, and (ii) the variable percentage rent for such renewal term equal to the variable percentage rent in effect for the year of the lease term immediately preceding the first year of such renewal term, with such variable percentage rent increased or decreased, as applicable, by 13.0% of the difference in net revenue of the CPLV Facility from year 10 to year 15 of the lease term (in the event of the first renewal period) or from the year prior to the first year of the immediately preceding renewal term to the last year of the immediately preceding renewal term (in the event of subsequent renewal periods). The CPLV Lease will contain a customary mechanism by which the fair market value adjustment to base rent (for the fair market rent valuation as of the date of commencement of each applicable renewal term) will be determined at least 12 months prior to the commencement of the applicable renewal term.

Non-CPLV Lease. The base rent for the first three years of the lease term will be \$475.0 million per year of the lease term.

For the 4th year of the lease term through the 10th year of the lease term, rent will be (i) base rent equal to \$332.5 million subject to the annual Escalator commencing in the 7th year of the lease term, plus (ii) variable percentage rent equal to the Non-CPLV Initial Percentage Rent (as hereinafter defined), as adjusted at the commencement of the 6th year of the lease term as described below.

For the 4th and 5th years of the lease term, variable percentage rent, in each such year of the lease term, shall be equal to a fixed annual amount equal to \$142.5 million, with such variable percentage rent increased or decreased, as applicable, by 19.5% of the difference in net revenue of the Non-CPLV Facilities from the year prior to the first year of the lease term to the 3rd year of the lease term (such resulting amount being referred to herein as Non-CPLV Initial Percentage Rent ).

For the 6th year of the lease term through the 10th year of the lease term, variable percentage rent, in each such year of the lease term, will be equal to a fixed annual amount equal to the Non-CPLV Initial Percentage Rent, with such variable percentage rent increased or decreased, as applicable, by 19.5% of the difference in net revenue of the Non-CPLV Facilities from the 3rd year of the lease term to the 5th year of the lease term.

From and after the commencement of the 11th year of the lease term, rent will be (i) base rent equal to 80% of the rent for the 10th year of the lease term, subject to the annual Escalator, plus (ii) variable percentage rent equal to a fixed annual amount equal to 20% of the rent for the 10th year of the lease term, with such variable percentage rent increased or decreased, as applicable, by 13.0% of the difference in net revenue of the Non-CPLV Facilities from the 5th year of the lease term to the 10th year of the lease term.

At the commencement of each renewal term, rent will be based on (i) base rent for the first year of such renewal term adjusted to fair market value rent (provided that (A) in no event will the base rent be decreased and (B) such adjustment may not cause the base rent to be increased by more than 10% of the prior year's base rent), subject thereafter to the annual Escalator, and (ii) the variable percentage rent for such renewal term equal to the variable percentage rent in effect for the year of the lease term immediately preceding the first year of such renewal term, with such variable percentage rent increased or decreased, as applicable, by 13.0% of the difference in net revenue of the Non-CPLV Facilities from year 10 to year 15 of the lease term (in the event of the first renewal period) or from the year prior to the first year of the immediately preceding renewal term to the last year of the immediately preceding renewal term (in the event of subsequent renewal periods). The Non-CPLV Lease will contain a customary mechanism by which the fair market value adjustment to base rent (for the fair market rent valuation as of the date of commencement of each applicable renewal term) will be determined at least 12 months prior to the commencement of the applicable renewal term.

*Triple Net Lease, Capital Expenditures, Material Alterations*

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Each of the CPLV Lease and the Non-CPLV Lease will be structured as triple-net, with OpCo responsible for the maintenance and repair of the Facilities, with an adjustment for capital expenditures. OpCo will be required to expend \$175.0 million in capital expenditures on an annual basis on the Facilities. Each year, PropCo will reimburse OpCo for the lesser of (i) \$78.0 million and (ii) 37.5% of all capital expenditures incurred by OpCo in such year. Such reimbursement will be reduced by 50% of excess cash flow generated in excess of \$10.0 million from the Facilities in the prior year. The capital expenditure reimbursement amount will apply 75% to the Non-CPLV Lease and 25% to the CPLV Lease.

Subject to certain conditions, OpCo will be permitted to make any alterations and improvements, including materially altering a facility, expanding a facility or developing the undeveloped land leased pursuant to the lease, where the cost of such activity exceeds \$50.0 million (such activity, a Material Alteration ). PropCo has a right of first offer to provide the financing for any Material Alteration.

#### *Other Terms*

The Leases will contain various terms and conditions related to subleasing of properties from the Leases, insurance, casualty and condemnation, and other matters customary for leases of this type. OpCo also is subject to customary affirmative and negative covenants and events of default including certain events of cross default between the CPLV Lease and the Non-CPLV Lease. Among other remedies, PropCo will have the right to terminate the Leases during an event of default. The Leases also require OpCo, in the event of a termination of the Leases to provide certain transition services to PropCo in respect of the properties subject to the Leases for a limited time following such event. Rent will be allocated for tax purposes consistent with the safe harbor provided under Section 467 of the Internal Revenue Code of 1986, as amended, and accompanying regulations and the distribution requirements of the REIT, adjusted as provided in the term sheet for the Leases.

The Leases will contain a right of first refusal in favor of OpCo, pursuant to which CEC (or its affiliate) will have the right to lease (and a subsidiary of CEC will have the right to manage) any domestic (U.S.) gaming facility outside of Las Vegas, Nevada, proposed to be owned, operated or developed by PropCo that is not then subject to a pre-existing lease or management agreement in favor of a third-party operator that was not entered into in contemplation of such acquisition or development. OpCo's right of first refusal will terminate if the MLSA (as defined below) has been terminated by PropCo or if CEC (or an affiliate thereof) is otherwise no longer responsible for management of the Facilities with PropCo's consent.

The Leases will contain a right of first refusal in favor of PropCo, pursuant to which PropCo will have the right to own any domestic (U.S.) gaming facility outside of Las Vegas, Nevada, proposed to be owned, operated or developed by OpCo that is not then subject to a pre-existing lease or management agreement in favor of a third-party operator that was not entered into in contemplation of such acquisition or development. PropCo's right of first refusal will terminate if the MLSA (as defined below) has been terminated by PropCo or, with PropCo's consent, CEC (or an affiliate thereof) is otherwise no longer managing the Facilities. If PropCo declines to exercise its right of first refusal, the Leases will provide for the establishment of a percentage rent floor applicable to any Non-CPLV Facilities with respect to which the new facility is located within a 30-mile radius of such Non-CPLV Facility and outside of Las Vegas, Nevada.

#### ***Management and Lease Support Agreement ( MLSA )***

Pursuant to the terms of the MLSA, (i) a wholly-owned subsidiary of CEC (the Manager ) will manage the Facilities and (ii) CEC will guarantee the payment and performance of all the monetary obligations of OpCo under the Leases. The Manager will manage the Facilities on reasonable and customary terms acceptable to the parties to the MLSA that are no less favorable to OpCo than current practice. The Facilities will continue to have access to services provided by Caesars Enterprise Services, LLC, including use of the Total Rewards® program.

The MLSA will be coterminous with the Leases, and may not be terminated while the Leases are in effect without the consent of PropCo. If the MLSA is terminated, the Manager will continue to manage the Facilities (and the CEC guarantee of the Leases will remain in effect) during a post-termination management transition period.

The MLSA will contain covenants that will limit CEC's ability (i) to sell certain assets and (ii) to pay dividends on or make other distributions in respect of its capital stock or make other restricted payments.



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## ***Debt Facilities***

### *New First Lien OpCo Debt*

OpCo will issue up to \$1,188 million in principal amount of first lien debt with a six year term and interest at LIBOR plus 4.00% with a 1% LIBOR floor (the New First Lien OpCo Debt ). The New First Lien OpCo Debt will consist of the OpCo Senior Secured Credit Facilities and the OpCo First Lien Notes (each as defined below):

OpCo Senior Secured Credit Facilities. OpCo will enter into a first lien credit agreement typical and customary for exit financing (the OpCo First Lien Credit Agreement ) to govern the senior secured credit facilities (the OpCo Senior Secured Credit Facilities ), which will consist of a senior secured term loan facility (the OpCo First Lien Term Facility ) and, at OpCo's option, may include a senior secured revolving credit facility in an aggregate principal amount not to exceed \$200 million (the OpCo Revolving Facility ). Commencing with the second full fiscal quarter ended after the closing date of the Restructuring (the Closing Date ), the OpCo First Lien Term Facility will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the OpCo First Lien Term Facility with the balance payable on the maturity date.

The OpCo Senior Secured Credit Facilities will allow OpCo to add additional revolving or term loan credit facilities (the OpCo Incremental Facilities ) in an aggregate amount not to exceed the greater of (x) \$150.0 million and (y) an aggregate principal amount of indebtedness that would not cause (i) in the case of debt incurred under the OpCo Incremental Facilities that is secured by pari passu liens on the OpCo Collateral (as defined below), the pro forma first lien net leverage ratio to exceed a ratio to be set on the Closing Date that is equal to a ratio that is 0.25x greater than the pro forma first lien net leverage ratio in effect on the Closing Date and (2) in the case of debt incurred under the OpCo Incremental Facilities that is secured by junior liens on the OpCo Collateral, the pro forma total secured net leverage ratio to exceed a ratio to be set on the Closing Date that is equal to a ratio that is 0.25x greater than the pro forma total secured net leverage ratio in effect on the Closing Date.

The OpCo Senior Secured Credit Facilities will require OpCo to prepay outstanding loans under the OpCo First Lien Term Facility and to make offers to purchase the OpCo First Lien Notes, on a ratable basis, subject to certain exceptions, with:

50% (which percentage will be reduced to 25% if the first lien net leverage ratio is less than or equal to 2.75 to 1.00 and to 0% if the first lien net leverage ratio is less than or equal to 2.25 to 1.00) of annual excess cash flow, as will be defined under the OpCo Senior Secured Credit Facilities;

100% of the net cash proceeds of certain non-ordinary course asset sales or certain casualty events, in each case subject to certain exceptions and provided that OpCo may reinvest (or commit to reinvest) those proceeds in the business within 12 months (and, if so committed to be reinvested, actually reinvest within three months after the end of such initial 12-month period) in assets to be used in its business, or certain other permitted investments; and

100% of the net cash proceeds of any issuance, offerings or placements of debt, other than proceeds from debt permitted under the OpCo Senior Secured Credit Facilities (unless otherwise provided as a condition to the incurrence thereof).

The OpCo Senior Secured Credit Facilities will be borrowed by OpCo and guaranteed by each existing and subsequently acquired or organized wholly owned domestic subsidiary of OpCo (the OpCo Subsidiary Guarantors ),

and will be secured by a pledge of substantially all the owned material assets of OpCo and each OpCo Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired, in each case subject to exceptions (the OpCo Collateral ).

The OpCo Senior Secured Credit Facilities will include negative covenants, subject to certain exceptions, restricting or limiting OpCo's ability and the ability of its restricted subsidiaries to, among other things: (i) incur additional debt; (ii) create liens on certain assets; (iii) enter into sale and lease-back transactions; (iv) make certain investments, loans and advances; (v) consolidate, merge, sell or otherwise dispose of all or any part of their assets or to purchase, lease or



otherwise acquire all of the assets of any other person; (vi) pay dividends or make distributions or make other restricted payments; (vii) enter into certain transactions with their affiliates; (viii) engage in any business other than the business activity conducted at the Closing Date or business activities incidental or related thereto; (ix) amend or modify the articles or certificate of incorporation, by-laws and certain agreements or make certain payments or modifications of certain indebtedness; (x) make material modifications to the MLSA, Leases and other arrangements entered into in connection with the lease structure; and (xi) designate or permit the designation of any indebtedness as

Designated Senior Debt. The OpCo First Lien Credit Agreement will also provide for events of default, which, if any of them occurs, would permit or require the principal, interest and any other monetary obligations under the OpCo Senior Secured Credit Facilities to be due and payable immediately.

OpCo First Lien Notes. The first lien notes to be issued by OpCo (the OpCo First Lien Notes ) will be issued under an indenture (the OpCo First Lien Indenture ) typical and customary in the case of first lien senior secured notes issued pursuant to an exit financing.

OpCo will be able to redeem the OpCo First Lien Notes at its option, in whole or part, at any time prior to the first anniversary of the Closing Date, at a price equal to 100% of the principal amount of the OpCo First Lien Notes redeemed plus accrued and unpaid interest to the redemption date and a make-whole premium. In addition, at any time and from time to time on or before the first anniversary of the Closing Date, OpCo will be able to choose to redeem up to 35% of the original aggregate principal amount of the OpCo First Lien Notes in an amount equal to the amount of proceeds from an equity offering at a redemption price equal to par plus the coupon on such notes. After the first anniversary of the Closing Date, the OpCo First Lien Notes will be callable at par plus accrued interest plus a premium equal to 3.00%, which premium shall decline to 2.00% on the second anniversary of the Closing Date, to 1.00% on the third anniversary of the Closing Date and to 0% on the fourth anniversary of the Closing Date.

The OpCo First Lien Indenture will require OpCo to make an offer to repurchase the OpCo First Lien Notes on a ratable basis with the payment of the OpCo term loans under the OpCo First Lien Term Facility, subject to certain exceptions, with:

50% (which percentage will be reduced to 25% if the first lien net leverage ratio is less than or equal to 2.75 to 1.00 and to 0% if the first lien net leverage ratio is less than or equal to 2.25 to 1.00) of annual excess cash flow, as will be defined under the OpCo Senior Secured Credit Facilities;

100% of the net cash proceeds of certain non-ordinary course asset sales or certain casualty events, in each case subject to certain exceptions and provided that OpCo may reinvest (or commit to reinvest) those proceeds in the business within 12 months (and, if so committed to be reinvested, actually reinvest within three months after the end of such initial 12-month period) in assets to be used in its business, or certain other permitted investments; and

100% of the net cash proceeds of any issuance, offerings or placements of debt, other than proceeds from debt permitted under the OpCo First Lien Indenture (unless otherwise provided as a condition to the incurrence thereof).

The OpCo First Lien Notes will be senior secured obligations of OpCo and the OpCo Subsidiary Guarantors and will rank equally and ratably in right of payment with all existing and future senior obligations and senior to all future subordinated indebtedness. The OpCo First Lien Notes will be guaranteed on a senior secured basis by the OpCo Subsidiary Guarantors and secured by a first-priority security interest, pari passu with the OpCo Senior Secured Credit Facilities, subject to permitted liens, in the OpCo Collateral.

The OpCo First Lien Indenture will contain covenants that limit OpCo's (and its restricted subsidiaries') ability to, among other things: (i) incur additional debt or issue certain preferred shares; (ii) pay dividends on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make certain investments; (iv) sell certain assets; (v) create or permit to exist dividend and/or payment restrictions affecting their restricted subsidiaries; (vi) create liens on certain assets to secure debt; (vii) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets; (viii) enter into certain transactions with their affiliates; and (ix) designate their subsidiaries as unrestricted subsidiaries. The OpCo First Lien Indenture will also provide for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding OpCo First Lien Notes to be due and payable immediately.

*New Second Lien OpCo Debt*

OpCo will issue up to \$547 million in principal amount of second lien debt with a seven year term and interest at 8.5% (the New Second Lien OpCo Debt ). The New Second Lien OpCo Debt will consist of a single tranche of notes (the OpCo Second Lien Notes ) that will be issued under an indenture typical and customary in the case of second lien senior secured notes issued pursuant to an exit financing (the OpCo Second Lien Indenture ).

OpCo will be able to redeem the OpCo Second Lien Notes at its option, in whole or part, at any time prior to the first anniversary of the Closing Date, at a price equal to 100% of the principal amount of the OpCo Second Lien Notes redeemed plus accrued and unpaid interest to the redemption date and a make-whole premium. In addition, at any time and from time to time on or before the first anniversary of the Closing Date, OpCo will be able to choose to redeem up to 35% of the original aggregate principal amount of the OpCo Second Lien Notes in an amount equal to the amount of proceeds from an equity offering at a redemption price equal to par plus the coupon on such notes. After the first anniversary of the Closing Date, the OpCo Second Lien Notes will be callable at par plus accrued interest plus a premium equal to 3.00%, which premium shall decline to 2.00% on the second anniversary of the Closing Date, to 1.00% on the third anniversary of the Closing Date and to 0% on the fourth anniversary of the Closing Date.

The OpCo Second Lien Notes will be senior secured obligations of OpCo and the OpCo Subsidiary Guarantors and will rank equally and ratably in right of payment with all existing and future senior obligations and senior to all future subordinated indebtedness. The OpCo Second Lien Notes will be guaranteed on a senior secured basis by the OpCo Subsidiary Guarantors and secured by a second-priority security interest, junior to the OpCo Senior Secured Credit Facilities and the OpCo First Lien Notes, subject to permitted liens, in the OpCo Collateral.

The OpCo Second Lien Indenture will contain covenants that limit OpCo's (and its restricted subsidiaries') ability to, among other things: (i) incur additional debt or issue certain preferred shares; (ii) pay dividends on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make certain investments; (iv) sell certain assets; (v) create or permit to exist dividend and/or payment restrictions affecting their restricted subsidiaries; (vi) create liens on certain assets to secure debt; (vii) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets; (viii) enter into certain transactions with their affiliates; and (ix) designate their subsidiaries as unrestricted subsidiaries. The OpCo Second Lien Indenture will also provide for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding OpCo Second Lien Notes to be due and payable immediately.

*New First Lien PropCo Debt*

PropCo will issue \$2,392 million in principal amount of first lien debt with a five year term and interest at LIBOR plus 3.5% with a 1% LIBOR floor (the New First Lien PropCo Debt ). The New First Lien PropCo Debt will consist of PropCo Senior Secured Credit Facilities and PropCo First Lien Notes (each as defined below):

PropCo Senior Secured Credit Facilities. PropCo will enter into a first lien credit agreement typical and customary for exit financing (the PropCo First Lien Credit Agreement ) to govern the senior secured credit facilities (the PropCo Senior Secured Credit Facilities ), which will consist of a senior secured term loan facility (the PropCo First Lien Term Facility ) and, at PropCo's option, may include a senior secured revolving credit facility (the PropCo Revolving Facility ). Commencing with the second full fiscal quarter ended after the Closing Date, the PropCo First Lien Term Facility will amortize in equal quarterly installments in an aggregate annual amount equal to 1% of the original principal amount of the PropCo First Lien Term Facility with the balance payable on the maturity date.

The PropCo Senior Secured Credit Facilities will require PropCo to make customary asset sale mandatory pre-payments and excess cash flow mandatory prepayments (commencing with the first full fiscal year of PropCo after the Closing Date, and subject to a minimum threshold to be agreed), on terms and conditions to be set forth in the

PropCo Senior Secured Credit Facilities. Such mandatory pre-payments will be made ratably between the loans under the PropCo First Lien Term Facility and to make offers to purchase the PropCo First Lien Notes.

The PropCo Senior Secured Credit Facilities will be borrowed by PropCo and guaranteed by each existing and subsequently acquired or organized wholly owned domestic subsidiary of PropCo (the PropCo Subsidiary Guarantors ), and will be secured by a pledge of substantially all the owned material assets of PropCo and each PropCo Subsidiary Guarantor, in each case whether owned on the Closing Date or thereafter acquired, in each case subject to exceptions (the PropCo Collateral ).

The PropCo Senior Secured Credit Facilities will include negative covenants, subject to certain exceptions, restricting or limiting PropCo's ability and the ability of its restricted subsidiaries to, among other things: (i) incur additional debt; (ii) create liens on certain assets; (iii) enter into sale and lease-back transactions; (iv) make certain investments, loans and advances; (v) consolidate, merge, sell or otherwise dispose of all or any part of their assets or to purchase, lease or otherwise acquire all of the assets of any other person; (vi) pay dividends or make distributions or make other restricted payments; (vii) enter into certain transactions with their affiliates; (viii) engage in any business other than the business activity conducted at the Closing Date or business activities incidental or related thereto; (ix) amend or modify the articles or certificate of incorporation, by-laws and certain agreements or make certain payments or modifications of certain indebtedness; (x) make material modifications to the MLSA, Leases and other arrangements entered into in connection with the lease structure; and (xi) designate or permit the designation of any indebtedness as Designated Senior Debt. The PropCo First Lien Credit Agreement will also provide for events of default, which, if any of them occurs, would permit or require the principal, interest and any other monetary obligations under the PropCo Senior Secured Credit Facilities to be due and payable immediately.

PropCo First Lien Notes. The first lien notes to be issued by PropCo (the PropCo First Lien Notes ) will be issued under an indenture (the PropCo First Lien Indenture ) typical and customary in the case of first lien senior secured notes issued pursuant to an exit financing.

PropCo will be able to redeem the PropCo First Lien Notes at its option, in whole or part, at any time prior to the first anniversary of the Closing Date, at a price equal to 100% of the principal amount of the PropCo First Lien Notes redeemed plus accrued and unpaid interest to the redemption date and a make-whole premium. In addition, at any time and from time to time on or before the first anniversary of the Closing Date, PropCo will be able to choose to redeem up to 35% of the original aggregate principal amount of the PropCo First Lien Notes in an amount equal to the amount of proceeds from an equity offering at a redemption price equal to par plus the coupon on such notes. After the first anniversary of the Closing Date, the PropCo First Lien Notes will be callable at par plus accrued interest plus a premium equal to 3.00%, which premium shall decline to 2.00% on the second anniversary of the Closing Date, to 1.00% on the third anniversary of the Closing Date and to 0% on the fourth anniversary of the Closing Date.

The PropCo First Lien Indenture will require PropCo to make an offer to repurchase the PropCo First Lien Notes, on a ratable basis with the prepayment of PropCo term loans under the PropCo First Lien Term Facility, subject to certain exceptions, with excess cash flow (subject to a minimum threshold) and net cash proceeds of certain non-ordinary course asset sales, in each case as on terms and conditions to be set forth in the PropCo First Lien Indenture.

The PropCo First Lien Notes will be senior secured obligations of PropCo and the PropCo Subsidiary Guarantors and will rank equally and ratably in right of payment with all existing and future senior obligations and senior to all future subordinated indebtedness. The PropCo First Lien Notes will be guaranteed on a senior secured basis by the PropCo Subsidiary Guarantors and secured by a first-priority security interest, pari passu with the PropCo Senior Secured Credit Facilities, subject to permitted liens, in the PropCo Collateral.

The PropCo First Lien Indenture will contain covenants that limit PropCo's (and its restricted subsidiaries') ability to, among other things: (i) incur additional debt or issue certain preferred shares; (ii) pay dividends on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make certain investments; (iv) sell certain assets; (v) create or permit to exist dividend and/or payment restrictions affecting their restricted subsidiaries; (vi) create liens on certain assets to secure debt; (vii) consolidate, merge, sell or otherwise dispose of all or

substantially all of their assets; (viii) enter into certain transactions with their affiliates; and (ix) designate their subsidiaries as unrestricted subsidiaries. The PropCo First Lien Indenture will also provide for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding PropCo First Lien Notes to be due and payable immediately.

*New Second Lien PropCo Debt*

PropCo will issue \$1,425 million in principal amount of second lien debt with a six year term and interest at 8.0% (the New Second Lien OpCo Debt ). The New Second Lien OpCo Debt will consist of a single tranche of notes (the PropCo Second Lien Notes ) that will be issued under an indenture typical and customary in the case of second lien senior secured notes issued pursuant to an exit financing (the PropCo Second Lien Indenture ).

PropCo will be able to redeem the PropCo Second Lien Notes at its option, in whole or part, at any time prior to the third anniversary of the Closing Date, at a price equal to 100% of the principal amount of the PropCo Second Lien Notes redeemed plus accrued and unpaid interest to the redemption date and a make-whole premium. In addition, at any time and from time to time on or before the third anniversary of the Closing Date, PropCo will be able to choose to redeem up to 35% of the original aggregate principal amount of the PropCo Second Lien Notes in an amount equal to the amount of proceeds from an equity offering at a redemption price equal to par plus the coupon on such notes. After the third anniversary of the Closing Date, the PropCo Second Lien Notes will be callable at par plus accrued interest plus a premium equal to one-half the coupon on such notes, which premium shall decline ratably on each anniversary of the Closing Date thereafter to zero on the date that is two years prior to the maturity date.

The PropCo Second Lien Notes will be senior secured obligations of PropCo and the PropCo Subsidiary Guarantors and will rank equally and ratably in right of payment with all existing and future senior obligations and senior to all future subordinated indebtedness. The PropCo Second Lien Notes will be guaranteed on a senior secured basis by the PropCo Subsidiary Guarantors and secured by a second-priority security interest, junior to the PropCo Senior Secured Credit Facility and the PropCo First Lien Notes, subject to permitted liens, in the PropCo Collateral.

The PropCo Second Lien Indenture will contain covenants that limit PropCo's (and its restricted subsidiaries') ability to, among other things: (i) incur additional debt or issue certain preferred shares; (ii) pay dividends on or make other distributions in respect of their capital stock or make other restricted payments; (iii) make certain investments; (iv) sell certain assets; (v) create or permit to exist dividend and/or payment restrictions affecting their restricted subsidiaries; (vi) create liens on certain assets to secure debt; (vii) consolidate, merge, sell or otherwise dispose of all or substantially all of their assets; (viii) enter into certain transactions with their affiliates; and (ix) designate their subsidiaries as unrestricted subsidiaries. The PropCo Second Lien Indenture will also provide for events of default, which, if any of them occurs, would permit or require the principal, premium, if any, interest and any other monetary obligations on all the then outstanding PropCo Second Lien Notes to be due and payable immediately.

*CPLV Debt*

Caesars Palace Las Vegas ( CPLV ) will issue \$2,600 million in debt. No less than \$2,000 million of such debt will be sold to third party investors for cash proceeds ( CPLV Market Debt ). Any remaining debt up to \$600 million will constitute CPLV Mezzanine Debt . The weighted average yield on the CPLV Market Debt and CPLV Mezzanine Debt will be capped such that the annual debt service shall not exceed \$130 million, with the cap increased by \$2 million for every \$100 million of CPLV Mezzanine Debt that is converted into PropCo equity in connection with the Restructuring. The terms of the CPLV Market Debt will depend on market conditions at the time of issuance and there can be no assurance that the CPLV Market Debt can be issued on terms satisfactory to PropCo or at all.

The CPLV Mezzanine Debt will have a six year term and an interest rate of 8% (which may be increased if the principal amount of CPLV Mezzanine Debt is decreased, up to a maximum of 13%). The CPLV Mezzanine Debt will be based on customary documentation for commercial real estate mezzanine financings. Subject to customary exceptions, the CPLV Mezzanine Debt will be secured on a first-priority basis by a pledge of the equity interests of the subsidiary (or subsidiaries) that own CPLV.

The CPLV Mezzanine Debt will include negative covenants, subject to certain exceptions, restricting or limiting the ability to, among other things: (i) incur additional debt; (ii) create liens on certain assets; (iii) enter into sale and lease-back transactions; (iv) make certain investments, loans and advances; (v) consolidate, merge, sell or otherwise dispose of all or any part of assets or to purchase, lease or otherwise acquire all of the assets of any other person; (vi) pay dividends or make distributions or make other restricted payments; (vii) enter into certain transactions with affiliates; (viii) engage in any business other than the business activity conducted at the Closing Date or business activities incidental or related thereto; (ix) make material modifications to the MLSA, Leases and other arrangements entered into in connection with the



lease structure; and (x) amend or modify the articles or certificate of incorporation, by-laws and certain agreements or make certain payments or modifications of certain indebtedness. The CPLV Mezzanine Debt will also provide for events of default, which, if any of them occurs, would permit or require the principal, interest and any other monetary obligations on all then outstanding CPLV Mezzanine Debt to be due and payable immediately.

### ***Recoveries***

Each Lender will receive its pro rata share of (a) \$705 million in cash, (b) \$883 million in New First Lien OpCo Debt, (c) \$406 million of New Second Lien OpCo Debt, (d) \$1,961 million in New First Lien PropCo Debt, and (e) up to \$1,450 million in additional cash or CPLV Mezzanine Debt.

Each First Lien Noteholder will receive its pro rata share of (a) \$207 million in cash, (b) \$306 million in New First Lien OpCo Debt, (c) \$141 million of New Second Lien OpCo Debt, (d) \$431 million in New First Lien PropCo Debt, (e) \$1,425 million in New Second Lien PropCo Debt, (f) up to \$1,150 million in additional cash or CPLV Mezzanine Debt, (g) 69.9% directly or indirectly of PropCo equity (or cash as described below under Put Options and Equity Rights) and (h) 100% of the OpCo equity (or cash as described below under Put Options and Equity Rights).

If they vote as a class to accept the Plan, each Non-First Lien Noteholder (as defined in the Term Sheet) will receive its pro rata share of 30.1% of the equity, directly or indirectly, in PropCo, and have the option to be a participant in the Equity Rights (as described below). If the Non-First Lien Noteholders do not vote as a class to accept the Plan, each Non-First Lien Noteholder will receive its pro rata share of 17.5% of the equity, directly or indirectly, in PropCo, and the remaining 12.6% of PropCo equity shall be allocated to the equity holders of PropCo, excluding the Non-First Lien Noteholders, based on their pro rata ownership in PropCo.

### ***Put Options and Equity Rights***

Each First Lien Noteholder may elect to put up to (a) all of the OpCo equity for \$700 million and/or (b) 14.8% of the PropCo equity they are to receive under the Plan to CEC for \$269 million. The First Lien Noteholders may also elect to purchase all or some of the PropCo equity being put.

If the Non-First Lien Noteholders vote as a class to accept the Plan, they may elect to purchase up to all of the PropCo equity (excluding 5% of PropCo equity retained by OpCo) from the First Lien Noteholders (Equity Rights). For every \$1 of PropCo equity purchased, the Non-First Lien Noteholders must purchase \$0.25 of CPLV Mezzanine Debt, which will then be converted into PropCo equity (Equitized CPLV Mezzanine Debt).

### ***CEC's Contribution to the Restructuring***

In order to effectuate the Restructuring, CEC has agreed to take the following actions:

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Contribute \$406 million to pay for forbearance fees in connection with the Restructuring, general corporate purposes and to fund sources and uses;

Pursuant to the terms in the RSA, contribute the Cash/Equity Contribution and Class Convertible Notes for distribution to Second Lien Noteholders;

Contribute an additional \$75 million to CEOC if there is insufficient liquidity at closing;

Purchase up to all of OpCo equity for \$700 million and 14.8% of PropCo equity for \$269 million;

Give PropCo a right of first refusal on all new domestic non-Las Vegas opportunities, with CEC or OpCo leasing such properties;

Guarantee OpCo's monetary obligations to PropCo under the leases; and

Issue the Convertible Notes.

### ***Convertible Notes***

As described above, Consenting Creditors who sign the RSA by the Forbearance Fee Date will receive their pro rata share of at least \$200 million aggregate principal amount of convertible notes to be issued by CEC (Convertible Notes) on the Effective Date.

The Convertible Notes will bear interest at 5.00% per annum, payable in cash or in kind semi-annually, and will mature on the seventh anniversary from their issuance. The Convertible Notes will be CEC's senior unsecured obligations ranking equally with all of CEC's existing and future senior unsecured indebtedness and effectively subordinated to all of CEC's existing and future secured indebtedness and existing and future liabilities of its subsidiaries.

Holders of the Convertible Notes may convert the Convertible Notes at their option before the six and a half year anniversary of the issuance of the Convertible Notes under certain circumstances and may convert the Convertible Notes at their option at any time after the six and a half year anniversary of the issuance of the Convertible Notes. On or after the fourth year anniversary of the issuance of the Convertible Notes, CEC will have the right to cause the holders of the Convertible Notes to convert their Convertible Notes into a number of shares of CEC common stock equal to the conversion rate (as defined below) if the last reported price of CEC's common stock for at least 20 days during a period of 30 consecutive trading days is greater than or equal to 125% of the conversion price on each applicable trading day.

The initial conversion rate, subject to anti-dilution adjustment, of the Convertible Notes will be equal to the number of shares equal to 1,000 divided by the greater of (x) \$20.00 per share and (y) a 50% premium to the average daily volume-weighted average price (the VWAP) of the shares for the 20 day trading period (VWAP Period) prior to the Effective Date (each of (x) and (y), a Strike Price) per \$1,000 principal amount of the Convertible Notes (the conversion rate and \$1,000 divided by the applicable conversion rate, the conversion price); provided that the Strike Price will not exceed \$25.00 per share.

Prior to the first year anniversary of issuing the Convertible Notes, CEC may not redeem the Convertible Notes. On or after the first year anniversary and prior to the fourth year anniversary of issuing the Convertible Notes, CEC may redeem for cash all or part of the outstanding Convertible Notes, but only if the last reported sale price of CEC's common stock for 20 or more trading days in a period of 30 consecutive trading days ending on the trading day prior to the date CEC provides a notice of redemption to holders of Convertible Notes exceeds 125% of the conversion price then in effect. The redemption price will be equal to the sum of (i) 100% of the principal amount of the Convertible Notes to be redeemed, (ii) accrued and unpaid interest, if any, to, but excluding the redemption date and (iii) a make-whole premium payable in cash, equal to the present value (based on a discount rate equal to the applicable treasury yield plus 50 basis points) of the remaining scheduled payments of interest that would have been made on the Convertible Notes to be redeemed had such Convertible Notes remained outstanding from the redemption date to the fourth year anniversary.

### ***Additional Terms***

PropCo Call Rights: Subject to the terms of the debt documents for Caesars Entertainment Resort Properties, LLC and its subsidiaries, PropCo shall have a right for up to 180 days after consummation of the Restructuring to enter into an agreement to buy Harrah's Atlantic City, Harrah's Laughlin and Harrah's New Orleans for a cash purchase price equal to ten times the agreed annual rent for such properties.

The foregoing description of the RSA and the term sheet to the RSA does not purport to be complete and is qualified in its entirety by reference to the RSA, which is furnished as Exhibit 10.1 hereto and incorporated herein by reference.

**Item 7.01 Regulation FD Disclosure.**

On July 20, 2015, CEC announced the entry of CEC and CEOC into the RSA. A copy of the press release is attached hereto as Exhibit 99.1, and is incorporated into this report by reference.

The information set forth in this Item 7.01 of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of CEC's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing. The filing of this Item 7.01 of this Current Report on Form 8-K shall not be deemed an admission as to the materiality of any information herein that is required to be disclosed solely by reason of Regulation FD.

**Forward-Looking Statements**

This filing contains or may contain forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. You can identify these statements by the fact that they do not relate strictly to historical or current facts. These statements contain words such as may, will,

contemplated, might, expect, intend, could, would or estimate, or the negative of these words or other words or expressions of similar meaning may identify forward-looking statements and are found at various places throughout this Form 8-K. These forward-looking statements, including, without limitation, those relating to the Restructuring, wherever they occur in this filing, are based on CEC management's current expectations about future events and are necessarily estimates reflecting the best judgment of management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements.

Investors are cautioned that forward-looking statements are not guarantees of future performance or results and involve risks and uncertainties that cannot be predicted or quantified, and, consequently, actual results may differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, the following factors, as well as other factors described from time to time in CEC's reports filed with the SEC (including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein):

the outcome of currently pending or threatened litigation and demands for payment by certain creditors against CEC and by the National Retirement Fund;

the effects of CEOC's bankruptcy filing on CEOC and its subsidiaries and affiliates, including Caesars Entertainment, and the interest of various creditors, equity holders and other constituents;

the ability to retain key employees during the Restructuring;

the event that the RSA may not be consummated in accordance with its terms, or persons not party to the RSA may successfully challenge the implementation thereof;

the length of time CEOC will operate in the Chapter 11 cases or CEOC's ability to comply with the milestones provided by the RSA;

risks associated with third party motions in the Chapter 11 cases, which may hinder or delay CEOC's ability to consummate the Restructuring as contemplated by the RSA;

the potential adverse effects of Chapter 11 proceedings on CEC's liquidity or results of operations;

the effects of Bankruptcy Court rulings in the Chapter 11 Cases and the outcome of such cases in general;

the effects of local and national economic, credit and capital market conditions on the economy in general, and on the gaming industry in particular;

the ability to realize the expense reductions from our cost savings programs;

the financial results of CGP LLC's business;

the impact of our substantial indebtedness and the restrictions in our debt agreements;

access to available and reasonable financing on a timely basis, including the ability of CEC to refinance its indebtedness on acceptable terms;

the ability of our customer tracking, customer loyalty, and yield management programs to continue to increase customer loyalty and same-store or hotel sales;

changes in laws, including increased tax rates, smoking bans, regulations or accounting standards, third-party relations and approvals, and decisions, disciplines and fines of courts, regulators and governmental bodies;

our ability to recoup costs of capital investments through higher revenues;

abnormal gaming holds ( gaming hold is the amount of money that is retained by the casino from wagers by customers);

the effects of competition, including locations of competitors, competition for new licenses, and operating and market competition;

the ability to timely and cost-effectively integrate companies that we acquire into our operations;

the potential difficulties in employee retention and recruitment as a result of our substantial indebtedness or any other factor;

construction factors, including delays, increased costs of labor and materials, availability of labor and materials, zoning issues, environmental restrictions, soil and water conditions, weather and other hazards, site access matters, and building permit issues;

litigation outcomes and judicial and governmental body actions, including gaming legislative action, referenda, regulatory disciplinary actions, and fines and taxation;

acts of war or terrorist incidents, severe weather conditions, uprisings or natural disasters, including losses therefrom, losses in revenues and damage to property, and the impact of severe weather conditions on our ability to attract customers to certain of our facilities, such as the amount of losses and disruption to our company as a result of Hurricane Sandy in late October 2012;

the effects of environmental and structural building conditions relating to our properties;

access to insurance on reasonable terms for our assets; and

the impact, if any, of unfunded pension benefits under multi-employer pension plans.

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

#### **Item 9.01 Financial Statements and Exhibits.**

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

**Exhibit**

<b>No.</b>	<b>Description</b>
10.1	Restructuring Support and Forbearance Agreement, dated as of July 20, 2015, among Caesars Entertainment Operating Company, Inc., on behalf of itself and each of the debtors in the Chapter 11 Cases, Caesars Entertainment Corporation, and each of the holders of Second Lien Bond Claims party thereto.
99.1	Text of press release, dated July 20, 2015.



**SIGNATURES**

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

CAESARS ENTERTAINMENT CORPORATION

Date: July 21, 2015

By: /s/ SCOTT E. WIEGAND

Name: Scott E. Wiegand

Title: Senior Vice President, Deputy General  
Counsel and Corporate Secretary

**EXHIBIT INDEX**

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99.1	Text of press release, dated July 20, 2015.