

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

---

In re:	)	
	)	Chapter 11
	)	
CAESARS ENTERTAINMENT OPERATING	)	Case No. 15-01145 (ABG)
COMPANY, INC., <u>et al.</u> , <sup>1</sup>	)	
	)	
Debtors.	)	(Joint Administration Requested)

---

**DEBTORS’ MOTION FOR ENTRY OF INTERIM AND  
FINAL ORDERS (I) AUTHORIZING USE OF CASH COLLATERAL,  
(II) GRANTING ADEQUATE PROTECTION, (III) MODIFYING THE  
AUTOMATIC STAY TO PERMIT IMPLEMENTATION, (IV) SCHEDULING  
A FINAL HEARING, AND (V) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this motion (this “Motion”) for entry of an interim order (the “Interim Order”),<sup>2</sup> substantially in the form attached hereto as **Exhibit A**, and a final order (the “Final Order,” and, together with the Interim Order, collectively, the “Orders”), (I) authorizing the Debtors to use Cash Collateral; (II) granting adequate protection to the Prepetition Secured Creditors solely to the extent of any diminution in the value of their respective interests in the Prepetition First Lien Collateral and Prepetition Second Lien Collateral, as applicable; (III) modifying the automatic stay as necessary to effectuate all of the terms and provisions provided herein; (IV) prescribing the form and

---

<sup>1</sup> The last four digits of Caesars Entertainment Operating Company, Inc.’s tax identification number are 1623. Due to the large number of Debtors in these chapter 11 cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://cases.primeclerk.com/CEOC>.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Interim Order.

manner of notice and setting the time for the final hearing (the “Final Hearing”); and (V) granting related relief. In support of this motion, the Debtors respectively submit the *Declaration of Randall S. Eisenberg in Support of the Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing Use of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying the Automatic Stay to Permit Implementation, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief*, which has been filed contemporaneously herewith.

**Preliminary Statement**

1. The Debtors have significant cash on hand to fund their operations throughout these chapter 11 cases. As of the Petition Date, the Debtors have approximately \$864 million of cash. Much of that cash constitutes the Prepetition Secured Creditors’ Cash Collateral. The Debtors’ ability to access Cash Collateral is critical to maintaining ongoing operations and to ensuring the success of this restructuring. Absent the use of Cash Collateral, the Debtors will be unable to pay their thousands of employees that report to work every day, fund working capital, pay their taxes, maintain their insurance policies, continue their cash management system, make capital expenditures, or pay the administrative costs throughout these chapter 11 cases.

2. To that end, in advance of these chapter 11 filings, the Debtors engaged in good faith negotiations regarding the terms of the restructuring and the consensual use of Cash Collateral with both an *ad hoc* group of certain of the First Lien Lenders (the “First Lien Credit Agreement Group”) and an *ad hoc* group of certain of the First Lien Noteholders (the “First Lien Note Group,” and together with the First Lien Credit Agreement Group, the “First Lien Group”).

3. To the extent that any objections to the Debtors’ use of Cash Collateral remain, the Debtors believe that all relevant stakeholders’ interests are adequately protected for the following reasons:

- **First**, the Debtors will provide the Prepetition Secured Creditors with replacement liens on substantially all of the Debtors' assets to the extent of any diminution in value of the Prepetition Secured Creditors' respective interests in the prepetition collateral.
- **Second**, the Debtors will provide the Prepetition First Lien Creditors with superpriority administrative claims pursuant to section 507(b) of the Bankruptcy Code.
- **Third**, the Debtors will provide the Prepetition First Lien Creditors with monthly adequate protection payments at a rate of 1.5% per year of the aggregate amount of all Prepetition First Lien Obligations as of the Petition Date, and payment on a pro rata basis to the Prepetition First Lien Creditors of all remaining Available Cash, as that term is defined in the previously filed Restructuring Support Agreement, upon the effective date of a plan of reorganization.
- **Fourth**, the Debtors will continue to operate in the ordinary course of business consistent with the terms of an agreed-to cash flow forecast used to establish the Budget.
- **Fifth**, the Debtors have entered into a Restructuring Support Agreement with the holders of approximately 80% of the principal amount outstanding under the First Lien Notes, which sets forth the treatment of claims pursuant to a plan of reorganization and requires compliance with various plan-related milestones. This defined path to emergence further preserves the value of the Debtors' business and maximizes the Prepetition Secured Creditors' collateral, including the Cash Collateral.
- **Lastly**, the Debtors will (a) stipulate as to the amount of the Prepetition Secured Creditors' obligations, and the validity and perfection of the Prepetition First Lien Creditors' prepetition liens, (b) pay each of the Prepetition First Lien Agent's and the First Lien Group's reasonable professional fees and expenses, and (c) provide the professional advisors of the Prepetition First Lien Agents and the First Lien Group with access to the Debtors' books and records and other reporting functions.

Thus, the Debtors believe that this robust adequate protection package is more than sufficient to adequately protect the interests of the Prepetition Secured Creditors against any diminution of value of their Cash Collateral.

4. Finally, the First Lien Noteholders and the Second Lien Noteholders cannot object to the Debtors' use of Cash Collateral under various intercreditor agreements under

certain circumstances, provided that they receive certain minimal levels of adequate protection, which is in fact the case here.

5. Based on the foregoing, and as discussed in more detail herein, the Debtors respectfully request that the Court approve the use of Cash Collateral as the Prepetition Secured Creditors have either consented to such use or are otherwise adequately protected as required by the Bankruptcy Code.

### **Background**<sup>3</sup>

6. Caesars Entertainment Operating Company, Inc. (“CEOC”), together with its Debtor and non-Debtor subsidiaries, provides casino entertainment services and owns, operates, or manages 38 gaming and resort properties in 14 states and five countries, operating primarily under the Caesars<sup>®</sup>, Harrahs<sup>®</sup>, and Horseshoe<sup>®</sup> brand names. The Debtors represent the largest, majority-owned operating subsidiary of Caesars Entertainment Corporation (“CEC”), a publicly traded company that is the world’s most diversified casino-entertainment provider. CEC, through its ownership and economic interests in CEOC, Caesars Entertainment Resort Properties (“CERP”), and Caesars Growth Partners (“CGP”), owns, operates, or manages 50 casinos in 14 U.S. states and 5 countries, covering 3 million square feet of gaming space, 42,000 hotel rooms, 45 million customer loyalty program participants, and 68,000 employees.

7. The Debtors employ approximately 32,000 people through geographically diverse operations throughout the United States, including seven regional casino properties located in the Midwest (across Illinois, Indiana, Iowa, and Missouri); six regional casino properties located in the Southeast (throughout Louisiana, Mississippi, and North Carolina); four casinos located in

---

<sup>3</sup> The facts and circumstances supporting this Motion are set forth in the *Declaration of Randall S. Eisenberg, Chief Restructuring Officer of Caesars Entertainment Operating Company, Inc., in Support of First Day Pleadings* (the “First Day Declaration”), filed contemporaneously herewith.

Arizona, California, Maryland, and Pennsylvania; four casinos located in Nevada, including the world famous Caesars Palace at the heart of the Las Vegas Strip; and two casinos located in Atlantic City, New Jersey. On a consolidated basis, CEOC and its subsidiaries reported approximately \$993 million of Adjusted EBITDA on net revenues of approximately \$5.4 billion for the twelve months ending September 30, 2014.

8. On the date hereof (the "Petition Date"), each of the Debtors filed a petition with this Court under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrently with the filing of this Motion, the Debtors requested procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No party has requested the appointment of a trustee or examiner in these chapter 11 cases, and no committees have been appointed or designated.

### **Jurisdiction**

9. The United States Bankruptcy Court for the Northern District of Illinois (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

10. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

11. The statutory bases for the relief requested in this Motion are sections 105, 361, 362, 363, 503, 506, 507, and 552 of title 11 of the United States Code (the "Bankruptcy Code"), rules 2002, 4001, 6003, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 4001-1, 4001-2, and 5005-3(D) of the Local Rules of the United States Bankruptcy Court for the Northern District of Illinois (the "Local Rules").

**Relief Requested**

12. The Debtors seek entry of the Orders granting the following relief:

(a) authorizing the Debtors to use “cash collateral” (as defined in section 363(a) of the Bankruptcy Code, “Cash Collateral”) pursuant to sections 361 and 363 of the Bankruptcy Code;

(b) granting adequate protection to the Prepetition Secured Creditors pursuant to sections 361, 362, and 363 of the Bankruptcy Code, solely to the extent of diminution in value of their respective interests in the Prepetition First Lien Collateral or Prepetition Second Lien Collateral;

(c) vacating or modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms provided herein; and (d) granting related relief. In addition, the Debtors request that the Court schedule the Final Hearing to consider approval of this Motion on a final basis.

**I. Concise Statement of the Material Terms of the Interim Order.**

13. Pursuant to and in accordance with Bankruptcy Rule 4001(b)(1)(B) and Local Rule 4001-2(A)(3), the material provisions of the relief requested in the Interim Order, and the location of such provisions in the Interim Order, are as follows:<sup>4</sup>

Material Terms	Summary of Material Terms	Provision
<p><b><u>Parties with Interest in Cash Collateral:</u></b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(i)]</p>	<p>The Prepetition First Lien Agents, for the benefit of themselves and the Prepetition First Lien Creditors, and to the Second Lien Agent, for the benefit of itself and the Second Lien Noteholders.</p>	<p>¶E (i)-(iii)</p>

---

<sup>4</sup> This summary is qualified in its entirety by the provisions of the Interim Order. To the extent there are any conflicts between this summary and the Interim Order, the terms of the Interim Order shall govern.

Material Terms	Summary of Material Terms		Provision
<p><b>Use of Cash Collateral:</b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(ii)]</p>	<p>Upon entry of the Interim Order, the Debtors are authorized to use Cash Collateral subject to and solely in accordance with the terms and conditions of the Interim Order. Cash Collateral may only be used during the Specified Period for working capital and general corporate purposes, including the renewal and extension of existing letters of credit in the ordinary course of business, to pay costs associated with the Debtors’ restructuring, and otherwise in accordance with this Interim Order. The Debtors will continue to operate in the ordinary course of business consistent with the cash flow forecast used to establish the Budget.</p>		<p>¶¶ 3(b); 4(g)</p>
<p><b>Duration of Use:</b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(iii)]</p>	<p>The Debtors’ right to use Cash Collateral under the Interim Order will terminate immediately upon the earlier of (i) March 3, 2015, if the Final Order, in form and substance acceptable to the Required Lenders, has not been entered by this Court prior to such date, (ii) the First Lien Credit Parties’ Outside Date, (iii) immediately upon expiration of the First Lien Credit Parties’ Remedies Notice Period, and (iv) the date the Interim Order ceases to be in full force and effect. The Debtors may continue using the Cash Collateral during any First Lien Credit Parties’ or First Lien Noteholder Parties’ Remedies Notice Period.</p>		<p>¶ 3(a)</p>
<p><b>Events of Default:</b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(iii)]</p> <p>[Local Bankr. R. 4001-2(A)(3)]</p>	<p><u>Events of Default.</u> The Interim Order contains two sets of Events of Default — one applicable to the First Lien Credit Parties, who are entitled to exercise remedies under the First Lien Documents, and one applicable to the First Lien Noteholder Parties, with whom the Debtors have entered into a Restructuring Support Agreement. The following is a summary of the applicable events of default.</p>		<p>¶¶ 7;8</p>
<p style="text-align: center;"><u>First Lien Credit Parties’ Events of Default</u></p>		<p style="text-align: center;"><u>First Lien Noteholder Parties’ Events of Default</u></p>	
<ul style="list-style-type: none"> <li>• failure to file a plan and disclosure statement within 90 days of the Petition Date, in form, scope, and substance reasonably satisfactory to the Required Lenders and the Debtors;</li> </ul>		<ul style="list-style-type: none"> <li>• failure to file a motion seeking to assume the Restructuring Support Agreement within 20 days;</li> </ul>	<p>¶¶ 7(a);8(a)</p>
<ul style="list-style-type: none"> <li>• failure to have obtained entry of (i) an order approving the disclosure statement and (ii) an order approving solicitation procedures within 123 days of the Petition Date, in each case in form, scope, and substance reasonably satisfactory to the Required Lenders and the Debtors;</li> </ul>		<ul style="list-style-type: none"> <li>• failure to file a plan and disclosure statement within 45 days of the Petition Date, in each case, in form, scope, and substance reasonably satisfactory to the Requisite Consenting Creditors and the Debtors;</li> </ul>	<p>¶¶ 7(b); 8(b)</p>
<ul style="list-style-type: none"> <li>• failure to have obtained entry of a confirmation order that is reasonably satisfactory to the Required Lenders and the Debtors within 240 days of the Bankruptcy Court’s approval of the Disclosure Statement;</li> </ul>		<ul style="list-style-type: none"> <li>• failure to have an order approving the Restructuring Support Agreement within 90 days of the Petition Date ;</li> </ul>	<p>¶¶ 7(c); 8(c)</p>

Material Terms	Summary of Material Terms		Provision
	<ul style="list-style-type: none"> <li>• failure to effectuate the Plan within 365 days of the Petition Date;</li> <li>• obtaining indebtedness for borrowed money secured by a security interest, mortgage, or other lien on all or any portion of the Collateral equal or senior to any security interest, mortgage, or other lien of the Prepetition Secured Agents or the Prepetition Secured Creditors;</li> <li>• obtaining indebtedness for borrowed money, or guaranties in respect thereof, in excess of \$35 million outside of the ordinary course of business without the prior written consent of the Required Lenders, in their reasonable discretion;</li> <li>• any Debtor allows, incurs, or creates certain postpetition liens or security interests, subject to certain exceptions;</li> <li>• any Debtor allows, incurs, or creates any claim entitled to administrative status which is equal or senior to the Superpriority Claim granted to any of the Prepetition First Lien Creditors;</li> </ul>	<ul style="list-style-type: none"> <li>• failure to have obtained entry of (i) an order approving the disclosure statement and (ii) an order approving solicitation procedures within 150 days of the Petition Date, in each case in form, scope, and substance reasonably satisfactory to the Requisite Consenting Creditors and the Debtors;</li> <li>• failure to have obtained entry of a confirmation order that is reasonably satisfactory to the Requisite Consenting Creditors and the Debtors within 120 days of the Bankruptcy Court's approval of the Disclosure Statement;</li> <li>• failure to effectuate the Plan within 120 days of entry of the confirmation order, subject to certain regulatory extensions;</li> <li>• failure to have obtained entry of a Final Order within 75 days;</li> <li>• obtaining indebtedness for borrowed money secured by a security interest, mortgage, or other lien on all or any portion of the Collateral equal or senior to any security interest, mortgage, or other lien of the Prepetition Secured Agents or the Prepetition Secured Creditors;</li> </ul>	<ul style="list-style-type: none"> <li>¶¶ 7(d); 8(d)</li> <li>¶¶ 7(e); 8(e)</li> <li>¶¶ 7(f); 8(f)</li> <li>¶¶ 7(g); 8(g)</li> <li>¶¶ 7(h); 8(h)</li> </ul>



Material Terms	Summary of Material Terms		Provision
	<ul style="list-style-type: none"> <li>• entry of an order under certain circumstances granting relief from or modifying the automatic stay of section 362 of the Bankruptcy Code to (i) allow any creditor to execute upon or enforce a lien on or security interest in any Collateral, or (ii) with respect to any lien on or the granting of any lien on any Collateral to any federal, state, or local environmental or regulatory agency or authority, which in either case could reasonably be expected to have a material adverse effect on the business, operations, property, assets, or financial condition of the Debtors within a particular region (taken as a whole);</li> <li>• entry of an order modifying or granting relief from the automatic stay with respect to any Collateral or assets exceeding \$35 million;</li> <li>• the Interim Order ceases to be in full force and effect, including without limitation, without the Required Lenders' consent of the Interim Order;</li> <li>• dismissal or conversion of any of the Chapter 11 Cases, or appointment of a trustee or examiner with enlarged powers;</li> </ul>	<ul style="list-style-type: none"> <li>• obtaining indebtedness for borrowed money, or guaranties in respect thereof, in excess of \$35 million outside of the ordinary course of business without the prior written consent of the Required Lenders, in their reasonable discretion;</li> <li>• any Debtor allows, incurs, or creates certain postpetition liens or security interests, subject to certain exceptions;</li> <li>• any Debtor allows, incurs, or creates any claim entitled to administrative status which is equal or senior to the Superpriority Claim granted to any of the Prepetition First Lien Creditors;</li> <li>• entry of an order under certain circumstances granting relief from or modifying the automatic stay of section 362 of the Bankruptcy Code to (i) allow any creditor to execute upon or enforce a lien on or security interest in any Collateral, or (ii) with respect to any lien on or the granting of any lien on any Collateral to any federal, state, or local environmental or regulatory agency or authority, which in either case could reasonably be expected to have a material adverse effect on the business, operations, property, assets, or financial condition of the Debtors within a particular region (taken as a whole);</li> </ul>	<p>¶¶ 7(i); 8(i)</p> <p>¶¶ 7(j); 8(j)</p> <p>¶¶ 7(k); 8(k)</p> <p>¶¶ 7(l); 8(l)</p>

Material Terms	Summary of Material Terms		Provision
	<ul style="list-style-type: none"> <li>entry of an order impairing the Prepetition First Lien Creditors' rights or claims under numerous circumstances;</li> </ul>	<ul style="list-style-type: none"> <li>entry of an order modifying or granting relief from the automatic stay with respect to any Collateral or assets exceeding \$35 million;</li> </ul>	¶¶ 7(m); 8(m)
	<ul style="list-style-type: none"> <li>failure to make adequate protection payments and such failure shall (other than in respect of the Monthly Adequate Protection Payment) remain unremedied for five (5) business days;</li> </ul>	<ul style="list-style-type: none"> <li>the Interim Order ceases to be in full force and effect, including without limitation, without the Required Lenders' consent of the Interim Order;</li> </ul>	¶¶ 7(n); 8(n)
	<ul style="list-style-type: none"> <li>entry of an order among other things, avoiding, terminating, or invalidating the Adequate Protection Payments;</li> </ul>	<ul style="list-style-type: none"> <li>dismissal or conversion of any of the Chapter 11 Cases, or appointment of a trustee or examiner with enlarged powers;</li> </ul>	¶¶ 7(o); 8(o)
	<ul style="list-style-type: none"> <li>entry of any (i) "first day orders" that are not in form and substance reasonably satisfactory to the Required Lenders, or (ii) other order that seeks payment in respect of a prepetition claim in excess of \$5 million individually or \$20 million in the aggregate, without the consent of the Required Lenders;</li> </ul>	<ul style="list-style-type: none"> <li>entry of an order impairing the Prepetition First Lien Creditors' rights or claims under numerous circumstances;</li> </ul>	¶¶ 7(p); 8(p)
	<ul style="list-style-type: none"> <li>termination of the Debtors' exclusivity to file a plan;</li> </ul>	<ul style="list-style-type: none"> <li>failure to make adequate protection payments and such failure shall (other than in respect of the Monthly Adequate Protection Payment) remain unremedied for five (5) business days;</li> </ul>	¶¶ 7(q); 8(q)
	<ul style="list-style-type: none"> <li>failure to comply with various gaming or regulatory requirements which results in a material adverse effect to the Debtors' financial condition;</li> </ul>	<ul style="list-style-type: none"> <li>entry of an order among other things, avoiding, terminating, or invalidating the Adequate Protection Payments;</li> </ul>	¶¶ 7(r); 8(r)
	<ul style="list-style-type: none"> <li>failure to comply with the Budget reporting and delivery requirements set forth in paragraph 4(g) of the Interim Order;</li> </ul>	<ul style="list-style-type: none"> <li>entry of any (i) "first day orders" that are not in form and substance reasonably satisfactory to the Required Lenders, or (ii) other order that seeks payment in respect of a prepetition claim in excess of \$5 million individually or \$20 million in the aggregate, without the consent of the Required Lenders;</li> </ul>	¶¶ 7(s); 8(s)

Material Terms	Summary of Material Terms		Provision
	<ul style="list-style-type: none"> <li>• filing any motion to modify the Interim Order without the consent of the Required Lenders; or</li> <li>• failure to comply with any other provision of the Interim Order and such failure remains unremedied for five business days.</li> </ul>	<ul style="list-style-type: none"> <li>• termination of the Debtors' exclusivity to file a plan;</li> <li>• failure to comply with various gaming or regulatory requirements which results in a material adverse effect to the Debtors' financial condition;</li> <li>• failure to comply with the Budget reporting and delivery requirements set forth in paragraph 4(g) of the Interim Order;</li> <li>• filing any motion to modify the Interim Order without the consent of the Required Lenders; or</li> <li>• failure to comply with any other provision of the Interim Order and such failure remains unremedied for five business days.</li> </ul>	<p>¶ 7(t);8(t)</p> <p>¶¶ 7(u);8(u)</p> <p>¶ 8(v)</p> <p>¶ 8(x)</p> <p>¶ 8(y)</p>
<p><b>Adequate Protection:</b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(iv)]</p>	<p>The Debtors are providing adequate protection for the interests of the Prepetition Secured Creditors in Prepetition Collateral (including Cash Collateral), solely to the extent of any diminution in the value of the Prepetition Secured Creditors' respective interest in the Prepetition Collateral from and after the Petition Date.</p> <p>Specifically, the Debtors propose to provide the Prepetition Secured Creditors with the following adequate protection package <i>First</i>, the Debtors will provide the Prepetition Secured Creditors with replacement liens on substantially all of the Debtors' assets to the extent of any diminution in value of the Prepetition Secured Creditors' respective interests in the prepetition collateral. <i>Second</i>, the Debtors will grant the Prepetition First Lien Creditors with superpriority administrative claims pursuant to section 507(b) of the Bankruptcy Code. <i>Third</i>, the Debtors will provide the Prepetition First Lien Creditors with monthly adequate protection payments at a rate of 1.5% per year of the aggregate amount of all Prepetition First Lien Obligations as of the Petition Date, and payment on a pro rata basis to the Prepetition First Lien Creditors of all remaining Available Cash, as that term is defined in the previously filed Restructuring Support Agreement, upon the effective date of a plan of reorganization. <i>Fourth</i>, the Debtors will operate in the ordinary course of business pursuant to an agreed-upon cash flow forecast used to establish the budget. <i>Fifth</i>, the Debtors will abide by certain milestones pursuant to a Restructuring Support Agreement with the holders of approximately 80% of the principal amount outstanding under the First Lien Notes, which sets forth the treatment of claims pursuant to a plan of reorganization and requires compliance with various plan-related milestones. This defined path to emergence preserves the value of the Debtors' business and maximizes the Prepetition Secured Creditors' collateral, including the Cash Collateral. <i>Lastly</i>, the Debtors will (a) stipulate as to the amount of the Prepetition Secured Creditors' obligations, and the validity and perfection of the Prepetition First Lien Creditors' prepetition liens, (b) pay each of the Prepetition First Lien Agents' and the First Lien Group's reasonable professional fees and expenses, and (c) provide the professional advisors of the Prepetition First Lien Agents and the First Lien Group with access</p>		<p>¶ 4</p>

Material Terms	Summary of Material Terms	Provision
	to the Debtors' books and records and other reporting functions.	
<p><b>Priority of Adequate Protection Liens:</b> [Fed. R. Bankr. P. 4001(b)(1)(B)(iv)]</p>	<p>The Adequate Protection Liens granted to the Prepetition First Lien Agents, for the benefit of themselves and the Prepetition First Lien Creditors (the "<u>First Priority Adequate Protection Liens</u>"), shall be senior liens, shall rank in the same relative priority and right as do their respective security interests and liens under the respective First Lien Documents pursuant to the First Lien Intercreditor Agreement, and shall be subject and subordinate only to the Carve Out. The Adequate Protection Liens granted to the Second Lien Agent, for the benefit of itself and the Second Lien Noteholders (the "<u>Second Priority Adequate Protection Liens</u>"), shall be junior and subordinate in all respects to (i) the Carve Out, (ii) the First Priority Adequate Protection Liens, and (iii) the Prepetition First Priority Liens.</p>	<p>¶ 4(b)</p>
<p><b>Adequate Protection Payments:</b> [Fed. R. Bankr. P. 4001(b)(1)(B)(iv)]</p>	<p><u>Payment of Professional Fees.</u> The Debtors seek authority to pay all outstanding prepetition and all postpetition reasonable and documented out-of-pocket fees (including any transaction fees) and expenses of (i) Rothschild Inc. ("<u>Rothschild</u>"), financial advisors to certain of the First Lien Lenders (the "<u>First Lien Credit Agreement Group</u>"), pursuant to the engagement letter dated as of September 10, 2014, (ii) Stroock &amp; Stroock &amp; Lavan LLP ("<u>Stroock</u>"), as counsel to the First Lien Credit Agreement Group, (iii) one special REIT counsel retained by the First Lien Credit Agreement Group in the Chapter 11 Cases, (iv) Shaw Fishman Glantz &amp; Towbin LLC, as local Illinois bankruptcy counsel to the First Lien Credit Agreement Group in the Chapter 11 Cases, (v) one local Delaware bankruptcy counsel retained by the First Lien Credit Agreement Group, (vi) one local bankruptcy counsel for each other applicable jurisdiction in which the Debtors may commence, or have commenced against them, bankruptcy proceedings (vii) one gaming counsel and one special counsel, each as retained by the First Lien Credit Agreement Group, (viii) Cahill Gordon &amp; Reindel LLP, as counsel to the First Lien Credit Agent, (ix) the First Lien Credit Agent, (x) Miller Buckfire &amp; Co. ("<u>Miller Buckfire</u>"), financial advisors to certain of the First Lien Note Group, pursuant to the engagement letter dated as of October 15, 2014, (xi) Kramer Levin Naftalis &amp; Frankel LLP, as counsel to the First Lien Note Group ("<u>Kramer Levin</u>"), (xii) Breazeale, Sachse &amp; Wilson, L.L.P., as counsel to the First Lien Note Group, (xiii) Ballard Spahr LLP, as counsel to the First Lien Note Group, (xiv) one special REIT counsel retained by the First Lien Note Group in the Chapter 11 Cases, (xv) Neal, Gerber &amp; Eisenberg LLP, as local Illinois counsel to the First Lien Note Group in the Chapter 11 Cases, (xvi) one local Delaware bankruptcy counsel retained by the First Lien Note Group, (xvii) one local bankruptcy counsel for each other applicable jurisdiction in which the Debtors may commence, or have commenced against them, bankruptcy proceedings, as retained by the First Lien Note Group, (xviii) the First Lien Notes Indenture Trustee, (xix) Katten Muchin Rosenman LLP, as counsel to the First Lien Notes Indenture Trustee, and (xx) such other legal, consulting, financial, and/or other professional advisors as may be retained or may have been retained from time to time by any of the members of the First Lien Group with the prior written consent of the Debtors, which consent shall not be unreasonably withheld. The payment of such fees and expenses will be subject to disclosure to the U.S. Trustee and the Committee, and will allow for a 10 day objection period.</p> <p><u>Adequate Protection Payments.</u> The Debtors seek authority to pay to each of the Prepetition First Lien Agents, on behalf of themselves and the Prepetition First</p>	<p>¶ 4(e); (f)</p>

Material Terms	Summary of Material Terms	Provision
	Lien Creditors, (i) monthly adequate protection payments in cash at a rate equal to 1.5% per annum of the aggregate amount of all Prepetition First Lien Obligations as of the Petition Date (the “ <u>Monthly Adequate Protection Payments</u> ”) and (ii) payment on a pro rata basis of all Available Cash (as defined in the Second Amended Restructuring Support and Forbearance Agreement, dated January 14, 2015) remaining upon the effective date of a plan of reorganization in these Chapter 11 Cases (together with the Monthly Adequate Protection Payments and the payments required under paragraph 4 hereunder, the “ <u>Adequate Protection Payments</u> ”).	
<p><b>Findings of Fact Binding on the Debtors and Parties in Interest:</b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(iii)]</p> <p>[Local Bankr. R. 4001-2(A)(2)(b); 4001-2(A)(3)]</p>	<p>Subject in all respects to the Challenge Period (as defined in the Interim Order), the Interim Order contains certain stipulations by the Debtors binding on all parties in interest upon the Challenge Period Termination Date (as defined in the Interim Order), including:</p> <ul style="list-style-type: none"> <li>• The Debtors’ stipulation as to the amount of the claims of the Prepetition Secured Creditors as of the Petition Date; and</li> <li>• The Debtors’ stipulation that validity amount, and priority of the Prepetition First Lien Obligations and First Priority Liens.</li> </ul>	<p>¶¶ E, 12</p> <p>¶ E(i)–(v)</p> <p>¶ E(iv)</p>
<p><b>506(c) Waiver</b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(iii)]</p> <p>[Local Bankr. R. 4001-2(A)(2)(c); 4001-2(A)(3)]</p>	Subject to entry of the Final Order, in partial consideration for, among other things, the Carve Out and the payments made under the Budget to administer the Chapter 11 Cases with the use of Cash Collateral, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases at any time shall be charged against any Prepetition First Lien Agent or any Prepetition First Lien Creditor or any of the Prepetition First Lien Obligations or the Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise for any costs and expenses incurred in connection with the preservation, protection, or enhancement of realization by the Prepetition First Lien Creditors upon the Prepetition First Lien Collateral or Prepetition Second Lien Collateral, as applicable, without the prior express written consent of the affected Prepetition First Lien Agent and/or affected Prepetition First Lien Creditor, in their sole discretion, and no such consent shall be implied, directly or indirectly, from any other action, inaction, or acquiescence by any such agents or creditors.	¶¶ I, 15
<p><b>Liens on Chapter 5 Causes of Actions</b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(iii)]</p> <p>[Local Bankr. R. 4001-2(A)(2)(d); 4001-2(A)(3)]</p>	Subject to entry of a Final Order, the Prepetition Secured Creditors will be granted Adequate Protection Liens on, among other things, the proceeds of any causes of action under sections 502(d), 544, 545, 547, 548, 550 (except as provided above), or 553 of the Bankruptcy Code (the “ <u>Avoidance Actions</u> ”).	¶4(a)
<p><b>Carve Out and Committee Investigation Budget:</b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(iii)]</p> <p>[Local Bankr. R.</p>	<p><u>Carve Out.</u> (a) As used in this Interim Order, “Carve Out” means the sum of (i) all fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to \$50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the “Estate Professional Fees”) incurred</p>	¶¶ 11, 13

Material Terms	Summary of Material Terms	Provision
<p>4001-2(A)(2)(f); 4001-2(A)(3)]</p>	<p>by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the “Debtor Professionals”) and any Committee appointed in the Chapter 11 Cases pursuant to section 1103 of the Bankruptcy Code (the “Committee Professionals” and, together with the Debtor Professionals, the “Professional Persons”) at any time before or on the first business day following delivery by the First Lien Credit Agent of a Carve Out Trigger Notice (defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Estate Professional Fees of Professional Persons in an aggregate amount not to exceed \$50,000,000 incurred after the first business day following delivery by the First Lien Credit Agent of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the “Post-Carve Out Trigger Notice Cap”). For purposes of the foregoing, “Carve Out Trigger Notice” shall mean a written notice delivered by electronic mail (or other electronic means) by the First Lien Credit Agent to the Debtors, their lead restructuring counsel, the U.S. Trustee, and lead counsel to the Committee, if any, which notice may be delivered following the occurrence and during the continuation of a First Lien Credit Parties’ Event of Default stating that the Post-Carve Out Trigger Notice Cap has been invoked.</p> <p><u>Carve Out Reserves.</u> On the day on which a Carve Out Trigger Notice is given by the First Lien Credit Agent to the Debtors, the Carve Out Trigger Notice shall constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Estate Professional Fees. The Debtors shall deposit and hold cash in an amount equal to the then unpaid amounts of the Estate Professional Fees in a segregated account at the First Lien Credit Agent in trust to pay any then-unpaid Estate Professional Fees (the “Pre-Carve Out Trigger Notice Reserve”) prior to any and all other claims. On the day on which a Carve Out Trigger Notice is given by the First Lien Credit Agent to the Debtors, the Carve Out Trigger Notice shall also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtors shall deposit and hold such amounts in a segregated account at the First Lien Credit Agent in trust to pay such Estate Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the “Post-Carve Out Trigger Notice Reserve,” and, together with the Pre-Carve Out Trigger Notice Reserve, the “Carve Out Reserves”) prior to any and all other claims. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the “Pre-Carve Out Amounts”), but not, for the avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the Prepetition First Lien Creditors under the First Lien Documents in accordance with their rights and priorities as of the Petition Date. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the “Post-Carve Out Amounts”), and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the Prepetition First Lien Creditors under the First Lien Documents in accordance with their rights and priorities as of the Petition Date. Notwithstanding anything to the contrary in this Interim Order, if either of the Carve Out Reserves are not funded in full in the amounts set forth in this paragraph 11, then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out</p>	

Material Terms	Summary of Material Terms	Provision
	<p>Amounts, respectively, shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in this paragraph 11, prior to making any payments to the Prepetition First Lien Creditors. Notwithstanding anything to the contrary in the Prepetition Secured Documents or this Interim Order, following delivery of a Carve Out Trigger Notice, the Prepetition Secured Agents and the Prepetition Secured Creditors shall not, and shall not direct any entity to, sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded. Further, notwithstanding anything to the contrary in this Interim Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute CEOC Secured Debt or increase or reduce the Prepetition Secured Obligations; (ii) the failure of the Carve Out Reserves to satisfy in full the Estate Professional Fees shall not affect the priority of the Carve Out; and (iii) in no way shall the Budget, the Budget Variance Report, the Carve Out, the Post-Carve Out Trigger Notice Cap, the Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Estate Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary herein or in this Interim Order or in any Prepetition Secured Documents, the Carve Out shall be senior to all liens and claims securing the Adequate Protection Liens and the Superpriority Claim, and any and all other forms of adequate protection, liens, or claims securing the Prepetition Secured Obligations.</p> <p><u>Payment of Estate Professional Fees Prior to the Carve Out Trigger Notice.</u> Any payment or reimbursement made prior to the delivery of the Carve Out Trigger Notice in respect of any Estate Professional Fees shall not reduce the Carve Out.</p> <p><u>Payment of Carve Out On or After Carve Out Trigger Notice.</u> Any payment or reimbursement made on or after the delivery of the Carve Out Trigger Notice in respect of any Estate Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis. Any funding or payment of the Carve Out shall be added to, and made a part of, the Prepetition Secured Obligations secured by the Collateral and shall be otherwise entitled to the protections granted under this Interim Order, the Prepetition Secured Documents, the Bankruptcy Code, and applicable law.</p> <p><u>No Lender Guaranty.</u> The Prepetition First Lien Creditors shall not be responsible for the direct payment or reimbursement of any of the Professional Persons incurred in connection with the Chapter 11 Cases or any Successor Cases. Nothing contained herein shall be construed (i) to obligate the Prepetition First Lien Creditors in any way to pay compensation to or reimburse expenses of any Professional Persons or member of any Committee, or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement; (ii) to increase the Carve Out if actual Estate Professional Fees allowed by this Court are higher in fact than the estimated fees and disbursements reflected in the Budget; or (iii) as a consent to the allowance of any professional fees or expenses of any Estate Professionals or shall affect the right of the Prepetition First Lien Creditors to object to the allowance and payment of such fees and expenses.</p> <p><u>Committee Investigation Budget.</u> The Interim Order provides that up to \$75,000 may be made available to any Committee (if appointed) to investigate the Prepetition First Lien Obligations, the Prepetition First Priority Liens and/or any potential Challenge (as defined below); provided that the Prepetition First Lien Creditors shall have the right to object to, contest, or otherwise challenge any</p>	

Material Terms	Summary of Material Terms	Provision
	claim for amounts incurred in connection with such activities on the grounds that such claim shall not be allowed, treated or payable as an administrative expense claim pursuant to section 1129(a)(9)(A) of the Bankruptcy Code; provided, further, that, nothing herein shall preclude the Committee from arguing that they are entitled to a larger budget.	
<p><b>Waiver/Modification of Automatic Stay</b></p> <p>[Fed. R. Bankr. P. 4001(b)(1)(B)(iii)]</p> <p>[Local Bankr. R. 4001-2(A)(2)(i); 4001-2(A)(3)]</p>	The Debtors seek authority to modify the automatic stay imposed under section 362(a) of the Bankruptcy Code is hereby modified as of the date hereof as necessary to effectuate all of the terms and provisions of this Interim Order, including, without limitation, to: (a) permit the Debtors to grant the Adequate Protection Liens and the Superpriority Claim; (b) permit the Debtors to perform such acts as the Prepetition First Lien Agents or Prepetition First Lien Creditors each may request in its reasonable discretion to assure the perfection and priority of the liens granted herein; (c) permit the Debtors to incur all liabilities and obligations to the Prepetition First Lien Creditors under this Interim Order; (d) authorize the Debtors to pay, and the Prepetition First Lien Creditors to retain and apply, payments made in accordance with the terms of this Interim Order; and (e) exercise of remedies in accordance with paragraph 9 of the Interim Order or as otherwise ordered by this Court.	¶¶ 5, 9
<p><b>Adequacy of Budget:</b></p> <p>[Local Bankr. R. 4001-2(A)(4)]</p>	The Debtors have reason to believe that the Budget will be adequate (inclusive of professional fees and disbursements) considering all available assets, to pay all administrative expenses due or accruing during the period covered by the Budget.	¶ 4(g)

**II. Provisions to be Highlighted Under Local Rule 4001-2(A)(2).**

14. Local Rule 4001-2(A)(2) requires a debtor to: (a) recite whether the proposed form of the cash collateral order contains certain provisions of the type enumerated therein; (b) identify the location of such provisions in the proposed cash collateral order; and (c) justify the inclusion of such provisions in the proposed cash collateral order (the “Highlighted Provisions”). The chart below summarizes the applicable terms of the Interim Order and, where required under Local Rule 4001-2(A)(2), provides a justification for the Interim Order’s inclusion of certain Highlighted Provisions.

Material Terms	Summary of Material Terms	Provision
<p><b>Cross Collateralization:</b></p> <p>[Local Bankr. R. 4001-2(A)(2)(a)]</p>	The Interim Order contains a grant of cross collateralization protection to the Secured Parties, <i>but as replacement liens or other adequate protection.</i>	¶ 4



Material Terms	Summary of Material Terms	Provision
<p><b>Investigation Periods:</b> [Local Bankr. R. 4001-2(A)(2)(b)]</p>	<p>The Interim Order contains a provision binding the estate and all parties in interest with respect to the validity, perfection, enforceability, and extent of certain creditors' prepetition lien and debt and the waiver of claims against such secured creditors, <i>but gives parties in interest at least 75 days from the entry of the order, and the Creditors' Committee, if formed, at least 60 days from the formation, to investigate such matters.</i></p>	<p>¶ 12</p>
<p><b>506(c) Waiver:</b> [Local Bankr. R. 4001-2(A)(2)(c)]</p>	<p>The Interim Order contains a waiver of rights the estate may have under section 506(c) of the Bankruptcy Code, <i>subject to entry of a Final Order.</i></p> <p>The Debtors believe this provision is a justified component of the adequate protection they have proposed to provide to the Prepetition Secured Creditors, which has been narrowly tailored to fit the circumstances of these chapter 11 cases and limited to entry of a final order. Similar waivers have been approved in cases in this jurisdiction. <u>See, e.g., In re XMH Corp. I (f/k/a Hartmarx Corp.)</u>, No. 09-02046 (BWB) (Bankr. N.D. Ill. Jan. 26, 2009) (approving waiver of section 506(c) claims).</p>	<p>¶¶ I, 15</p>
<p><b>Chapter 5 Causes of Action:</b> [Local Bankr. R. 4001-2(A)(2)(d)]</p>	<p>The Interim Order grants to the secured creditor liens on any proceeds or property recovered in respect of the Debtors' causes of action arising under sections 544, 545, 547, 548, and 550 of the Bankruptcy Code, <i>upon entry of a Final Order.</i></p> <p>The Debtors believe this provision is a justified component of the adequate protection they have proposed to provide to the Prepetition Secured Creditors upon entry of a final order. Similar grants have been approved in cases in this jurisdiction. <u>See, e.g., In re Ryan Int'l Airlines, Inc.</u>, No. 12-80802 (TML) (Bankr. N.D. Ill. Mar. 7, 2012) (approving grant of adequate protection lien on chapter 5 causes of action); <u>In re XMH Corp. I (f/k/a Hartmarx Corp.)</u>, No. 09-02046 (BWB) (Bankr. N.D. Ill. Jan. 26, 2009) (approving grant of adequate protection lien on chapter 5 causes of action subject to entry of final order).</p>	<p>¶ 4(a)</p>
<p><b>Prepetition Debt:</b> [Local Bankr. R. 4001-2(A)(2)(e)]</p>	<p>The Interim Order contains no provision deeming prepetition secured debt to be postpetition debt or using postpetition loans from a prepetition secured creditor to pay that creditor's prepetition debt.</p>	<p>None</p>
<p><b>Carve Out:</b> [Local Bankr. R. 4001-2(A)(2)(f)]</p>	<p>The Interim Order contains a Carve Out for the benefit of professionals retained by the Debtors and any statutory committee appointed in these chapter 11 cases, <i>but providing no disparate treatment with respect to such committee's professionals.</i></p>	<p>¶ 11</p>
<p><b>Nonconsensual Priming Liens:</b> [Local Bankr. R. 4001-2(A)(2)(g)]</p>	<p>The Interim Order contains no provisions that prime any secured lien.</p>	<p>None</p>

Material Terms	Summary of Material Terms	Provision
<p><b><u>Lender Liability Declaration:</u></b> [Local Bankr. R. 4001-2(A)(2)(h)]</p>	<p>The Interim Order contains a declaration that the proposed order does not impose lender liability on any secured creditor.</p> <p>The Debtors believe this provision is justified in light of the consideration provided by the Prepetition Secured Creditors. Similar provisions have been approved in cases in this jurisdiction. <u>See, e.g., In re Ryan Int'l Airlines, Inc.</u>, No. 12-80802 (TML) (Bankr. N.D. Ill. Mar. 7, 2012) (releasing secured lender and its affiliates from any lender liability claims); <u>In re XMH Corp. I (f/k/a Hartmarx Corp.)</u>, No. 09-02046 (BWB) (Bankr. N.D. Ill. Jan. 26, 2009) (same).</p>	<p>¶ 16</p>
<p><b><u>Stay Modification:</u></b> [Local Bankr. R. 4001-2(A)(2)(i)]</p>	<p>The Interim Order contains a grant to the lender of relief from the automatic stay without further order of the court to allow the parties to take all actions to implement the terms of the order.</p> <p>The Debtors believe this provision is a justified component of the adequate protection they have proposed to provide to the Prepetition Secured Creditors, particularly in light of the applicable First Lien Credit Parties' Remedies Notice Period, during which the Debtors may use Cash Collateral in accordance with the terms and provisions of the Interim Order. Similar modifications have often been approved in cases in this jurisdiction. <u>See, e.g., In re Ryan Int'l Airlines, Inc.</u>, No. 12-80802 (TML) (Bankr. N.D. Ill. Mar. 7, 2012) (approving stay modification for purposes of implementing cash collateral order and enforcing remedies); <u>In re XMH Corp. I (f/k/a Hartmarx Corp.)</u>, No. 09-02046 (BWB) (Bankr. N.D. Ill. Jan. 26, 2009); <u>In re Nat'l Terrazzo, Inc.</u>, No. 06-11292 (PSH) (Bankr. N.D. Ill. Oct. 5, 2006) (same); <u>In re Mid-City Parking, Inc.</u>, No. 04-45177 (JPC) (Bankr. N.D. Ill. Jan. 6, 2005) (same).</p>	<p>¶¶ 5; 9</p>
<p><b><u>Joint and Several Liability:</u></b> [Local Bankr. R. 4001-2(A)(2)(j)]</p>	<p>The Interim Order contains no provision for joint and several liability on loans.</p>	<p>None</p>

**Overview of the Debtors' Prepetition Indebtedness**

15. The Debtors have a large, complex capital structure with several levels of secured and unsecured obligations in numerous tranches and with varying interest rates and maturities. As of the Petition Date, the Debtors' consolidated long-term debt obligations totaled approximately \$18.4 billion and consisted of, among other things, funded debt under the First Lien Credit Agreement, the First Lien Notes, the Second Lien Notes, the Senior Unsecured Notes, and the Subsidiary Guaranteed Notes (each as defined below) as well as obligations under

interest rate swaps, capital leases, and to unsecured creditors. The following is a brief summary of the primary components of the Debtors' prepetition funded debt obligations.

**I. The First Lien Credit Agreement.**

16. As of the Petition Date, the Debtors have approximately (a) \$5.35 billion in principal amounts outstanding pursuant to several senior secured term loan facilities, in various tranches and with varying interest rates (the "First Lien Term Loan Facility") and (b) \$100.3 million in committed outstanding letters of credit pursuant to a senior secured revolving credit facility (the "First Lien Revolving Facility," and together with the First Lien Term Loan Facility, the "First Lien Credit Facility").<sup>5</sup> Additionally, the First Lien Credit Parties and CEC are party to a guaranty and pledge agreement, dated as of July 25, 2014 (as amended and restated, modified, or supplemented from time to time, the "First Lien Guaranty and Pledge Agreement") whereby CEC agreed to, among other things, guarantee certain obligations arising under the First Lien Credit Agreement pursuant to the terms and conditions thereof. The obligations arising under the First Lien Credit Agreement are secured by first priority liens on the "Collateral" (as defined in the First Lien Credit Agreement) (the "Prepetition First Lien Collateral"). The Prepetition First Lien Collateral includes substantially all of the Debtors' assets, including for example, cash, accounts, deposit accounts, equipment, general intangibles, inventory, intellectual property, certain commercial tort claims, and all proceeds thereof.

---

<sup>5</sup> The terms of the First Lien Credit Facility are set forth in that certain Third Amended and Restated Credit Agreement, dated as of July 25, 2014 (as amended, modified, or supplemented and in effect immediately prior to the Petition Date, the "First Lien Credit Agreement"), by and among CEOC, as borrower, CEC, as holdings, Credit Suisse AG, Cayman Islands Branch, as administrative and collateral agent (the "First Lien Credit Agent"), and the lenders that are parties thereto from time to time (the "First Lien Lenders," and together, the "First Lien Credit Parties").

However, certain collateral, such as the Debtors' cash held in casino cages, is not subject to any lien or encumbrance in order to comply with various federal and state gaming regulations.

## II. The First Lien Notes.

17. As of the Petition Date, the Debtors have approximately \$6.35 billion in principal amounts outstanding under various series of first lien notes (the "First Lien Notes").<sup>6</sup> The First Lien Notes are also secured by a first priority lien on the First Lien Prepetition Collateral, subject

---

<sup>6</sup> The terms of the First Lien Notes are set forth in: (a) that certain Indenture, dated as of June 10, 2009 (as amended, modified, waived, and/or supplemented from time to time, the "11.25% First Lien Notes Indenture"), by and among CEOC, CEC, Caesars Operating Escrow LLC, a Delaware limited liability company formerly known as Harrah's Operating Escrow LLC ("Escrow LLC"), Caesars Escrow Corporation, a Delaware corporation formerly known as Harrah's Escrow Corporation ("Escrow Corporation," and together with Escrow LLC, the "Escrow Issuers"), and U.S. Bank, National Association, in its capacity as indenture trustee under the First Lien Notes Indentures, and any successors in such capacity (the "First Lien Notes Indenture Trustee," and together with the First Lien Credit Agent, the "Prepetition First Lien Agents"); (b) that certain Second Supplemental Indenture, dated as of September 11, 2009 (as amended, modified, waived, and/or supplemented from time to time, the "11.25% First Lien Notes Second Supplemental Indenture"), by and among CEOC, CEC and the First Lien Notes Indenture Trustee; (c) that certain Indenture, dated as of February 14, 2012 (as amended, modified, waived, and/or supplemented from time to time, the "8.50% First Lien Notes Indenture"), by and between CEOC, the Escrow Issuers, CEC, and the First Lien Notes Indenture Trustee; (d) that certain Indenture, dated as of August 22, 2012 (as amended, modified, waived, and/or supplemented from time to time, the "9.00% First Lien Notes Indenture"), by and among the Escrow Issuers, CEC, and the First Lien Notes Indenture Trustee; (e) that certain Additional Notes Supplemental Indenture, dated as of December 13, 2012 (as amended, modified, waived, and/or supplemented from time to time, the "9.00% First Lien Notes Additional Notes Supplemental Indenture"), by and among the Escrow Issuers, CEC, and the First Lien Notes Indenture Trustee; and (f) that certain Indenture, dated as of February 15, 2013 (as amended, modified, waived, and/or supplemented from time to time, the "9.00% First Lien Notes February 2013 Indenture," and together with the 11.25% CEOC First Lien Notes Indenture, the 11.25% CEOC First Lien Notes Second Supplemental Indenture, the 8.50% CEOC First Lien Notes Indenture, the 9.00% CEOC First Lien Notes Indenture, the 9.00% CEOC First Lien Notes Additional Notes Supplemental Indenture and the 9.00% CEOC First Lien Notes February 2013 Indenture, the "First Lien Notes Indentures"), between the Escrow Issuers, CEC and the First Lien Notes Indenture Trustee, notes (the "9.00% Senior Secured Notes due 2020 (2013)"). The "First Lien Noteholders" means the holders of the First Lien Notes (together with the First Lien Notes Indenture Trustee, the "First Lien Noteholder Parties," and together with the "Prepetition First Lien Credit Parties, the "Prepetition First Lien Creditors").

to the same regulatory carve-outs as the First Lien Credit Facility. Pursuant to the First Lien Intercreditor Agreement (discussed in detail below), the liens on the Prepetition First Lien Collateral securing the obligations under the First Lien Credit Facility and the First Lien Notes are of equal priority.

### **III. The Second Lien Notes.**

18. As of the Petition Date, the Debtors have approximately \$5.24 billion in principal amounts outstanding under various series of second lien notes (the “Second Lien Notes”).<sup>7</sup> The Second Lien Notes are secured by second priority liens in the “Collateral” (as defined in the Second Lien Indentures), subject to the same regulatory carve-outs in the First Lien Credit Agreement and First Lien Indentures (the “Prepetition Second Lien Collateral”). The Prepetition Second Lien Collateral includes much of the same collateral as the Prepetition First Lien Collateral. However, the Second Lien Collateral does not include equity pledges. Moreover, the Second Lien Indentures did not require the Debtors to take additional steps to perfect liens on certain collateral. For example, the pledgors under the Second Lien Notes were not required to enter into account control agreements with the Second Lien Agent. Because section 9-312 of the

---

<sup>7</sup> The terms of the Second Lien Notes are set forth in: (a) that certain Indenture, dated as of April 16, 2010 (as amended, modified, waived, and/or supplemented from time to time, the “12.75% CEOC Second Lien Notes Indenture”), by and among the Escrow Issuers, CEC, and U.S. Bank, National Association, in its capacity as indenture trustee under the Second Lien Notes Indentures and collateral agent, and any successors in such capacity (the “Second Lien Agent,” and together with the Prepetition First Lien Agents, the “Prepetition Secured Agents”); (b) that certain Indenture, dated as of December 24, 2008 (as amended, modified, waived, and/or supplemented from time to time, the “10.00% Second Lien Notes 2008 Indenture”), by and among CEOC, CEC and the Second Lien Agent; (c) that certain Indenture, dated as of April 15, 2009 (as amended, modified, waived, and/or supplemented from time to time, the “10.00% Second Lien Notes 2009 Indenture,” and together with the 12.75% Second Lien Notes Indenture and the 10.00% Second Lien Notes 2008 Indenture, the “Second Lien Notes Indentures,” and the holders thereunder, the “Second Lien Noteholders” (together with the Second Lien Agent, the “Second Lien Noteholder Parties”). The “Prepetition Secured Creditors” means the Prepetition First Lien Creditors and the Second Lien Noteholder Parties.

Uniform Commercial Code requires “control” for a security interest in a deposit account to be perfected, and the Second Lien Noteholder Parties did not have such control, the Debtors believe that the Second Lien Noteholder Parties do not have a perfected security interest in the Debtors’ deposit accounts.

**IV. The Unsecured Obligations.**

19. In addition to the above secured obligations, as of the Petition Date, the Debtors have (a) approximately \$479 million in principal amounts outstanding under various senior unsecured subsidiary-guaranteed notes (the “Subsidiary-Guaranteed Notes”),<sup>8</sup> (b) approximately \$530 million in principal amount outstanding under various senior unsecured notes (the “Senior Unsecured Notes”),<sup>9</sup> and (c) approximately \$430 million in other obligations.

**V. Intercreditor Agreements.**

20. Prior to the Petition Date, certain of the Prepetition Secured Creditors entered into various intercreditor agreements, which generally provide for the rights, remedies, and priorities among the Prepetition Secured Creditors. The following is a summary of the relevant provisions of those agreements as they relate to the Debtors’ use of Cash Collateral and adequate protection.

---

<sup>8</sup> The terms of the Subsidiary-Guaranteed Notes are set forth in that certain Indenture, dated as of February 1, 2008 (as amended, modified, waived, and/or supplemented from time to time, the “Subsidiary-Guaranteed Notes Indenture”), by and among CEOC, the Note Guarantors, and U.S. Bank National Association, in its capacity as indenture trustee under the Subsidiary-Guaranteed Notes Indenture (the “Subsidiary-Guaranteed Notes Indenture Trustee”).

<sup>9</sup> The terms of the Senior Unsecured Notes are set forth in: (a) that certain Indenture, dated as of June 9, 2006 (as amended, modified, waived, and/or supplemented from time to time, the “6.5% Senior Unsecured Notes Indenture”), by and among CEOC, CEC, and U.S. Bank National Association, in its capacity as indenture trustee under the 6.5% Senior Notes Indenture (the “Senior Unsecured Notes Trustee”); and (b) that certain Indenture, dated as of September 28, 2005 (as amended, modified, waived, and/or supplemented from time to time, the “5.75% Senior Unsecured Notes Indenture,” and together with the 6.5% Senior Unsecured Notes Indenture, the “Senior Unsecured Notes Indentures”), by and among CEOC, CEC, and the Senior Unsecured Notes Trustee.

**A. The First Lien Intercreditor Agreement.**

21. The Prepetition First Lien Agents, and other parties thereto from time to time, entered into that certain First Lien Intercreditor Agreement, dated as of June 10, 2009 (as amended, restated, modified, and supplemented from time to time, the “First Lien Intercreditor Agreement”). CEOC and CEC consented to the First Lien Intercreditor Agreement.

22. Pursuant to section 2.05(b) of the First Lien Intercreditor Agreement, any First Lien Credit Party may oppose or object to the use of cash collateral until the First Lien Credit Facility is paid in full. The First Lien Noteholder Parties, however, have agreed that they will not object to the use of cash collateral so long as: (a) the First Lien Credit Parties do not object to such use; (b) all Prepetition First Lien Creditors are granted liens on any additional collateral pledged to any Prepetition First Lien Creditor as adequate protection, with the same priority vis-a-vis the First Lien Intercreditor Agreement; and (c) the proceeds of any adequate protection granted, including periodic payments, are applied pursuant to the terms of the First Lien Intercreditor Agreement.<sup>10</sup> Moreover, section 2.02 of the First Lien Intercreditor Agreement provides that only the First Lien Credit Agent, acting in its capacity as “Collateral Agent” under

---

<sup>10</sup> First Lien Intercreditor Agreement as Section 2.05(b) (“If any Grantor shall become subject to a case (a “Bankruptcy Case”) under the Bankruptcy Code and shall, as debtor(s)-in-possession, move for approval of . . . the use of cash collateral under Section 363 of the Bankruptcy Code, each First Lien Secured Party (other than any Controlling Secured Party or any Authorized Representative of any Controlling Secured Party) agrees that it will raise no objection to . . . any use of cash collateral that constitutes Shared Collateral, unless any Controlling Secured Party, or an Authorized Representative of any Controlling Secured Party, shall then oppose or object to such . . . use of cash collateral . . . in each case so long as . . . (B) the First Lien Secured Parties of each Series are granted Liens on any additional collateral pledged to any First Lien Secured Parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral, with the same priority vis-a-vis the First Lien Secured Parties as set forth in this Agreement, . . . and (D) if any First Lien Secured Parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing or use of cash collateral, the proceeds of such adequate protection is applied pursuant to Section 2.01(a) of this Agreement . . .”).

the First Lien Credit Agreement and First Lien Intercreditor Agreement, may take any action with respect to the Prepetition First Lien Collateral, and is prohibited from taking any direction from the any other Prepetition First Lien Creditor.<sup>11</sup>

**B. The Second Lien Intercreditor Agreement.**

23. The Prepetition First Lien Agents and the Second Lien Agent entered into that certain Second Lien Intercreditor Agreement, dated as of December 24, 2008 (as amended, restated, modified, and supplemented from time to time, the “Second Lien Intercreditor Agreement”). CEOC acknowledged the Second Lien Intercreditor Agreement.<sup>12</sup>

24. Sections 6.1 and 6.3 of the Second Lien Intercreditor Agreement expressly prohibit the Second Lien Noteholder Parties from contesting the Debtors’ use of Cash Collateral

---

<sup>11</sup> First Lien Intercreditor Agreement at Section 2.02: (“(a) With respect to any Shared Collateral, (i) notwithstanding Section 2.01, only the Collateral Agent shall act or refrain from acting with respect to the Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), and then only on the instructions of the Applicable Authorized Representative, (ii) the Collateral Agent shall not follow any instructions with respect to such Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral) from any Non-Controlling Authorized Representative (or any other First Lien Secured Party other than the Applicable Authorized Representative) and (iii) no Non-Controlling Authorized Representative or other First Lien Secured Party (other than the Applicable Authorized Representative) shall or shall instruct the Collateral Agent to, commence any judicial or nonjudicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any Shared Collateral (including with respect to any intercreditor agreement with respect to any Shared Collateral), whether under any First Lien Security Document, applicable law or otherwise, it being agreed that only the Collateral Agent, acting on the instructions of the Applicable Authorized Representative and in accordance with the applicable First Lien Security Documents, shall be entitled to take any such actions or exercise any such remedies with respect to Shared Collateral.

<sup>12</sup> See Second Lien Intercreditor Agreement at section 8.16, which provides that CEOC is “an intended beneficiary and third party beneficiary hereof with the right and power to enforce with respect to Sections 5.1, 5.3, 5.7, 8.3, 8.16 and 8.22 and Article VI hereof and as otherwise provided herein.”



if the Prepetition First Lien Creditors consent to its use.<sup>13</sup> Moreover, even if the Prepetition First Lien Creditors do not consent to the use of Cash Collateral, the Second Lien Agent and Second Lien Noteholders are still limited in the actions they may take. In particular, section 6.3 of the Second Lien Intercreditor Agreement provides that, to the extent that the Prepetition First Lien Creditors (or any subset thereof) are granted adequate protection in the form of additional collateral, the only adequate protection that the Second Lien Noteholder Parties may seek is a replacement lien on such additional collateral, which will be subordinated to the Prepetition First Lien Creditors' Adequate Protection Liens.<sup>14</sup>

---

<sup>13</sup> See Second Lien Intercreditor Agreement at section 6.1 (“If the Company or any other Grantor shall be subject to any Insolvency or Liquidation Proceeding and any First Lien Agent shall desire to permit the use of cash collateral . . . , then each Second Priority Agent, on behalf of itself and each applicable Second Priority Secured Party, agrees that it will raise no objection to, and will not support any objection to, and will not otherwise contest (a) such use of cash collateral or DIP Financing and will not request adequate protection or any other relief in connection therewith (except to the extent permitted by Section 6.3) . . . .”); Second Lien Intercreditor Agreement at section 6.3 (“Each Second Priority Agent, on behalf of itself and each applicable Second Priority Secured Party, agrees that none of them shall contest (or support any other Person contesting) (a) any request by any First Lien Agent or Senior Lenders for adequate protection or (b) any objection by any First Lien Agent or Senior Lenders to any motion, relief, action or proceeding based on such First Lien Agent’s or the Senior Lenders’ claiming a lack of adequate protection.”).

<sup>14</sup> See Second Lien Intercreditor Agreement at section 6.3 (Notwithstanding the foregoing, in any Insolvency or Liquidation Proceeding, (i) if the Senior Lenders (or any subset thereof) are granted adequate protection in the form of additional collateral in connection with any DIP Financing or use of cash collateral under Section 363 or Section 364 of Title 11 of the United States Code or any similar Bankruptcy Law, then each Second Priority Agent, on behalf of itself and any applicable Second Priority Secured Party, (A) may seek or request adequate protection in the form of a replacement Lien on such additional collateral, which Lien is subordinated to the Liens securing the Senior Lender Claims and such DIP Financing (and all Obligations relating thereto) on the same basis as the other Liens securing the Second Priority Claims are so subordinated to the Liens securing Senior Lender Claims under this Agreement and (B) agrees that it will not seek or request, and will not accept, adequate protection in any other form . . . .”).

### **Basis for Relief**

#### **I. The Debtors' Need for Immediate Access to Cash Collateral.**

25. The Debtors' access to Cash Collateral is absolutely necessary to preserve and maximize value for the Debtors' stakeholders. See Eisenberg Declaration at ¶¶ 5, 15. The Debtors' use of Cash Collateral in the ordinary course of business is essential to ensuring smooth, continued operations, including procurement of goods and services from vendors, payment of their employees, and satisfaction of other working capital needs. See id. at ¶ 5. Absent approval of the Interim Order, the Debtors will be unable to generate revenue, operate their businesses, or pay the thousands of individuals who report to work each day, or fund their reorganization process, resulting in immediate and irreparable harm to the Debtors' estates. See id. The Debtors, therefore, believe that immediate authority to use Cash Collateral as set forth in this Motion and in the Interim Order is necessary to prevent immediate and irreparable harm to the Debtors' estates. See id. at ¶ 15.

### **Supporting Authority**

#### **I. The Prepetition Secured Creditors' Interests in the Prepetition Collateral are Adequately Protected.**

26. The Debtors' use of property of their estates is governed by section 363 of the Bankruptcy Code, which provides in pertinent part that a debtor in possession "may use property of the estate in the ordinary course of business without notice or a hearing." See 11 U.S.C. § 363(c)(1). Section 363(c)(2)(A) of the Bankruptcy Code more specifically permits a debtor in possession to use cash collateral with the consent of the secured party or with court authorization in accordance with, among other things, section 363(e) of the Bankruptcy Code. Section 363(e) of the Bankruptcy Code in turn requires that the debtor adequately protect the secured creditors'

interest in property to be used by a debtor against any diminution in value of such interest resulting from the debtor's use of the property during a chapter 11 case.

27. Section 361 of the Bankruptcy Code provides a non-exhaustive list of examples of what may constitute adequate protection under section 363: (1) periodic cash payments; (2) additional or replacement liens; or (3) any other relief that will result in the party's realization of the "indubitable equivalent" of its interest in the property. See 11 U.S.C. § 361. The determination of whether there is adequate protection requires a fact-specific inquiry and must be decided on a case-by-case basis. See, H.R. Rep. No. 595, 95th Cong., 2d Sess. at 339 (1978) (adequate protection is to be "left to case-by-case interpretation and development."); see also, In re EES Lambert Assocs., 62 B.R. 328, 343 (Bankr. N.D. Ill. 1986) (noting the "case by case development of adequate protection"). In order to facilitate the likelihood of reorganization, courts should be flexible in the application of the adequate protection standard. See, e.g., In re Martin, 761 F.2d 472, 476 (8th Cir. 1985) (noting that diminution in value was to be considered a flexible concept); In re George Ruggiere Chrysler-Plymouth, Inc., 727 F.2d 1017, 1019 (10th Cir. 1984) (explaining the Bankruptcy Code's attempt to balance the protection of a secured creditor's property interests against a debtor's need to use cash in order to meet daily operating expenses and promote the "congressional policy favoring rehabilitation over economic failure").

**A. The Debtors Are Providing a Substantial Adequate Protection Package to Safeguard the Prepetition Secured Creditors' Interests.**

28. The Debtors will provide the Prepetition Secured Creditors with a robust adequate protection package. See id. at ¶ 8. This adequate protection package includes: (a) replacement liens on substantially all of the Debtors' assets to the extent there is any diminution in value in the Prepetition Secured Creditors' interests; (b) allowed super-priority administrative claims to the Prepetition First Lien Creditors; (c) monthly adequate protection payments at a rate of 1.5%

per year to the Prepetition First Lien Creditors and payment; (d) payment on a pro rata basis to the Prepetition First Lien Creditors of all remaining Available Cash; (e) agreement to operate in the ordinary course consistent with the terms of an agreed-upon cash flow forecast; (f) a defined path to emergence; and (g) payment of the Prepetition First Lien Agents' and the First Lien Group's reasonable and documented fees and expenses, and access to the Debtors' books and records and other financial reporting for the professional advisors of the Prepetition First Lien Agents and the First Lien Groups. See id.; Interim Order at ¶ 4.

*1. The Adequate Protection Liens Provide Substantial Additional Value to the Prepetition Secured Creditors.*

29. The Debtors will provide the Prepetition Secured Creditors — both the Prepetition First Lien Creditors and the Second Lien Noteholders — with replacement liens on substantially all of the Debtors' assets to the extent of any diminution in value of the Prepetition Secured Creditors' respective interests in their prepetition collateral. See Interim Order at ¶ 4(a). The First Priority Adequate Protection Liens will rank in the same relative priority and right as do the respective security interests and liens of the respective first lien facilities, as provided in the First Lien Intercreditor Agreement, and will be subject and subordinate only to the Carve Out. See id. The Second Lien Adequate Protection Liens will be junior and subordinate in all respects to (i) the Carve Out and (ii) the First Priority Adequate Protection Liens, as provided in the Second Lien Intercreditor Agreement.<sup>15</sup> See id. Importantly, the Adequate Protection Liens provide the Prepetition Secured Creditors with significant value that they may not otherwise be entitled to under the Prepetition Secured Documents. See Eisenberg Declaration at ¶ 9.

---

<sup>15</sup> As set forth above, the Debtors do not believe that the Second Lien Noteholders have any lien in the Debtors' Cash Collateral; nevertheless, the Debtors still have provided the Second Lien Noteholders with junior adequate protection liens to the extent their interest—if any—in the Cash Collateral suffers a diminution in value.

30. The Adequate Protection Liens will provide substantial additional value to the Prepetition Secured Creditors to the extent there is any diminution in value of the Prepetition First Lien Collateral or the Prepetition Second Lien Collateral. See id. For example, certain Debtors are not obligors or guarantors under the Prepetition Secured Documents, but will grant Adequate Protection Liens to the Prepetition Secured Creditors.<sup>16</sup> Thus, the postpetition collateral is even more expansive than the prepetition collateral as it includes liens on the assets of additional Debtor entities, and therefore additional value that the Prepetition Secured Creditors would not otherwise have been able to access.<sup>17</sup> See id.

---

<sup>16</sup> The following Debtors are not obligors or guarantors pursuant to the Prepetition Secured Documents: Caesars Escrow Corporation (f/k/a Harrah's Escrow Corporation); Caesars Operating Escrow LLC (f/k/a Harrah's Operating Escrow LLC); Corner Investment Company Newco, LLC; Harrah's Maryland Heights Operating Company; BPP Providence Acquisition Company, LLC; Caesars Air, LLC; Caesars Baltimore Development Company, LLC; Caesars Massachusetts Acquisition Company, LLC; Caesars Massachusetts Development Company, LLC; Caesars Massachusetts Investment Company, LLC; Caesars Massachusetts Management Company, LLC; CG Services, LLC; Christian County Land Acquisition Company, LLC; CZL Management Company, LLC; HIE Holdings Topco, Inc.; PH Employees Parent LLC; PHW Investments, LLC; Octavius Linq Holding Co., LLC; Caesars Baltimore Acquisition Company, LLC; Caesars Baltimore Management Company, LLC; PHW Las Vegas, LLC; 3535 LV Parent, LLC; Bally's Las Vegas Manager, LLC; Cromwell Manager, LLC; JCC Holding Company II Newco, LLC; Laundry Parent, LLC; LVH Parent, LLC; Parball Parent, LLC; The Quad Manager, LLC; and Des Plaines Development Limited Partnership.

<sup>17</sup> Additionally, the First Lien Credit Facility is backed by a secured guaranty from the non-Debtor entity, CEC. Courts recognize that, in appropriate circumstances, a guaranty by a third party may provide sufficient adequate protection. See, H.R. REP. 95-595, 95th Cong., 1st Sess. at at 339 (1977) (“another form of adequate protection might be the guarantee by a third party . . . .”); see also, In re Lombardo’s Ravioli Kitchen, Inc., No. 08-20774 (ASD), 2009 WL 585814, at \*4 (Bankr. D. Conn. Feb. 20, 2009) (holding secured creditor adequately protected because of guaranties by various government agencies and secured personal guaranties by debtor’s principals); In re Diaconx Corp., 69 B.R. 333, 339 (Bankr. E.D. Pa. 1987) (“[p]articularly when a guaranty is secured, it may be a component of an adequate protection package.”). Courts are more inclined to find adequate protection where the guaranty is secured by substantial assets. See, e.g., In re T.H.B. Corp., 85 B.R. 192, 194 (Bankr. D. Mass. 1988) (holding that a non-debtor guaranty secured by property of substantial value provided adequate protection for debtor’s use of secured creditor’s cash

31. Additionally, the Debtors will grant Adequate Protection Liens on assets that may otherwise be cut off pursuant to section 552(a) of the Bankruptcy Code. Under section 552(a) of the Bankruptcy Code, “postpetition revenue is not cash collateral” unless it falls into one of the narrow exceptions set forth in section 552(b) of the Bankruptcy Code. Section 552(b) of the Bankruptcy Code allows a perfected prepetition security interest to extend to “proceeds, products, offspring, or profits” of prepetition collateral and “amounts paid as rents” of prepetition collateral if the prepetition interest expressly included such property — otherwise, the postpetition revenue is unencumbered. See 11 U.S.C. § 552(b). To qualify as a “proceed,” the property must “necessarily derive[] from the sale, exchange or other dispensation of other encumbered property.” See e.g., In re Bering Trader, 944 F.2d 500, 502 (9th Cir. 1991); see also, U.C.C. § 9-102(a)(64) (2001) (defining proceeds as “whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral . . .”). Here, the Prepetition Secured Creditors may not have an interest in cash generated from the use of encumbered gaming equipment pursuant to section 552(b) of the Bankruptcy Code. See e.g., In re Wright Group, Inc., 443 B.R. 795 (Bankr. N.D. Ind. 2011) (proceeds from postpetition admission payments to debtors’ miniature golf park were unencumbered under section 552 of the Bankruptcy Code notwithstanding the fact that the lender had a perfected security interest in the tangible property used (*e.g.*, the putters, golf balls, scorecards, and pencils, among other tangible property)), In re Premier Golf Props., LP, 477 B.R. 767, 772 (B.A.P. 9th Cir. 2012) (holding that “revenue . . . is not produced from the [real property] as much as generated by other services that are performed on the [real property], and therefore, is not rents”); see also, Dawn M. Cica and Laury Macauley,

---

collateral) (*rejected on other grounds*). Here, CEC is an asset-rich entity that provides further adequate protection to the First Lien Lenders from diminution in value of their interest in the Prepetition First Lien Collateral.

When Gaming Goes Heads Up with the Bankruptcy Code: Unique Restructuring Issues for Gaming Businesses in Difficult Economic Times, 3 UNLV Gaming L.J. 23 (2012) (discussing 552(b) in the context of proceeds from gaming equipment). The Debtors, nevertheless, have provided the Prepetition Secured Creditors with an adequate protection replacement lien in such proceeds.

2. *The Superpriority Claims Protect Against Diminution in Value.*

32. The Debtors will provide the Prepetition First Lien Creditors with superpriority administrative claims pursuant to section 507(b) of the Bankruptcy Code. See Interim Order at ¶ 4(b). These claims will have priority over all administrative expenses of any kind, subject only to the Carve Out. The Superpriority Claims are allowed against *all* Debtors — thus, the Prepetition First Lien Creditors again obtain the additional value of having recourse against Debtors not originally obligated under the First Lien Documents.

3. *The Adequate Protection Payments Provide Significant Value to the Prepetition First Lien Creditors Throughout the Chapter 11 Cases.*

33. The Debtors will provide the Prepetition First Lien Creditors with monthly adequate protection payments in cash at a rate equal to 1.5% per year of the aggregate amount of all Prepetition First Lien Obligations as of the Petition Date, as well as payment on a pro rata basis to the Prepetition First Lien Creditors of all remaining Available Cash upon the effective date of a plan of reorganization. See Interim Order at ¶ 4(d). Periodic cash payments are specifically provided in section 361 of the Bankruptcy Code as a form of adequate protection. The specific amount of adequate protection payments required under section 361(1) of the Bankruptcy Code depends on the facts of each case; however, courts are encouraged to apply the adequate protection standard flexibly. See, e.g., In re O'Connor, 808 F.2d 1393, 1398 (10th Cir. 1987); In re Martin, 761 F.2d 472, 476 (8th Cir. 1985). Given the various other forms of

adequate protection provided to the Prepetition First Lien Creditors, the Debtors believe that payments at a rate of 1.5% per annum are more than sufficient to protect against diminution in value.

4. *The Debtors Have Proposed to Comply with a Budget Approved by the Prepetition First Lien Creditors.*

34. The Debtors will continue to operate in the ordinary course of business consistent with agreed-upon cash flow forecast. See Interim Order at ¶ 4(g); Eisenberg Declaration at ¶ 8. Additionally, the Debtors will deliver, among other things, a budget variance report, financial information necessary to assess the Debtors' short and long term cash flow, and an annual operating budget to the First Lien Group during the interim period. Providing this financial information will ensure that the First Lien Group has sufficient information regarding the Debtors' financial performance and will provide assurance that the business remains on track.

5. *The Restructuring Support Agreement Provides a Path to Emergence, Maximizing Value for all Stakeholders.*

35. As discussed above, the Debtors have entered into a Restructuring Support Agreement with holders of approximately 80% of the principal amount outstanding under the First Lien Notes, creating a platform for their entry into chapter 11 and creating the framework for consensual resolution of these chapter 11 cases on a timely basis. See Memorandum in Support of Chapter 11 Petitions at Dkt. No. 4; Eisenberg Declaration at ¶ 13. Among other things, the Debtors have agreed to various milestones, incorporated into the Interim Order, for: (a) the approval of the Final Order; (b) the filing and approval of a motion to approve their Restructuring Support Agreement; (c) the filing of a plan and disclosure statement; (d) the approval of the disclosure statement; (e) confirmation of the plan; and (f) the Debtors' emergence from chapter 11, all under less than one year. See Interim Order at ¶ 8. The shorter



the time spent in chapter 11, the more value that is created and preserved for the benefit of the Prepetition Secured Creditors. See Eisenberg Declaration at ¶ 13.

36. Moreover, the Restructuring Support Agreement provides for substantial recoveries to the First Lien Lenders. While all of the First Lien Lenders have not yet agreed to support the Debtors' restructuring, the fact that the Debtors already contemplate significant recoveries to such First Lien Lenders is another form of adequate protection as it will hopefully facilitate constructive and quick dialogue among the various constituents to form the basis for further consensus. Id. at ¶ 13.

37. Finally, the Restructuring Support Agreement contemplates significant contributions from CEC in respect of various estate and other causes of action that have been asserted against it. See Memorandum in Support of Chapter 11 Petitions at Dkt. No. 4. The fact that there already exists a framework for resolution of what could be costly, protracted, and uncertain litigation is itself another form of adequate protection to the Prepetition Secured Creditors. Id.

6. *The Debtors' Stipulations are an Additional Form of Adequate Protection.*

38. Finally, the Debtors have also proposed to (a) stipulate as to the amount of the Prepetition Secured Creditors' obligations, and the validity and perfection of the Prepetition First Lien Creditors' prepetition liens, (b) pay the Prepetition First Lien Agents' and the First Lien Group's professional fees and expenses, and (c) provide the advisors to the Prepetition First Lien Agents and the First Lien Groups with access to the Debtors' books and records and provide other forms of information reporting. See Interim Order at ¶¶ 3, 4(c), and 4(f). This provides further comfort to the Prepetition First Lien Creditors that their interests will be protected during the pendency of these chapter 11 cases.

**B. The Debtors' Use of Cash Collateral will Also Increase the Value of the Prepetition Secured Creditors' Collateral, Including Cash Collateral.**

39. In addition, the Debtors are providing additional adequate protection because they intend to use the Cash Collateral to operate the business. Courts have held that a secured party's interest in collateral may be adequately protected when a debtor's continued use of such collateral in its operations generates a net positive return. See, e.g., Fed. Nat'l Mortg. Ass'n v. Dacon Bolingbrook Assocs. LP, 153 B.R. 204, 214 (N.D. Ill. 1993) (holding that creditor was adequately protected so long as the use of cash collateral went into the maintenance and operation of creditor's underlying collateral); In re Las Vegas Monorail Co., 429 B.R. 317, 341 (Bankr. D. Nev. 2010) (“[A debtor's] use of the cash it generates in its operations is itself a form of adequate protection. This is because [the debtor's] continued investment in, and operation of, the monorail will increase, or at least maintain, the collateral's value.”). Here, the Debtors' investment of cash into the business not only improves the value of the business, and therefore the prepetition collateral, but also creates additional Cash Collateral that will be subject to Adequate Protection Liens.

**II. The Intercreditor Agreements Prohibit Various Parties from Contesting the Use of Cash Collateral.**

40. In light of the foregoing, the Debtors believe that the Prepetition Secured Creditors are adequately protected. Therefore, pursuant to the Intercreditor Agreements discussed above, certain of the Prepetition Secured Creditors are prohibited from objecting to the Debtors' request for use of Cash Collateral.

**A. Second Lien Intercreditor Agreement.**

41. Sections 6.1 and 6.3 of the Second Lien Intercreditor Agreement expressly prohibit the Second Lien Noteholder Parties from contesting the Debtors' use of Cash Collateral if the Prepetition First Lien Creditors consent to its use.

42. Moreover, pursuant to section 6.3 of the Second Lien Intercreditor Agreement, even if the Prepetition First Lien Creditors do not consent to the Debtors' use of Cash Collateral, the Second Lien Intercreditor Agreement strictly limits the actions that the Second Lien Noteholder Parties can take. To the extent that the Court grants the Prepetition First Lien Creditors adequate protection in the form of replacement liens on additional collateral, section 6.3 of the Second Lien Intercreditor Agreement makes clear that the only adequate protection the Second Lien Noteholder Parties are entitled to is replacement liens on that additional collateral on a junior priority basis. The Debtors have already provided such junior priority liens, see Interim Order at ¶ 4(a), thus the Second Lien Noteholder Parties are prohibited from seeking any additional adequate protection.<sup>18</sup>

**III. The Debtors' Interim Use of the Cash Collateral Should Be Approved.**

43. Bankruptcy Rule 4001(b) provides that a final hearing on a motion to use Cash Collateral may not be commenced earlier than 14 days after service of such motion. The Court, however, is authorized to conduct an expedited hearing prior to the expiration of such 14-day period and to authorize the use of cash collateral where, as here, such relief is necessary to avoid immediate and irreparable harm to the debtor's estate.

44. In addition, Local Rule 4001-2(B) provides that the court shall not approve interim financing orders that include any of the provisions specified in Local Rule 4001-2(A)(2) "in the absence of extraordinary circumstances."

---

<sup>18</sup> In addition, pursuant to section 2.05(b) of the First Lien Intercreditor Agreement, nonconsenting First Lien Noteholders are prohibited from objecting to the use of Cash Collateral unless (a) the First Lien Credit Parties are objecting, and (b) the Prepetition First Lien Creditors are provided with Adequate Protection Liens and adequate protection payments that are inconsistent with the priorities of the First Lien Intercreditor Agreement. Moreover, nonconsenting First Lien Noteholders lack standing to object because they have no right to direct the Collateral Agent pursuant to the terms of the First Lien Intercreditor and First Lien Documents.

45. As set forth in detail herein and in the Eisenberg Declaration, without continued use of Cash Collateral, the Debtors will have no ability to operate their businesses. See Eisenberg Declaration at ¶ 15. As such, the Debtors respectfully submit that they have satisfied the requirements of Bankruptcy Rule 4001(b) and Local Rule 4001-2(B) to support entry of the Interim Order and immediate Cash Collateral availability pending the entry of the Final Order.

**IV. The Automatic Stay Should Be Modified on a Limited Basis.**

46. The proposed Interim Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified as necessary to effectuate the terms and provisions of the Interim Order. The Interim Order further provides that the automatic stay is modified and vacated to the extent necessary to permit the Prepetition Secured Creditors to exercise, upon an event of default under the Interim Order, certain rights and remedies provided for in the Interim Order.

47. Stay modifications of this kind are ordinary and standard features of adequate protection packages and, in the Debtors' business judgment, are reasonable under the circumstances of these chapter 11 cases. Courts in this district have granted similar relief in other recent chapter 11 cases. See, e.g., In re Ryan Int'l Airlines, Inc., No. 12-80802 (TML) (Bankr. N.D. Ill. Mar. 7, 2012) (approving stay modification for purposes of implementing cash collateral order and enforcing remedies); In re XMH Corp. I (f/k/a Hartmarx Corp.), No. 09-02046 (BWB) (Bankr. N.D. Ill. Jan. 26, 2009) (same); In re Nat'l Terrazzo, Inc., No. 06-11292 (PSH) (Bankr. N.D. Ill. Oct. 5, 2006) (same); In re Mid-City Parking, Inc., No. 04-45177 (JPC) (Bankr. N.D. Ill. Jan. 6, 2005) (same).<sup>19</sup>

---

<sup>19</sup> Contemporaneously herewith, the Debtors have submitted the "Required Statement" pursuant to Local Rule 4001-1.

**Request for Final Hearing**

48. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2) and Local Rule 4001-2(C), the Debtors request that the Court set a date for the Final Hearing that is as soon as practicable, but in no event later than 25 days following the entry of the Interim Order, and fix the time and date prior to the Final Hearing for parties to file objections to this Motion.

**The Requirements of Bankruptcy Rule 6003 Are Satisfied**

49. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date “to the extent that relief is necessary to avoid immediate and irreparable harm.” For reasons discussed above, authorizing the use of Cash Collateral and granting adequate protection to the Prepetition Secured Agents and Prepetition Secured Creditors and granting the other relief requested herein is integral to the Debtors’ ability to transition their operations into these chapter 11 cases. Failure to receive such authorization and other relief during the first 21 days of these chapter 11 cases would severely disrupt the Debtors’ operations at this critical juncture. For the reasons discussed herein, the relief requested is necessary in order for the Debtors to operate their business in the ordinary course and preserve the ongoing value of the Debtors’ operations and maximize the value of their estates for the benefit of all stakeholders. Accordingly, the Debtors submit that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

**Waiver of Bankruptcy Rule 6004(a) and 6004(h)**

50. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

**No Prior Request**

51. No prior request for the relief sought in this Motion has been made to this or any other court.

**Reservation of Rights**

52. Except as may otherwise be provided in the Interim Order upon entry, nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code. The Debtors expressly reserve their right to contest any claim related to the relief sought herein. Likewise, if the Court grants the relief sought herein, any payment made pursuant to an order of the Court is not intended to be nor should it be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to subsequently dispute such claim.

**Notice**

53. The Debtors have provided notice of this Motion to: (a) the Office of the United States Trustee for the Northern District of Illinois; (b) the entities listed on the Consolidated List of Creditors Holding the 50 Largest Unsecured Claims; (c) the administrative agent for the Debtors' credit facility; (d) the indenture trustees for each of the Debtors' secured and unsecured notes; (e) counsel to certain holders of claims against the Debtors regarding each of the foregoing referenced in clauses (c) and (d); (f) the state attorneys general for states in which the Debtors conduct business; (g) the Office of the United States Attorney for the Northern District of Illinois; (h) the Internal Revenue Service; (i) the Securities and Exchange Commission; (j) the gaming commissions for each of the states in which the Debtors operate or manage a casino; (k) counsel to CEC; and (l) any party that has requested notice pursuant to Bankruptcy Rule

2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**Waiver of Page Limit Restrictions**

54. Given the complexity of issues addressed herein, the Debtors respectfully request that the fifteen page limit established by Rule 5005-3(D) of the Local Rules be waived for this Motion.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WHEREFORE, the Debtors respectfully request entry of the Interim Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

Dated: January 15, 2015  
Chicago, Illinois

*/s/ David R. Seligman, P.C.*

---

James H.M. Sprayregen, P.C.

David R. Seligman, P.C.

**KIRKLAND & ELLIS LLP**

**KIRKLAND & ELLIS INTERNATIONAL LLP**

300 North LaSalle

Chicago, Illinois 60654

Telephone: (312) 862-2000

Facsimile: (312) 862-2200

- and -

Paul M. Basta, P.C.

Nicole L. Greenblatt

**KIRKLAND & ELLIS LLP**

**KIRKLAND & ELLIS INTERNATIONAL LLP**

601 Lexington Avenue

New York, New York 10022-4611

Telephone: (212) 446-4800

Facsimile: (212) 446-4900

*Proposed Counsel to the Debtors  
and Debtors in Possession*



**Exhibit A**

**Proposed Interim Order**

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

	)	
In re:	)	Chapter 11
	)	
CAESARS ENTERTAINMENT OPERATING COMPANY, INC., <i>et al.</i> , <sup>1</sup>	)	Case No. 15-01145 (ABG)
	)	
Debtors.	)	(Joint Administration Requested)
	)	

**INTERIM ORDER (I) AUTHORIZING USE OF CASH COLLATERAL,  
(II) GRANTING ADEQUATE PROTECTION, (III) MODIFYING THE  
AUTOMATIC STAY TO PERMIT IMPLEMENTATION; (IV) SCHEDULING  
A FINAL HEARING AND (V) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of this interim order (including each of the Budgets (as defined herein), (this “Interim Order”) and a final order (a “Final Order”) pursuant to sections 105, 361, 362, 363, 503, 506, 507, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), Rules 2002, 4001, 6003, 6004, 7052, and 9014 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 4001-1 and 4001-2 of the Local Rules of the United States Bankruptcy Court for the Northern District of Illinois (the “Local Rules”), *inter alia*:

- (i) authorizing the Debtors’ use of the Prepetition First Lien Collateral and Prepetition Second Lien Collateral (each as defined below), including the “cash collateral” (as

<sup>1</sup> The last four digits of Caesars Entertainment Operating Company, Inc.’s tax identification number are 1623. Due to the large number of Debtors in these chapter 11 cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://cases.primeclerk.com/CEOC>.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

defined in section 363(a) of the Bankruptcy Code, “Cash Collateral”) of the Prepetition Secured Agents and Prepetition Secured Creditors (each as defined below), on the terms and conditions set forth in this Interim Order;

(ii) providing adequate protection to the Prepetition Secured Agents and Prepetition Secured Creditors (each as defined below) for diminution in value of their respective interests in the Prepetition First Lien Collateral or Prepetition Second Lien Collateral, as relevant, including the Cash Collateral;

(iii) approving certain stipulations by the Debtors as set forth in this Interim Order with respect to the Prepetition Secured Obligations (as defined herein), and the liens and security interests relating thereto, subject to paragraph 12 herein;

(iv) subject to entry of the Final Order, waiving (x) any “equities of the case” claims under section 552(b) of the Bankruptcy Code and (y) any right to surcharge the Collateral (as defined herein) pursuant to section 506(c) of the Bankruptcy Code or other applicable law;

(v) vacating or modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of this Interim Order;

(vi) waiving any applicable stay (including under Bankruptcy Rule 6004) and provision for immediate effectiveness of this Interim Order; and

(vii) scheduling a final hearing (the “Final Hearing”) to consider the relief requested in the Motion and the entry of a Final Order, and approving the form of notice with respect to the Final Hearing;

in each case, in accordance with and subject to the express terms and conditions of this Interim Order.

Upon due and sufficient notice of the Motion and the interim hearing on the Motion (the “Interim Hearing”) having been provided by the Debtors; and the Interim Hearing having been held on \_\_\_\_\_; and after considering all the pleadings filed with this Court, the *Declaration of Randall S. Eisenberg, Chief Restructuring Officer of Caesars Entertainment Company, Inc. in Support of First Day Pleadings* and the *Declaration of Randall S. Eisenberg in Support of the Debtors’ Motion for Interim and Final Orders (I) Authorizing Use Of Cash Collateral, (II) Granting Adequate Protection, (III) Modifying The Automatic Stay, (IV) Scheduling A Final Hearing And (V) Granting Related Relief* ; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. § 1408; and upon the record made by the Debtors at the Interim Hearing; and the Court having found and determined that the relief sought in the Motion is fair and reasonable and in the best interests of the Debtors, their estates, creditors, and all parties in interest; and after due deliberation and consideration and good and sufficient cause appearing therefor, **THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:**<sup>3</sup>

A. Petition Date: On January 15, 2015, (the “Petition Date”), each of the Debtors filed a voluntary petition under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Illinois (this “Court”) commencing these chapter

---

<sup>3</sup> Findings of fact shall be construed as conclusion of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

11 cases (the “Chapter 11 Cases”). On \_\_\_\_\_, this Court entered an order approving the joint administration of the Chapter 11 Cases.

B. Debtors in Possession. The Debtors continue to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Chapter 11 Cases.

C. Jurisdiction and Venue. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

D. Committee. As of the date hereof, the United States Trustee (the “U.S. Trustee”) has not yet appointed an official committee of unsecured creditors in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code (a “Committee”).

E. Debtors’ Stipulations. Subject to paragraph 12 herein, the Debtors stipulate and agree that (collectively, paragraphs E(i) through (v) below are referred to herein as the “Debtors’ Stipulations”):

(i) First Lien Credit Agreement Obligations.

(a) First Lien Credit Agreement. Pursuant to that certain Third Amended and Restated Credit Agreement, dated as of July 25, 2014 (as amended, modified, and/or supplemented from time to time, the “First Lien Credit Agreement”), among Caesars Entertainment Operating Company, Inc., a Delaware corporation (“CEOC”), as borrower, Caesars Entertainment Corporation, a Delaware corporation (“CEC”), as parent guarantor and pledgor, Credit Suisse AG, Cayman Islands Branch, as administrative and collateral agent (the “First Lien Credit Agent”), and the lenders thereunder from time to time (the “First Lien

Lenders” and together with the First Lien Credit Agent, the “First Lien Credit Parties”), CEOC incurred certain term loans and entered into certain revolving credit facilities, as well as other financial accommodations, with the First Lien Credit Parties.

(b) First Lien Security Agreement. In connection with the First Lien Credit Agreement, CEOC and certain of its subsidiaries (the “Subsidiary Pledgors”) entered into that certain Amended and Restated Collateral Agreement (as amended, modified and/or supplemented from time to time, the “First Lien Security Agreement”), dated as of June 10, 2009, with the First Lien Credit Agent, as collateral agent for the First Lien Lenders, pursuant to which CEOC and the Subsidiary Pledgors granted first priority liens (subject to Permitted Liens (as defined below)), or mortgages on, security interests in, and collateral assignments, charges or pledges of (the “Prepetition First Lien Credit Agreement Liens”) the “Collateral” (as defined in the First Lien Security Agreement), including the Cash Collateral (the “Prepetition First Lien Credit Agreement Collateral”) to the First Lien Credit Agent, for the benefit of the First Lien Credit Parties, as security for all “Obligations” as defined in the First Lien Security Agreement.

(c) Guaranty and Pledge Agreement. In connection with the First Lien Credit Agreement, CEC entered into that certain Guaranty and Pledge Agreement, dated as of July 25, 2014, with the First Lien Credit Agent (as amended, modified and/or supplemented from time to time, the “First Lien Guaranty and Pledge Agreement”), pursuant to which CEC, subject to the terms and conditions of such agreement (x) guaranteed to the First Lien Credit Agent, for the benefit of the First Lien Credit Parties, collection of the Required Amount of the HoldCo Guaranteed Obligations (each, as defined in the First Lien Guaranty and Pledge Agreement), and (y) pledged to the First Lien Credit Agent, for the benefit of the First Lien

Credit Parties, a security interest (the “Prepetition First Lien Guaranty Liens”) in all of CEC’s right, title, and interest in the “Collateral,” as defined in the First Lien Guaranty and Pledge Agreement (the “Prepetition First Lien Guaranty Collateral”), as security for the HoldCo Guaranteed Obligations. For purposes hereof, the First Lien Credit Agreement, the First Lien Security Agreement, the Loan Documents (as defined in the First Lien Credit Agreement), the First Lien Intercreditor Agreement (defined below), the Second Lien Intercreditor Agreement (defined below), the First Lien Guaranty and Pledge Agreement and all other documents and agreements executed and/or delivered in connection with the First Lien Credit Agreement and the “Loans” or “Letters of Credit” (each, as defined in the First Lien Credit Agreement) shall hereinafter be referred to collectively as the “First Lien Credit Documents”.

(d) First Lien Credit Agreement Obligations as of the Petition Date. As of the Petition Date, the Debtors, without defense, counterclaim, or offset of any kind, were indebted and liable to the First Lien Credit Parties under the First Lien Credit Documents in the aggregate principal amount of not less than \$5,354,400,000, plus any amounts incurred, or accrued prior to the Petition Date in accordance with the First Lien Credit Documents, accrued and unpaid interest, premiums, interest-on-interest and default interest, any fees, costs, expenses, and disbursements (including, without limitation, attorneys’ fees, related expenses, and disbursements reimbursable thereunder), any other amounts, indemnities, contingent obligations, reimbursement obligations, obligations with respect to any “Loans” or “Letter of Credit” (each as defined in the First Lien Credit Agreement), indemnification obligations, and other charges of whatever nature, whether or not contingent, whenever arising, due, or owing in respect thereof to the extent and as provided for in the First Lien Credit Documents, including, without limitation, all “Obligations” as defined in the First Lien

Credit Agreement, in each case to the extent and as provided for in the First Lien Credit Documents (collectively, the “Prepetition First Lien Credit Agreement Obligations”). As of the Petition Date, CEC remains liable to the First Lien Credit Parties under the First Lien Credit Guaranty and Pledge Agreement for collection of the Required Amount (as defined in the First Lien Credit Guaranty and Pledge Agreement), subject to the terms and conditions thereof, and the First Lien Credit Guaranty and Pledge Agreement remains in full force and effect and enforceable against CEC, subject to its terms (the “CEC Guaranty Obligations”).

(ii) *First Lien Note Obligations.*

(a) First Lien Notes. Pursuant to that certain (i) Indenture, dated as of June 10, 2009 (as amended, modified, waived, and/or supplemented from time to time, the “11.25% First Lien Notes Indenture”), between Caesars Operating Escrow LLC, a Delaware limited liability company formerly known as Harrah’s Operating Escrow LLC (“Escrow LLC”), Caesars Escrow Corporation, a Delaware corporation formerly known as Harrah’s Escrow Corporation (“Escrow Corporation”, and together with Escrow LLC, the “Escrow Issuers”), CEC, and U.S. Bank, National Association, in its capacity as indenture trustee under the First Lien Notes Indentures (as defined below), and any successors in such capacity, including UMB Bank National Association (the “First Lien Notes Indenture Trustee,” together with the First Lien Credit Agent, collectively, the “Prepetition First Lien Agents”), notes (the “11.25% Senior Secured Notes due 2017”) were issued in an original principal amount of \$1,375,000,000,

(ii) Second Supplemental Indenture, dated as of September 11, 2009 (as amended, modified, waived, and/or supplemented from time to time, the “11.25% First Lien Notes Second Supplemental Indenture”), between CEOC, CEC and the First Lien Notes Indenture Trustee, additional 11.25% Senior Secured Notes due 2017 were issued in an original principal amount of



\$720,000,000, (iii) Indenture, dated as of February 14, 2012 (as amended, modified, waived, and/or supplemented from time to time, the “8.50% First Lien Notes Indenture”), between the Escrow Issuers, CEC and the First Lien Notes Indenture Trustee, notes (the “8.50% Senior Secured Notes due 2020”) were issued in an original principal amount of \$1,250,000,000, (iv) Indenture, dated as of August 22, 2012 (as amended, modified, waived, and/or supplemented from time to time, the “9.00% First Lien Notes Indenture”), between the Escrow Issuers, CEC and the First Lien Notes Indenture Trustee, notes (the “9.00% Senior Secured Notes due 2020”) were issued in the original principal amount of \$750,000,000, (v) Additional Notes Supplemental Indenture, dated as of December 13, 2012 (as amended, modified, waived, and/or supplemented from time to time, the “9.00% CEOC First Lien Notes Additional Notes Supplemental Indenture”), between the Escrow Issuers, CEC and the First Lien Notes Indenture Trustee, additional 9.00% Senior Secured Notes due 2020 were issued in an original principal amount of \$750,000,000 and (vi) Indenture, dated as of February 15, 2013 (as amended, modified, waived, and/or supplemented from time to time, the “9.00% CEOC First Lien Notes February 2013 Indenture”), between the Escrow Issuers, CEC and the First Lien Notes Indenture Trustee, notes (the “9.00% Senior Secured Notes due 2020 (2013),” together with the 11.25% Senior Secured Notes due 2017, the 8.50% Senior Secured Notes due 2020 and the 9.00% Senior Secured Notes due 2020, the “First Lien Notes”) were issued in the original principal amount of \$1,500,000,000. As used herein, (w) “First Lien Notes Indentures” means the 11.25% CEOC First Lien Notes Indenture, the 11.25% CEOC First Lien Notes Second Supplemental Indenture, the 8.50% CEOC First Lien Notes Indenture, the 9.00% CEOC First Lien Notes Indenture, the 9.00% CEOC First Lien Notes Additional Notes Supplemental Indenture and the 9.00% CEOC First Lien Notes February 2013 Indenture; (x) “First Lien Noteholders” means the holders of the

First Lien Notes (together with the First Lien Notes Indenture Trustee, the “First Lien Noteholder Parties”); (y) “Prepetition First Lien Creditors” means the First Lien Credit Parties and the First Lien Noteholder Parties; and (z) the “First Lien Notes Documents” means the First Lien Notes, the First Lien Notes Indentures, the First Lien Security Agreement, and all agreements, documents, notes, security agreements, pledges, guarantees, subordination agreements, mortgages, deeds, instruments, indemnities, indemnity letters, fee letters, assignments, charges, amendments, and any other agreement related to, referenced in, delivered pursuant to, or entered into in connection with any of the foregoing, including, without limitation, the “Security Documents” as defined in the First Lien Credit Agreement and the First Lien Notes Indentures (the “First Lien Note Documents,” and together with the First Lien Credit Documents, the “First Lien Documents”).

(b) First Lien Security Agreement. In connection with the First Lien Notes, CEOC and the Subsidiary Pledgors entered into the First Lien Security Agreement, pursuant to which CEOC and the Subsidiary Pledgors granted first priority liens (subject to Permitted Liens (as defined below)), or mortgages on, security interests in, and collateral assignments, charges or pledges of (the “Prepetition First Lien Notes Liens,” and together with the Prepetition First Lien Credit Agreement Liens, the “Prepetition First Priority Liens”) the “Collateral” (as defined in the First Lien Security Agreement), including the Cash Collateral (the “Prepetition First Lien Notes Collateral,” and together with the Prepetition First Lien Credit Agreement Collateral, the “Prepetition First Lien Collateral”)<sup>4</sup> to the First Lien Notes Indenture

---

<sup>4</sup> For the avoidance of doubt, the term “Prepetition First Lien Collateral” shall include, solely with respect to the First Lien Credit Parties, the Prepetition First Lien Guaranty Collateral.

Trustee, for the benefit of the First Lien Noteholders, as security for all “Notes Obligations” as defined in the First Lien Notes Indentures.

(c) First Lien Notes Obligations as of the Petition Date. As of the Petition Date, the Debtors, without defense, counterclaim, or offset of any kind, were indebted and liable to the First Lien Noteholders Parties, pursuant to the First Lien Notes, the First Lien Notes Indentures and the other First Lien Notes Documents in the aggregate principal amount of not less than \$6,345,000,000 plus accrued and unpaid interest thereon and all other “Notes Obligations” (including fees, costs, expenses reimbursable thereunder) as defined in each of the First Lien Notes Indentures, including, solely as applicable, interest-on-interest and default interest, in each case to the extent and as provided for in the First Lien Note Documents (collectively, the “Prepetition First Lien Note Obligations,” and together with the Prepetition First Lien Credit Agreement Obligations, the “Prepetition First Lien Obligations”).

(d) First Lien Intercreditor Agreement. The First Lien Intercreditor Agreement, dated as of June 10, 2009 (as amended, restated, modified, and supplemented from time to time, the “First Lien Intercreditor Agreement”), entered into by and among the Prepetition First Lien Agents, other parties thereto from time to time and consented to by CEOC and CEC, governs, among other things: (a) payment and priority with respect to holders of claims related to the Prepetition First Lien Obligations; (b) rights and remedies of the holders of Prepetition First Lien Obligations with respect to debtor-in-possession financing, use of cash collateral, and adequate protection in a chapter 11 case; and (c) the relative priority of liens granted to holders of “First Lien Obligations” (as defined in the First Lien Intercreditor Agreement).

(iii) *Second Lien Notes Obligations.*

(a) Second Lien Notes. Pursuant to that certain (i) Indenture, dated as of April 16, 2010 (as amended, modified, waived, and/or supplemented from time to time, the “12.75% CEOC Second Lien Notes Indenture”), between the Escrow Issuers, CEC and U.S. Bank, National Association, in its capacity as indenture trustee under the Second Lien Notes Indentures (as defined below) and collateral agent, and any successors in such capacities (the “Second Lien Agent,” and together with the Prepetition First Lien Agents, the “Prepetition Secured Agents”), notes (the “12.75% Second-Priority Senior Secured Notes due 2018”) were issued in an original principal amount of \$750,000,000, (ii) Indenture, dated as of December 24, 2008 (as amended, modified, waived, and/or supplemented from time to time, the “10.00% CEOC Second Lien Notes December 2008 Indenture”), between CEOC, CEC and the Second Lien Agent, certain notes (the “10.00% Second-Priority Senior Secured Notes due 2015”) were issued in the original principal amount of \$214,800,000 and additional notes (the “10.00% Second-Priority Senior Secured Notes due 2018 (2008)”) were issued in the original principal amount of \$847,621,000, and (iii) Indenture, dated as of April 15, 2009 (as amended, modified, waived, and/or supplemented from time to time, the “10.00% CEOC Second Lien Notes April 2009 Indenture”), together with the 12.75% CEOC Second Lien Notes Indenture and the 10.00% CEOC Second Lien Notes December 2008 Indenture, the “Second Lien Notes Indentures”), between CEOC, CEC and the Second Lien Agent, notes (the “10.00% Second-Priority Senior Secured Notes due 2018 (2009)”), together with the 12.75% Second-Priority Senior Secured Notes due 2018, the 10.00% Second-Priority Senior Secured Notes due 2015 and the 10.00% Second-Priority Senior Secured Notes due 2018 (2008), the “Second Lien Notes”). As used herein, (x) the “Second Lien Noteholders” means the holders under the Second Lien Notes

Indentures (together with the Second Lien Agent, the “Second Lien Noteholder Parties”); (y) the “Prepetition Secured Creditors” means the Second Lien Noteholder Parties together with the Prepetition First Lien Creditors; and (z) the “Second Lien Documents” means the Second Lien Notes Indentures and all agreements, documents, notes, security agreements, pledges, guarantees, subordination agreements, mortgages, deeds, instruments, indemnities, indemnity letters, fee letters, assignments, charges, amendments, and any other agreement related to, referenced in, delivered pursuant to, or entered into in connection with any of the foregoing, including, without limitation, the “Security Documents” as defined in the Second Lien Notes Indentures (and together with the First Lien Documents, the “Prepetition Secured Documents”).

(b) Second Lien Notes Security Agreement. In connection with the Second Lien Notes Indentures, CEOC and certain subsidiary pledgors entered into that certain Collateral Agreement (as amended, modified and/or supplemented from time to time, the “Second Lien Notes Security Agreement”), dated as of December 24, 2008, with the Second Lien Agent, as collateral agent for the Second Lien Noteholders, pursuant to which CEOC and the subsidiary pledgors granted second priority liens, or mortgages on, security interests in, and collateral assignments, charges or pledges of (the “Prepetition Second Priority Notes”) in the “Collateral” (as defined in the Second Lien Indentures) (and otherwise subject to Permitted Liens (as defined in the Second Lien Indentures)) (the “Prepetition Second Lien Collateral”).

(c) Second Lien Notes Obligations as of the Petition Date. The “Prepetition Second Lien Obligations” shall mean all “Obligations” under the Second Lien Notes Indentures, including any amounts paid, incurred, or accrued prior to the Petition Date in accordance with the Second Lien Notes Indentures, principal, accrued and unpaid interest, any fees, expenses, and disbursements (including, without limitation, attorneys’ fees, related

expenses, and disbursements), reimbursement obligations, indemnification obligations, contingent obligations, and other charges of whatever nature, whether or not contingent, whenever arising, due, or owing in respect thereof to the extent and as provided for in the Second Lien Notes Indentures. The “Prepetition Secured Obligations” shall mean the Prepetition First Lien Obligations together with the Prepetition Second Lien Obligations.

(d) Second Lien Intercreditor Agreement. The second lien Intercreditor Agreement, dated as of December 24, 2008 (as amended, restated, modified, and supplemented from time to time, the “Second Lien Intercreditor Agreement”), entered into by and among the Prepetition First Lien Agent and the Second Lien Agent and acknowledged by CEOC, governs, among other things, the relative priority of the liens and claims held by, and the rights and remedies of the holders of Prepetition First Lien Obligations and the Prepetition Second Lien Obligations with respect to debtor-in-possession financing, use of cash collateral, and adequate protection. Among other things, pursuant to sections 6.1 and 6.3 of the Second Lien Intercreditor Agreement, holders of Prepetition Second Lien Obligations are prohibited from contesting the Debtors’ use of cash collateral with the consent of any First Lien Agent (as defined in the Second Lien Intercreditor Agreement).

(iv) *Validity, Perfection, and Priority of Prepetition First Priority Liens and Prepetition First Lien Obligations*. Subject to the provisions of paragraph 12 of this Interim Order, each of the Debtors (for itself and its estate), acknowledges and agrees that: (a) as of the Petition Date, the Prepetition First Priority Liens granted to the Prepetition First Lien Creditors on the Prepetition First Lien Collateral were valid, binding, enforceable, non-avoidable, and properly perfected; (b) as of the Petition Date, the Prepetition First Priority Liens were senior in priority over any and all other liens on the Prepetition First Lien Collateral (other than valid,

binding, enforceable, and perfected liens on the Prepetition First Lien Collateral that are (x) senior to the Prepetition First Priority Liens, and (y) not subject to avoidance, reduction, disallowance, disgorgement, counterclaim, surcharge, subordination, or impairment pursuant to the Bankruptcy Code or applicable non-bankruptcy law) (the “Permitted Liens”); (c) the Prepetition First Lien Obligations constitute legal, valid, binding, enforceable, and non-avoidable obligations of the Debtors, and allowed claims against each of the Debtors in the Chapter 11 Cases; (d) no offsets, recoupments, challenges, objections, defenses, claims, or counterclaims of any kind or nature to any of the Prepetition First Priority Liens or Prepetition First Lien Obligations exist, and no portion of the Prepetition First Priority Liens or Prepetition First Lien Obligations is subject to any challenge, defense, setoff, objection, claim, or counterclaim of any kind, including, without limitation, avoidance, disallowance, disgorgement, recharacterization, reduction, recoupment, or subordination (whether equitable or otherwise) pursuant to the Bankruptcy Code or applicable nonbankruptcy law; (e) at no time have the Prepetition First Lien Creditors engaged in any inequitable conduct in connection with or related in any way to negotiating, implementing, documenting, or obtaining requisite approvals of the use of Cash Collateral; and (f) the Debtors and their estates have no setoffs, recoupments, claims, objections, challenges, causes of actions, and/or choses in action, including, without limitation, avoidance claims under chapter 5 of the Bankruptcy Code, against any of the Prepetition First Lien Creditors and each of their respective partners, shareholders, members, funds, managers, affiliates, agents, attorneys, advisors, professionals, officers, directors, or employees (collectively, the “Identified Persons”), whether arising under applicable state, federal, or foreign law or whether arising out of, or in connection with, based upon, or related to the use of Cash Collateral or the Debtors’ Stipulations.

(v) The Debtors' Stipulations, acknowledgements, and waivers hereunder are made by the Debtors after consultation with their attorneys and financial advisors.

F. Necessity of Relief Requested. The ability of the Debtors to finance their operations and complete a successful chapter 11 reorganization requires immediate and continued use of Cash Collateral. In the absence of the use of Cash Collateral, the continued operation of the Debtors' businesses would not be possible and immediate and irreparable harm to the Debtors, their estates, and their creditors would occur. The Debtors do not have sufficient available sources of working capital and financing to operate their businesses in the ordinary course of business or to maintain their property without the use of Cash Collateral. The relief requested in the Motion is therefore necessary for the continued operation of the Debtors' businesses and the preservation of their property. The Prepetition First Lien Agents, the Prepetition First Lien Creditors, and the Debtors have negotiated at arms' length and in good faith regarding the Debtors' consensual use of Cash Collateral to fund the continued operation of the Debtors' businesses during the Specified Period (as defined below) in accordance with the Budget. Entry of this Interim Order is in the best interests of the Debtors and their respective estates and creditors.

G. Budget. The Budget is an integral part of this Interim Order, is hereby incorporated by reference as though fully restated herein, and has been relied upon by the Prepetition First Lien Creditors in consenting to this Interim Order and in permitting the use of the Cash Collateral on the terms and conditions set forth herein. The Budget includes the Debtors' reasonable estimate as of the date of delivery of all operational receipts and all operational disbursements, fees, costs, and other expenses that will be payable, incurred and/or accrued by any of the Debtors during the period covered by the Budget.



H. Adequate Protection. The Prepetition Secured Agents, for the benefit of themselves and the Prepetition Secured Creditors, as applicable, are entitled to receive adequate protection to the extent of any diminution in value of their respective interests in the Prepetition First Lien Collateral (including the Cash Collateral) and, if any, in the Prepetition Second Lien Collateral, as applicable, from and after the Petition Date, resulting from the use of Cash Collateral (including the use of Cash Collateral pursuant to the Budget), the use, sale, lease, consumption, or disposition of Prepetition First Lien Collateral or Prepetition Second Lien Collateral, as applicable, the subordination of the Prepetition First Priority Liens and the Prepetition Second Priority Liens to the Carve Out (as defined herein), as applicable, or the imposition of the automatic stay (collectively, "Diminution in Value") pursuant to sections 361, 362, and 363 of the Bankruptcy Code, pursuant to this Interim Order. The adequate protection provided herein and other benefits and privileges provided herein are consistent with and authorized by the Bankruptcy Code and are necessary in order to protect the Prepetition First Lien Creditors from the diminution of their respective and relative interests in the value of their Prepetition First Lien Collateral from and after the Petition Date, and the Second Lien Noteholders from the diminution of their respective and relative interests (if any) in the value of their Prepetition Second Lien Collateral from and after the Petition Date.

I. Sections 506(c) and 552(b). In light of the Prepetition First Lien Agents' and Prepetition First Lien Creditors' agreement to subordinate their liens and superpriority claims to the Carve Out (as defined below) to the extent provided in paragraph 11 below and to permit the use of their Cash Collateral as and to the extent set forth herein, the Prepetition First Lien Creditors shall receive (a) subject to entry of the Final Order, a waiver of any "equities of the

case” claims or exceptions under section 552(b) of the Bankruptcy Code and (b) subject to entry of the Final Order, a waiver of the provisions of section 506(c) of the Bankruptcy Code.

J. Final Hearing. The Debtors will seek final approval of the relief requested in the Motion pursuant to a proposed Final Order at the Final Hearing, notice of which will be provided in accordance with paragraph 31 of this Interim Order.

K. Notice. In accordance with Bankruptcy Rules 2002, 4001(b), (c), and (d), and 9014, and the Local Rules, notice of the Interim Hearing and the emergency relief requested in the Motion has been provided by the Debtors, whether by facsimile, email, overnight courier, or hand delivery, to certain parties in interest, including: (a) the Office of the United States Trustee for the Northern District of Illinois; (b) the entities listed on the Consolidated List of Creditors Holding the 50 Largest Unsecured Claims; (c) the administrative agent for the Debtors’ credit facility; (d) the indenture trustees for each of the Debtors’ secured and unsecured notes; (e) counsel to certain holders of claims against the Debtors regarding each of the foregoing referenced in clauses (c) and (d); (f) the state attorneys general for states in which the Debtors conduct business; (g) the Office of the United States Attorney for the Northern District of Illinois; (h) the Internal Revenue Service; (i) the Securities and Exchange Commission; (j) the gaming commissions for each of the states in which the Debtors operate or manage a casino; (k) counsel to CEC; and (l) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors have made reasonable efforts to afford the best notice possible under the circumstances to permit the relief set forth in this Interim Order, and no other or further notice is or shall be required.

Based upon the foregoing findings and conclusions, the Motion and the record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. Motion Granted. The Motion is granted on an interim basis, and the use of Cash Collateral on an interim basis is authorized, subject to the express terms and conditions of this Interim Order.

2. Objections Overruled. All objections to the Motion to the extent not withdrawn or resolved are overruled. Notwithstanding any applicability of any Bankruptcy Rules or Local Rules, this Interim Order shall be effective immediately upon its entry.

3. Authorization to Use Cash Collateral.

(a) Specified Period. Subject to and solely in accordance with the express terms and conditions of this Interim Order, the Debtors are hereby authorized to use Cash Collateral on an interim basis solely for the period (the "Specified Period") from the Petition Date through the date (unless such date is extended by the written consent of the Required Lenders)<sup>5</sup> that is the earliest to occur of (i) March 3, 2015, if the Final Order, in form and substance acceptable to the Required Lenders, has not been entered by this Court prior to such date, (ii) the First Lien Credit Parties' Outside Date (as defined herein), (iii) immediately upon expiration of the First Lien Credit Parties' Remedies Notice Period (as defined herein), and (iv) the date this Interim Order ceases to be in full force and effect. The Debtors' authority to use Cash Collateral shall automatically terminate immediately upon expiration of the Specified Period, without further notice or order of this Court (and the automatic stay shall automatically

---

<sup>5</sup> For purposes hereof, all references to agreements, decisions, approvals, or consents required by the "Required Lenders" hereunder shall refer to the holders of a majority in principal amount of all Loans made under the First Lien Credit Agreement as of the applicable reference date. Any such agreement, decision, approval or consent must be made in writing, and signed by such Required Lenders (in their sole and absolute discretion), and the Debtors shall be entitled to conclusively rely on any representations made in such signed writing regarding the beneficial ownership of such amounts, without the need for any further evidence or support thereof.

be deemed lifted to implement the forgoing), unless otherwise extended or waived by the Required Lenders.

(b) Use of Collateral. Subject to and solely in accordance with the terms and conditions of this Interim Order, Cash Collateral may only be used during the Specified Period for working capital and general corporate purposes, including the renewal and extension of existing letters of credit in the ordinary course of business, to pay costs associated with the Debtors' restructuring, and otherwise in accordance with this Interim Order. The Debtors will continue to operate in the ordinary course of business consistent with the cash flow forecast used to establish the Budget.

4. Adequate Protection.

(a) Adequate Protection Liens. As adequate protection of the interests of the Prepetition First Lien Creditors in the Prepetition First Lien Collateral against any Diminution in Value of such interest from and after the Petition Date, pursuant to sections 361 and 363(e) of the Bankruptcy Code, and as adequate protection of the interests of the Second Lien Noteholders in the Prepetition Second Lien Collateral against any Diminution in Value of such interest (if any) from and after the Petition Date, pursuant to sections 361 and 363(e) of the Bankruptcy Code, the Debtors are authorized to grant, and as of entry of the Interim Order are hereby deemed to have granted, to the Prepetition First Lien Agents, for the benefit of themselves and the Prepetition First Lien Creditors, and to the Second Lien Agent, for the benefit of itself and the Second Lien Noteholders (in each case without the necessity of physical possession or the execution, recordation or filing of mortgages, security agreements, pledge agreements, financing statements, copyright mortgages, ship mortgages, aircraft filings, vehicle registrations, or other agreements), additional and replacement continuing valid, binding,

enforceable, non-avoidable, and automatically perfected postpetition security interests in and liens (together, the “Adequate Protection Liens”) on any and all assets and properties, whether now owned or in existence on the Petition Date or thereafter acquired or existing and wherever located, of each Debtor and each Debtor’s “estate” (as created pursuant to section 541(a) of the Bankruptcy Code), of any kind or nature whatsoever, real or personal, tangible or intangible, including, without limitation, all Prepetition First Lien Collateral, Prepetition Second Lien Collateral, all cash, cash equivalents, accounts, inventory, goods, contract rights, instruments, documents, chattel paper, patents, trademarks, copyrights, and licenses therefor, accounts receivable, receivables and receivables records, general intangibles, payment intangibles, tax or other refunds, insurance proceeds, letters of credit, contracts, owned real estate, real property leaseholds, fixtures, deposit accounts, commercial tort claims, securities accounts, instruments, investment property, letter-of-credit rights, supporting obligations, machinery and equipment, real property, leases (and proceeds from the disposition thereof), all of the issued and outstanding capital stock of each Debtor, other equity or ownership interests, including equity interests in subsidiaries and non-wholly-owned subsidiaries, money, investment property, and causes of action (including causes of action arising under section 549 of the Bankruptcy Code and any related action under section 550 of the Bankruptcy Code), the Debtors’ rights under section 506(c) of the Bankruptcy Code (subject to entry of the Final Order), the proceeds of any causes of action under sections 502(d), 544, 545, 547, 548, 550 (except as provided above), or 553 of the Bankruptcy Code (the “Avoidance Actions”) (subject to entry of the Final Order), Cash Collateral, documents, vehicles, intellectual property, securities, partnership or membership interests in limited liability companies, and capital stock, including, without limitation, the products, proceeds, and supporting obligations thereof, and all cash and non-cash proceeds,

rents, products, substitutions, accessions, and profits of any of the collateral described above, whether in existence on the Petition Date or thereafter created, acquired, or arising and wherever located (all such property collectively with the Prepetition First Lien Collateral, the “Collateral”); provided, however, that Collateral shall expressly exclude the following: (i) any assets (including equity interests), to the extent that, and for so long as, the granting of Adequate Protection Liens would violate any applicable law pursuant to which any gaming board, commission, or other governmental gaming regulatory body or agency in any jurisdiction in which the Debtors or any of their subsidiaries manages or conducts any casino, gaming business or activities, which (A) has, or may at any time after the date hereof have, jurisdiction over the gaming activities at the property or any successor to such authority or (B) is, or may at any time after the date hereof be, responsible for interpreting, administering and enforcing the Gaming Laws (as herein defined) (the “Gaming Authorities”) possesses regulatory, licensing, or permit authority over gaming, gambling or casino activities and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, or gaming business or activities of the Debtors or any of their subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities (“Gaming Law”), (ii) more than 65% of the issued and outstanding voting equity interests of (A) any foreign subsidiary or (B) a subsidiary that owns no material assets other than equity interests (or debt or other instruments treated as equity for U.S. federal income tax purposes) in one or more foreign subsidiaries whose ownership of such foreign subsidiaries amounts to at least 99% of the voting power and the value of the equity interests (or debt or other instruments as equity for U.S. federal income tax purposes) in such foreign subsidiaries in the case of clauses (A) and (B) solely to the extent that the grant of the Adequate Protection Liens thereon would

result in adverse tax consequence to the Debtors, (iii) to the extent such grant would result material incremental costs or expenses being incurred by the Debtors in excess of the value of such liens and solely in respect of the First Lien Noteholders, the equity interests of any Debtor or subsidiary in the event that Rule 3-16 of Regulation S-X under the Securities Act of 1933, as amended is amended, modified, or interpreted by the Securities Exchange Commission (“SEC”) to require (or is replaced with another rule or regulation, or any other law, rule or regulation is adopted, which would require) the filing with the SEC (or any other governmental authority) of separate financial statements, and (iv) any “intent-to-use” trademark applications for which a statement of use or an amendment to allege use has not been filed (it being understood that the Adequate Protection Liens shall include the proceeds or products of any such assets).

Notwithstanding anything to the contrary contained herein, (i) in no event shall Caesars Entertainment Windsor Limited be subject to, otherwise provide, or deemed to provide, any adequate protection hereunder, nor shall Caesars Entertainment Windsor Limited pledge, secure, or otherwise lend any credit support to the Debtors in respect of the Prepetition Secured Obligations and (ii) any Adequate Protection Liens granted in cash and deposit accounts subject to those certain Zero/Controlled Balance Arrangements Agreements (Sweeping) dated January 8, 2015 shall be subordinate to the liens granted therein to Bank of America, N.A.

(b) The Adequate Protection Liens granted to the Prepetition First Lien Agents, for the benefit of themselves and the Prepetition First Lien Creditors (the “First Priority Adequate Protection Liens”), shall be senior liens, shall rank in the same relative priority and right as do their respective security interests and liens under the respective First Lien Documents pursuant to the First Lien Intercreditor Agreement, and shall be subject and subordinate only to the Carve Out. The Adequate Protection Liens granted to the Second Lien

Agent, for the benefit of itself and the Second Lien Noteholders (the “Second Priority Adequate Protection Liens”), shall be junior and subordinate in all respects to (i) the Carve Out, (ii) the First Priority Adequate Protection Liens, and (iii) the Prepetition First Priority Liens. The First Priority Adequate Protection Liens shall secure the Prepetition First Lien Obligations solely to the extent of any Diminution in Value of the Prepetition First Lien Agents’ interests in the Prepetition First Lien Collateral from and after the Petition Date. The Second Priority Adequate Protection Liens shall secure the Prepetition Second Lien Obligations solely to the extent of any Diminution in Value of the Second Lien Agent’s interests (if any) in the Prepetition Second Lien Collateral from and after the Petition Date.

(c) The Adequate Protection Liens shall be enforceable against the Debtors, their estates, and any successors thereto, including, without limitation, any trustee or other estate representative appointed in the Chapter 11 Cases, or any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings in which any of the Debtors is or has been named as a debtor or alleged debtor or superseding or related to any of the foregoing (collectively, “Successor Cases”). The Adequate Protection Liens shall not be made subject to or *pari passu* with any lien or security interest heretofore or hereinafter granted in the Chapter 11 Cases or any Successor Cases, and the Adequate Protection Liens shall be valid and enforceable against any trustee or other estate representative appointed in any of the Chapter 11 Cases or any Successor Cases, or upon the dismissal of any of the Chapter 11 Cases or Successor Cases; provided that (i) the Carve Out shall be senior to the Adequate Protection Liens as provided herein, and (ii) the First Priority Adequate Protection Liens and the Prepetition First Priority Liens shall be senior to the Second Priority Adequate Protection Liens. The Adequate Protection Liens shall not be subject to



sections 510(b) or (c), 549, or 550 of the Bankruptcy Code and, subject to entry of the Final Order, the Adequate Protection Liens shall not be subject to section 506(c) of the Bankruptcy Code. The Adequate Protection Liens shall be deemed legal, valid, binding, enforceable, and automatically perfected liens, not subject to subordination, impairment, or avoidance, for all purposes in the Chapter 11 Cases and any Successor Cases. No lien or interest avoided and preserved for the benefit of any of the Debtors' estates pursuant to section 551 of the Bankruptcy Code shall be made *pari passu* with or senior to the Adequate Protection Liens.

(d) Adequate Protection Superpriority Claim. As further adequate protection against any Diminution in Value of the interests of the Prepetition First Lien Creditors in the Prepetition First Lien Collateral from and after the Petition Date, the Prepetition First Lien Agents, on behalf of themselves and the Prepetition First Lien Creditors, are hereby granted an allowed superpriority administrative expense claim in the Chapter 11 Cases and any Successor Cases against each of the Debtors and their estates, pursuant to sections 503(b) and 507(b) of the Bankruptcy Code (the "Superpriority Claim"). The Superpriority Claim shall be subject to the Carve Out, and shall be an allowed claim against the Debtors (jointly and severally) with priority over any and all administrative expenses and all other claims against the Debtors now existing or hereafter arising, of any kind whatsoever, including, without limitation, all other administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code, and over any and all other administrative expenses or other claims arising under any other provision of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment. The Superpriority Claim shall be payable from and have recourse to all assets of the Debtors' estates, including without limitation the Avoidance Actions and all unencumbered pre- and post-petition property and assets of the

Debtors, including without limitation all excluded collateral. Other than the Carve Out, no cost or expense of administration under sections 105, 503 or 507 of the Bankruptcy Code or otherwise, including any such cost or expense resulting from or arising after the conversion of any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code, shall be senior to, or pari passu with, the Superpriority Claim, subject to the First Lien Intercreditor Agreement, to the extent applicable, if at all.

(e) Fees and Expenses. The Debtors are hereby authorized and directed to pay all outstanding prepetition and all postpetition reasonable and documented out-of-pocket fees (including any transaction fees) and expenses of (i) Rothschild Inc. (“Rothschild”), financial advisors to certain of the First Lien Lenders (the “First Lien Credit Agreement Group”), pursuant to the engagement letter dated as of September 10, 2014, (ii) Stroock & Stroock & Lavan LLP (“Stroock”), as counsel to the First Lien Credit Agreement Group, (iii) one special REIT counsel retained by the First Lien Credit Agreement Group in the Chapter 11 Cases, (iv) Shaw Fishman Glantz & Towbin LLC, as local Illinois bankruptcy counsel to the First Lien Credit Agreement Group in the Chapter 11 Cases, (v) one local Delaware bankruptcy counsel retained by the First Lien Credit Agreement Group, (vi) one local bankruptcy counsel for each other applicable jurisdiction in which the Debtors may commence, or have commenced against them, bankruptcy proceedings (vii) one gaming counsel and one special counsel, each as retained by the First Lien Credit Agreement Group, (viii) Cahill Gordon & Reindel LLP, as counsel to the First Lien Credit Agent, (ix) the First Lien Credit Agent, (x) Miller Buckfire & Co. (“Miller Buckfire”), financial advisors to certain of the First Lien Noteholders (the “First Lien Note Group,” together with the First Lien Credit Agreement Group, the “First Lien Group”), pursuant to the engagement letter dated as of October 15, 2014, (xi) Kramer Levin Naftalis & Frankel

LLP, as counsel to the First Lien Note Group (“Kramer Levin”), (xii) Breazeale, Sachse & Wilson, L.L.P., as counsel to the First Lien Note Group, (xiii) Ballard Spahr LLP, as counsel to the First Lien Note Group, (xiv) one special REIT counsel retained by the First Lien Note Group in the Chapter 11 Cases, (xv) Neal, Gerber & Eisenberg LLP, as local Illinois counsel to the First Lien Note Group in the Chapter 11 Cases, (xvi) one local Delaware bankruptcy counsel retained by the First Lien Note Group, (xvii) one local bankruptcy counsel for each other applicable jurisdiction in which the Debtors may commence, or have commenced against them, bankruptcy proceedings, as retained by the First Lien Note Group, (xviii) the First Lien Notes Indenture Trustee, (xix) Katten Muchin Rosenman LLP, as counsel to the First Lien Notes Indenture Trustee, and (xx) such other legal, consulting, financial, and/or other professional advisors as may be retained or may have been retained from time to time by any of the members of the First Lien Group with the prior written consent of the Debtors, which consent shall not be unreasonably withheld. The invoices for such fees and expenses will only provide summary detail of services performed and payment of all such fees and expenses shall not be subject to allowance by the Court; provided, however, that the Debtors shall promptly provide copies of invoices for such fees and expenses received on account of such fees and expenses to the U.S. Trustee and counsel to the Committee, if appointed, and the Court shall have exclusive jurisdiction over any objections raised to the invoiced amount of the fees and expenses proposed to be paid, which objections may only be raised within ten (10) calendar days after delivery of an invoice(s) therefor. In the event that within ten (10) calendar days from delivery of such invoice, the Debtors, the U.S. Trustee, or counsel to the Committee raises an objection to a particular invoice, and the parties are unable to resolve such objection, the Court shall hear and determine such dispute. For the avoidance of doubt, the Debtors shall pay all fees and expenses not subject

to a timely objection, and to the extent any timely objection is not resolved or withdrawn, the Debtors shall pay the disputed amounts only upon entry of an order of the Court resolving such dispute, in each case, within ten (10) business days of receipt of delivery to the Debtors of any applicable invoice or receipt, and in each case without further order of, or application to, the Court or notice to any other party.

(f) Adequate Protection Payments. As further adequate protection, the Debtors are hereby authorized and directed to pay to each of the Prepetition First Lien Agents, on behalf of themselves and the Prepetition First Lien Creditors, (i) monthly adequate protection payments in cash at a rate equal to 1.5% per annum of the aggregate amount of all Prepetition First Lien Obligations as of the Petition Date (the “Monthly Adequate Protection Payments”) and (ii) payment on a pro rata basis of all Available Cash (as defined in the Second Amended and Restated Restructuring Support and Forbearance Agreement, dated January 14, 2015) remaining upon the effective date of a plan of reorganization in these Chapter 11 Cases (together with the Monthly Adequate Protection Payments and the other payments required under paragraph 4 hereunder, the “Adequate Protection Payments”). The Adequate Protection Payments and the expenses paid by the Debtors pursuant to the “Fees and Expenses” section above do not themselves result in Diminution in Value. The Monthly Adequate Protection Payments will be due and payable on the first business day of each month following the Petition Date (with the first such payment to include a pro rated amount from the Petition Date through the end of the month in which the Chapter 11 Cases were commenced as well as the monthly payment for the following month).

(g) Reporting and Budget Compliance.

(1) Budget. Prior to the Petition Date, the Debtors shall have delivered to each lead counsel within the First Lien Group an initial six (6) week cash flow forecast, in form and substance acceptable to, and with amounts set forth therein approved by, (A) the Required Lenders or their professional advisors and (B) the Requisite Consenting Creditors or their professional advisors, setting forth all projected cash receipts and cash disbursements on a weekly basis, a copy of which is attached hereto as Exhibit A (the “Budget”).

(2) Budget Variance Reports (during the initial six (6) week period). Commencing no later than February 3, 2015 (the “Initial Budget Report Date”), the Debtors shall deliver to the (A) the Required Lenders or their professional advisors and (B) the First Lien Noteholders or their professional advisors a variance report (a “Budget Variance Report”) comparing the actual cash receipts and disbursements of the Debtors for the period from the Petition Date through the week-ended January 23, 2015 (the “Initial Test Period”), and each week from the Initial Budget Report Date, the Debtors shall deliver to (A) the Required Lenders or their professional advisors and (B) the First Lien Noteholders or their professional advisors, a Budget Variance Report comparing the actual cash receipts and disbursements of the Debtors for the each week following the Initial Test Period, in each case, on a line item basis, and each Budget Variance Report shall include explanations for any material variances. Beginning in the seventh week following the Petition Date and each week thereafter, the Budget Variance Report shall be delivered every Thursday for the preceding week.

(3) The Debtors shall deliver to (A) the Required Lenders or their professional advisors and (B) the First Lien Noteholders or their professional advisors: (a) no later than the date that is two (2) weeks following the Petition Date, financial information

reasonably necessary to assess the Debtors' short and long term cash flow forecasts and projections, including, without limitation, all reasonable detail supporting each line item reflected in the Budget (and as may be reasonably anticipated to be reflected in any future updated budgets), including intercompany transfers to non-debtor entities; and (b) no later than the date that is three (3) weeks following the Petition Date, an annual operating budget for the fiscal year 2015, by month, on a consolidated basis and shall include, without limitation, an income statement, balance sheet, cash flow statement, projected capital expenditures and asset sales (with reasonable detail on a property by property basis).

(4) No later than the date that is five (5) weeks following the Petition Date, (a) the Debtors shall deliver to (A) the Required Lenders or their professional advisors and (B) the First Lien Noteholders or their professional advisors, a thirteen (13) week cash flow forecast, in form and substance acceptable to, with amounts set forth therein and approved by, (A) the Required Lenders or their professional advisors and (B) the Requisite Consenting Creditors or their professional advisors, setting forth all projected cash receipts and cash disbursements (including a monthly professional accrual fee schedule, each as a separate sub-schedule) on a weekly basis, for period commencing on the seventh week following the Petition Date through the consecutive thirteen (13) week period thereafter (the "13 Week Cash Flow Forecast").

(5) No later than February 28, 2015, the Debtors shall provide the (A) the Required Lenders or their professional advisors and (B) the First Lien Noteholders or their professional advisors (a) a five-year business plan, which shall be broken down by month for the first year only, by quarter for the second year, and annually thereafter and which shall include sufficient detail (as determined in the sole discretion of (A) the Required Lenders or

their professional advisors and (B) the Requisite Consenting Creditors or their professional advisors) to properly assess such business plan, and shall include, without limitation, an income statements, balance sheet, cash flow statement, projected capital expenditures and asset sales; and (b) comparative historical financial information on a similar basis.

(6) Following the receipt of all information set forth in paragraphs (2) through (4) above, (A) the Required Lenders or their professional advisors and (B) the Requisite Consenting Creditors or their professional advisors (each, in their sole and absolute discretion) and the Debtors shall confer in good faith and mutually agree upon the (i) the financial reporting requirements of the Debtors with respect to the 13 Week Cash Flow Forecast (including the frequency and timing of the delivery of updated cash flow forecasts with respect thereto and future budget deliveries and variance reporting), (ii) Total Operating Receipts and Total Operating Disbursements covenant testing (including frequency, period tested and cushion levels), and (iii) the terms of covenants related to the minimum and maximum amount of capital expenditures (as shall be defined by agreement of the parties) on an accrual basis and related calculations within 45 days of the end of each fiscal quarter.

(h) Access to Records.

(1) In addition to, and without limiting, whatever rights to access the Prepetition First Lien Creditors have under their respective First Lien Documents, upon reasonable notice, at reasonable times during normal business hours, the Debtors shall, subject to mutually agreeable confidentiality agreements, permit the professional advisors of the First Lien Group and of the Prepetition First Lien Agents (i) to have reasonable access to the Debtors' properties and other Collateral of any Debtor for the purposes of inspection, (ii) to examine the Debtors' books and records, (iii) to conduct reasonable and customary financial

due diligence, and (iv) to have reasonable access to, and to discuss the Debtors' affairs, finances, and condition with, the Debtors' senior officers, professionals, and financial advisors, in each case excluding (a) all privileged and attorney-client work product, (b) trade secrets, and (c) information otherwise subject to a third-party confidentiality agreement. For the avoidance of doubt, the confidentiality agreements currently entered into between the Debtors and each of Stroock, Rothschild, Kramer Levin and Miller Buckfire shall be deemed reasonably satisfactory to the Debtors in all respects, and none of Stroock, Rothschild, Miller Buckfire or Kramer Levin shall be required to enter into any additional confidentiality agreements before being permitted to conduct due diligence or have access to information and the Debtors' officers and advisors as set forth above.

(2) The Debtors, including their senior management team, to the extent reasonably available, and financial advisors, shall conduct a telephonic conference call, at least once a week, with professionals for the First Lien Group, in order to discuss the Budget, any variance or related reports delivered in connection therewith, the financial condition and business affairs of the Debtors and the status of the Chapter 11 Cases.

(i) Insurance. At all times the Debtors shall maintain casualty and loss insurance coverage for the Collateral on substantially the same basis as maintained prior to the Petition Date.

(j) Cash Management. The Debtors shall maintain a cash management system consistent with any order of the Court approving the maintenance of the Debtors' cash management system (the "Cash Management System") and the interim and final orders approving the Cash Management System shall be reasonably satisfactory, in form and substance, to the Required Lenders.



(k) Sales. No portion of the Collateral in excess of a fair market value of \$20 million in the aggregate shall be transferred, sold, leased, or otherwise disposed of outside of the ordinary course of business without the prior consent of the Required Lenders.

(l) Pleadings. To the extent reasonably practicable, the Debtors shall provide respective counsel to the First Lien Group and to the First Lien Notes Indenture Trustee, to the extent material to its interests, advanced notice and copies of any material motions or other material documents to be filed in the Chapter 11 Cases.

5. Modification of Automatic Stay. The automatic stay imposed under section 362(a) of the Bankruptcy Code is hereby modified as of the date hereof as necessary to effectuate all of the terms and provisions of this Interim Order, including, without limitation, to: (a) permit the Debtors to grant the Adequate Protection Liens and the Superpriority Claim; (b) permit the Debtors to perform such acts as the Prepetition First Lien Agents or Prepetition First Lien Creditors each may request in its reasonable discretion to assure the perfection and priority of the liens granted herein; (c) permit the Debtors to incur all liabilities and obligations to the Prepetition First Lien Creditors under this Interim Order; (d) authorize the Debtors to pay, and the Prepetition First Lien Creditors to retain and apply, payments made in accordance with the terms of this Interim Order; and (e) exercise of remedies in accordance with paragraph 8 below.

6. Grant and Perfection of Adequate Protection Liens. This Interim Order shall be sufficient and conclusive evidence of the granting, creation, attachment, validity, perfection, and priority of the Adequate Protection Liens without the necessity of (i) obtaining, filing, recording, delivering notice of, or entering into any financing statement, mortgage, copyright security agreement, ship mortgage, aircraft filing, vehicle registration, control agreement, physical possession, notice, or other instrument or document that may otherwise be required under the law

or regulation of any jurisdiction, or (ii) the taking of any other action (including, for the avoidance of doubt, entering into any deposit account control agreement or securities account control agreement and any other action required to obtain “control” or “possession” pursuant to sections 9-104, 9-105, 9-106, 9-107, 9-313 and/or any other provision of the Uniform Commercial Code) to grant, create, attach, validate or perfect (in accordance with applicable nonbankruptcy law) the Adequate Protection Liens, or to entitle the Prepetition Secured Agents and Prepetition Secured Creditors to the priorities granted herein. Notwithstanding the foregoing, the Prepetition Secured Agents are authorized to file, as they deem advisable, such financing statements, mortgages, notices of liens, and other instruments or documents to perfect in accordance with applicable nonbankruptcy law or to otherwise evidence the applicable Adequate Protection Liens and all such financing statements, mortgages, notices, and other documents shall be deemed to have been filed or recorded as of the Petition Date; provided, however, that no such filing or recordation shall be necessary or required in order to create, evidence, or perfect the Adequate Protection Liens or to entitle the Prepetition Secured Agents and Prepetition Secured Creditors to the priority granted herein. The Debtors are authorized and directed to execute and deliver to the Prepetition Secured Agents promptly after written demand all such financing statements, mortgages, notices, instruments, and other documents as the Prepetition Secured Agents or Prepetition Secured Creditors may reasonably request. The Prepetition Secured Agents may file a copy of this Interim Order as a financing statement or notice with any filing or recording office or with any registry of deeds or similar office, in addition to or in lieu of such financing statements, mortgages, notices of lien, instruments, or similar documents.

7. First Lien Credit Parties' Events of Default. The occurrence and continuation of any of the following events, unless waived by the Required Lenders in their sole discretion, shall constitute an event of default (each, a "First Lien Credit Parties' Event of Default" and collectively, the "First Lien Credit Parties' Events of Default"):

(a) the Debtors' failure to, within 90 days of the Petition Date, file a plan of reorganization in form, scope, and substance reasonably satisfactory to the Required Lenders and the Debtors (the "Plan"); for the avoidance of doubt, any supplement to the Plan must be in form, scope, and substance reasonably satisfactory to the Required Lenders and the Debtors, and a disclosure statement related to such Plan in form, scope, and substance reasonably satisfactory to the Required Lenders and the Debtors (the "Disclosure Statement");

(b) the Debtors' failure to, within 123 days of the Petition Date, have obtained entry by the Bankruptcy Court of (i) an order approving the Disclosure Statement and (ii) an order approving solicitation procedures (the "Solicitation Procedures") in relation to the Plan and Disclosure Statement, in each case in form, scope, and substance reasonably satisfactory to the Required Lenders and the Debtors;

(c) the Debtors' failure to, within 240 days of the Bankruptcy Court's approval of the Disclosure Statement, have obtained entry by the Bankruptcy Court of an order confirming the Plan (the "Confirmation Order") that is reasonably satisfactory to the Required Lenders and the Debtors;

(d) the Debtors' failure to effectuate the Plan within 365 days of the Petition Date (the "First Lien Credit Parties' Outside Date"); provided, further, that any extensions of the First Lien Credit Parties' Outside Date shall require the written consent of the Required Lenders;

(e) the obtaining after the Petition Date of indebtedness for borrowed money that is secured by a security interest, mortgage, or other lien on all or any portion of the Collateral which is equal or senior to any security interest, mortgage, or other lien of the Prepetition Secured Agents or the Prepetition Secured Creditors;

(f) the obtaining on or after after the Petition Date of indebtedness for borrowed money, or guaranties in respect thereof in excess of \$35 million outside of the ordinary course of business without the prior written consent of the Required Lenders, in their reasonable discretion;

(g) any Debtor allow, incurs, or creates any postpetition lien or security interest, other than those (v) granted pursuant to this Interim Order, (w) consented to by the Required Lenders, (x) junior to the First Priority Adequate Protection Liens and the Prepetition First Priority Liens, (y) securing less than an aggregate of \$35 million of claims (as defined in the Bankruptcy Code) at any time outstanding, or (z) otherwise incurred in the ordinary course of business;

(h) any Debtor allows, incurs, or creates any claim entitled to administrative status which is equal or senior to the Superpriority Claim granted to any of the Prepetition First Lien Creditors herein;

(i) the entry of an order by the Court, other than this Interim Order, granting relief from or modifying the automatic stay of section 362 of the Bankruptcy Code (i) to allow any creditor to execute upon or enforce a lien on or security interest in any Collateral, or (ii) with respect to any lien on or the granting of any lien on any Collateral to any federal, state, or local environmental or regulatory agency or authority, which in either case could reasonably be

expected to have a material adverse effect on the business, operations, property, assets, or financial condition of the Debtors within a particular region (taken as a whole);

(j) the entry of an order by the Court modifying or granting relief from the automatic stay with respect to any Collateral or assets of any Debtor which has an aggregate value in excess of \$35 million;

(k) any portion of this Interim Order ceases to be in full force and effect, including without limitation, pursuant to any reversal, staying, vacatur, revocation, amendment, or modification (without the Required Lenders' consent) of this Interim Order;

(l) dismissal of any of the Chapter 11 Cases or conversion of the Chapter 11 Cases to chapter 7 cases, or appointment of a trustee, receiver, interim receiver or receiver, and manager, or appointment of a responsible officer or examiner with enlarged powers in any of the Chapter 11 Cases (having powers beyond those set forth in Bankruptcy Code sections 1106(a)(3) and (4));

(m) the entry of a judgment or order by this Court or any other court modifying, limiting, subordinating, recharacterizing, or avoiding the validity, enforceability, perfection, or priority of any of the Debtors' obligations under this Interim Order, the Prepetition First Lien Obligations, the Prepetition First Priority Liens, any obligations under the First Lien Pledge and Guaranty Agreement, the Prepetition First Lien Guaranty Liens, the Adequate Protection Liens, the Superpriority Claim, or the Adequate Protection Payments pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (ii) the entry of a judgment or order by this Court or any other court (x) imposing, surcharging or assessing against the Prepetition First Lien Creditors' claims, the Prepetition First Lien Collateral or the Collateral, any costs or expenses, whether pursuant to section 506(c) of the Bankruptcy Code or otherwise, or (y) impairing the

Prepetition First Lien Creditors' right in any respect to credit bid (subject in all respects to the terms and conditions of the First Lien Intercreditor Agreement); or (iii) the Debtors commence, join, or assist in any such proceeding, challenge, objection, defense, claim, or counterclaim of any kind or nature against the Identified Parties or that seeks relief that is inconsistent or contrary in any respect to any of the Debtors' Stipulations or any of the Debtors' other acknowledgements and stipulations contained herein;

(n) the failure to make any Adequate Protection Payment or any other payment to any of the Prepetition First Lien Agents or Prepetition First Lien Creditors as set forth herein when due and such failure shall (other than in respect of the Monthly Adequate Protection Payment) remain unremedied for five (5) business days after receipt by the Debtors of written notice thereof from the First Lien Credit Agent or Required Lenders;

(o) the entry of an order by this Court or any other Court avoiding, recharacterizing, subordinating, or requiring repayment of any portion of any payment made pursuant to the terms of this Interim Order, or terminating any Adequate Protection Payments;

(p) the entry of any (i) "first day orders" that are not in form and substance reasonably satisfactory to the Required Lenders, or (ii) other order that seeks payment in respect of a prepetition claim in excess of \$5 million individually or \$20 million in the aggregate, without the consent of the Required Lenders, which consent shall not be unreasonably withheld;

(q) the termination or modification of the exclusive right of the Debtors to file and/or solicit acceptances of a plan of reorganization under section 1121 of the Bankruptcy Code;

(r) revocation, failure to renew (after all applicable grace periods have lapsed), or suspension of, or the appointment of a receiver, supervisor, conservator, or similar

official with respect to, any casino, gambling, or gaming license issued by any Gaming Authority (as defined in the First Lien Credit Agreement) covering any casino or gaming facility of any of the Debtors or any of their non-Debtor subsidiaries, which in each case would reasonably be expected to have a material adverse effect on the business, operations, property, assets, or financial condition of any of the Debtors within a particular region (taken as a whole);

(s) the failure by the Debtors to comply with the paragraphs set forth in paragraph 4(g) hereof;

(t) the filing of a motion by any Debtor seeking any modification or extension of this Interim Order without the consent of the Required Lenders (or otherwise subject to the consent of the Required Lenders), or the failure by any Debtor to dismiss any such motion promptly; and

(u) the failure by the Debtors to comply with any other provision of this Interim Order (other than those previously identified in this paragraph 7) and such failure shall continue unremedied for five (5) business days after receipt by the Debtors of written notice thereof from the First Lien Credit Agent or Required Lenders.

8. First Lien Noteholder Parties' Events of Default. The occurrence and continuance of any of the following events, unless waived by the Requisite Consenting Creditors, shall constitute an event of default solely with respect to the First Lien Noteholder Parties (each, a "First Lien Noteholder Parties' Event of Default" and collectively, the "First Lien Noteholder Parties' Events of Default"):

(a) the Debtors' failure to, within 20 days of the Petition Date, file a motion with the Bankruptcy Court seeking authorization to assume the Restructuring Support Agreement (the "RSA Assumption Motion") in form, scope, and substance materially consistent

with the Restructuring Support Agreement and otherwise reasonably acceptable to the Debtors, CEC, and the Requisite Consenting Creditors;

(b) the Debtors' failure to, within 45 days of the Petition Date, file a plan of reorganization (the "Plan") and disclosure statement ("Disclosure Statement"), in each case in form, scope, and substance reasonably satisfactory to the Requisite Consenting Creditors and the Debtors; for the avoidance of doubt, any supplement to the Plan must be in form, scope, and substance materially consistent with the Restructuring Term Sheet and otherwise reasonably satisfactory to the Requisite Consenting Creditors and the Debtors;

(c) the Debtors' failure to, within 90 days of filing the RSA Assumption Motion, have obtained entry by the Bankruptcy Court of an order approving the RSA Assumption Motion, in form, scope, and substance (i) consistent in all material respects with the Restructuring Support Agreement and (ii) otherwise reasonably satisfactory to the Debtors, CEC, and the Requisite Consenting Creditors;

(d) the Debtors' failure to, within 150 days of the Petition Date, have obtained entry by the Bankruptcy Court of (i) an order approving the Disclosure Statement and (ii) an order approving solicitation procedures (the "Solicitation Procedures") in relation to the Plan and Disclosure Statement, in each case in form, scope, and substance (i) consistent in all material respects with the Restructuring Support Agreement and (ii) reasonably satisfactory to the Requisite Consenting Creditors and the Debtors;

(e) the Debtors' failure to, within 120 days of the Bankruptcy Court's approval of the Disclosure Statement, have obtained entry by the Bankruptcy Court of an order confirming the Plan (the "Confirmation Order") that is materially consistent with the



Restructuring Term Sheet and otherwise reasonably satisfactory to the Requisite Consenting Creditors and the Debtors;

(f) the Debtors' failure to effectuate the Plan within 120 days of the Confirmation Order becoming a final order (the "First Lien Noteholder Parties Outside Date"); provided, however, that in the event the Debtors have failed to obtain required regulatory approvals for certain of their assets as of the Outside Date, the Debtors shall close and proceed to effectiveness with respect to those assets for which they do have regulatory approval, unless the Debtors determine in good faith, after consultation with the Requisite Consenting Creditors, that to do so would have a materially adverse effect on the Debtors, in which case the Debtors shall have an additional 60 days in which to obtain the additional required regulatory approvals and close on those assets; provided, further, that any further extensions of the First Lien Noteholder Parties' Outside Date shall require the consent of the Requisite Consenting Creditors;

(g) the Debtors' failure to, within 75 days of the Petition Date, have obtained entry by the Bankruptcy Court of a Final Order that is substantially consistent with the terms of this Interim Order and reasonably acceptable to the Requisite Consenting Creditors;

(h) the obtaining after the Petition Date of indebtedness for borrowed money that is secured by a security interest, mortgage, or other lien on all or any portion of the Collateral which is equal or senior to any security interest, mortgage, or other lien of the Prepetition Secured Agents or the Prepetition Secured Creditors;

(i) the obtaining after the Petition Date of indebtedness for borrowed money, or guaranties in respect thereof in excess of \$35 million outside of the ordinary course of business without the prior written consent of the Requisite Consenting Creditors, in their reasonable discretion;

(j) any Debtor allows, incurs, or creates any postpetition lien or security interest, other than those (v) granted pursuant to this Interim Order, (w) consented to by the Requisite Consenting Creditors, (x) junior to the First Priority Adequate Protection Liens and the Prepetition First Priority Liens, (y) securing less than an aggregate of \$35 million of claims (as defined in the Bankruptcy Code) at any time outstanding, or (z) otherwise incurred in the ordinary course of business;

(k) any Debtor allows, incurs, or creates any claim entitled to administrative status which is equal or senior to the Superpriority Claim granted to any of the Prepetition First Lien Creditors herein;

(l) the entry of an order by the Court, other than this Interim Order, granting relief from or modifying the automatic stay of section 362 of the Bankruptcy Code (i) to allow any creditor to execute upon or enforce a lien on or security interest in any Collateral, or (ii) with respect to any lien on or the granting of any lien on any Collateral to any federal, state, or local environmental or regulatory agency or authority, which in either case would reasonably be expected to have a material adverse effect on the business, operations, property, assets, or financial condition of any of the Debtors within a particular region (taken as a whole);

(m) the entry of an order by the Court modifying or granting relief from the automatic stay with respect to any Collateral or assets of any Debtor which has an aggregate value in excess of \$35 million;

(n) any portion of this Interim Order ceases to be in full force and effect, including without limitation, pursuant to any reversal, vacatur, revocation, amendment, or modification (without the Requisite Consenting Creditors' prior consent) of this Interim Order;

(o) dismissal of any of the Chapter 11 Cases or conversion of the Chapter 11 Cases to chapter 7 cases, or appointment of a trustee, receiver, interim receiver or receiver, and manager, or appointment of a responsible officer or examiner with enlarged powers in any of the Chapter 11 Cases (having powers beyond those set forth in Bankruptcy Code sections 1106(a)(3) and (4));

(p) the entry of a judgment or order by this Court or any other court modifying, limiting, subordinating, recharacterizing, or avoiding the validity, enforceability, perfection, or priority of any of the Debtors' obligations under this Interim Order, the Prepetition First Lien Obligations, the Prepetition First Priority Liens, the Adequate Protection Liens, the Superpriority Claim, or the Adequate Protection Payments pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (ii) the entry of a judgment or order by this Court or any other court (x) imposing, surcharging or assessing against the Prepetition First Lien Creditors' claims, the Prepetition First Lien Collateral or the Collateral, any costs or expenses, whether pursuant to section 506(c) of the Bankruptcy Code or otherwise, or (y) impairing the Prepetition First Lien Creditors' right in any respect to credit bid (subject in all respects to the terms and conditions of the First Lien Intercreditor Agreement); or (iii) the Debtors commence, join, or assist in any such proceeding, challenge, objection, defense, claim, or counterclaim of any kind or nature against the Identified Parties or that seeks relief that is inconsistent or contrary in any respect to any of the Debtors' Stipulations or any of the Debtors' other acknowledgements and stipulations contained herein;

(q) the failure to make any Adequate Protection Payment or any other payment to any of the Prepetition First Lien Agents or Prepetition First Lien Creditors as set forth herein when due and such failure shall (other than in respect of the Monthly Adequate

Protection Payment) remain unremedied for five (5) business days after receipt by the Debtors of written notice thereof from the First Lien Notes Indenture Trustee or the Requisite Consenting Creditors;

(r) the entry of a final order by this Court or any other Court avoiding, recharacterizing, subordinating, or requiring repayment of any portion of any payment made pursuant to the terms of this Interim Order, or terminating any Adequate Protection Payments;

(s) the entry of any (i) “first day orders” that are not in form and substance reasonably satisfactory to the Requisite Consenting Creditors, or (ii) other order that seeks payment in respect of a prepetition claim in excess of \$5 million individually or \$20 million in the aggregate, without the consent of the Requisite Consenting Creditors, which consent shall not be unreasonably withheld;

(t) the termination or modification of the exclusive right of the Debtors to file and/or solicit acceptances of a plan of reorganization under section 1121 of the Bankruptcy Code;

(u) revocation, failure to renew (after all applicable grace periods have lapsed), or suspension of, or the appointment of a receiver, supervisor, conservator, or similar official with respect to, any casino, gambling, or gaming license issued by any Gaming Authority (as defined in the First Lien Credit Agreement) covering any casino or gaming facility of any of the Debtors or any of their non-Debtor subsidiaries, which in each case would reasonably be expected to have a material adverse effect on the business, operations, property, assets, or financial condition of any of the Debtors within a particular region (taken as a whole);

(v) the failure by the Debtors to comply with any obligations set forth in paragraph 4(g) hereof;

(w) the filing of a motion by any Debtor seeking any modification or extension of this Interim Order without the consent of the Requisite Consenting Creditors (or otherwise subject to the consent of the Requisite Consenting Creditors), or the failure by any Debtor to dismiss any such motion promptly;

(x) the entry of an order by the Court modifying or extending this Interim Order without the consent of the Requisite Consenting Creditors; and

(y) the failure by the Debtors to comply with any other provision of this Interim Order (other than those previously identified in this paragraph 8) and such failure shall continue unremedied for five (5) business days after receipt by the Debtors of written notice thereof from the First Lien Notes Indenture Trustee or the Requisite Consenting Creditors.

9. Rights and Remedies First Lien Credit Parties Upon Event of Default.

(a) Upon the occurrence and continuation of a First Lien Credit Parties' Event of Default, the Required Lenders may deliver a written notice of the Required Lenders' intention to declare a termination, reduction, or restriction of the Debtors' ability to use Cash Collateral (any such declaration, shall be referred to herein as a "First Lien Credit Parties' Termination Declaration"). The First Lien Credit Parties' Termination Declaration shall be given by facsimile (or other electronic means) to counsel to the Debtors, counsel to each of the Prepetition Secured Agents, counsel to any statutory committee, and the U.S. Trustee (the earliest date any such First Lien Credit Parties' Termination Declaration is made shall be referred to herein as the "First Lien Credit Parties' Termination Declaration Date"), and the automatic stay under section 362 of the Bankruptcy Code is hereby vacated to allow the delivery of the First Lien Credit Parties' Termination Declaration. The Debtors shall have seven (7) business days from the First Lien Credit Parties' Termination Declaration Date to cure

such First Lien Credit Parties' Event of Default (the "First Lien Credit Parties' Remedies Notice Period"). During the First Lien Credit Parties' Remedies Notice Period, the Debtors may use Cash Collateral pursuant to the terms of this Interim Order.

(b) Unless the Court determines during the First Lien Credit Parties' Remedies Notice Period that a First Lien Credit Parties' Event of Default has not occurred, the automatic stay shall automatically be terminated upon the expiration of the First Lien Credit Parties' Remedies Notice Period without further notice or order, the Debtors shall no longer have the right to use or seek to use Cash Collateral, and the Required Lenders shall be permitted to (i) terminate the Debtors' use of any Cash Collateral, (ii) declare all accrued adequate protection payment obligations to be immediately due and payable, and/or (iii) take any other actions or exercise any other remedies set forth herein or in the First Lien Documents or as otherwise available at law (subject, in each case, and in all respects, to the terms of the First Lien Intercreditor Agreement, the Second Lien Intercreditor Agreement, and this Interim Order), against the Prepetition First Lien Collateral or the Collateral, in each case, without further action, notice, or order of or application or motion to the Court, and without restriction or restraint by any stay under sections 362 or 105 of the Bankruptcy Code, or otherwise, against the enforcement of the liens on and security interest in the Collateral or any other rights and remedies granted to the Prepetition First Lien Creditors with respect thereto pursuant to the First Lien Documents, this Interim Order or applicable law, rule or regulation, as applicable. For the avoidance of doubt, nothing contained in this paragraph 9 shall reduce the Carve Out.

10. Rights and Remedies First Lien Noteholder Parties Upon Event of Default. On or after (i) the forty-fifth (45th) day following receipt by the Debtors of written notice from the Requisite Consenting Creditors of the occurrence and continuation of a First Lien Noteholder

Parties' Event of Default under any of subparagraphs (a) through (f) of paragraph 8 of this Interim Order; or (ii) the seventh (7th) business day following receipt by the Debtors of written notice from the Requisite Consenting Creditors (x) of the occurrence and continuation of a First Lien Noteholder Parties' Event of Default under any other subparagraph of paragraph 8 of this Interim Order, or (y) that any Budget is not in form and substance acceptable to the Requisite Consenting Creditors (or their advisors) or that the First Lien Noteholders have not received documents, reports, or information required to be delivered to them pursuant to section 4(g); or (iii) any day on or after this Interim Order ceases to be in full force and effect, or any amendment, modification, waiver, supplement or extension of this Interim Order is effected without the prior written consent of the Requisite Consenting Creditors, the Requisite Consenting Creditors shall have the right to (A) declare a termination of their consent to the Debtors' use of Cash Collateral with respect to the First Lien Noteholder Parties (it being understood that the termination of such consent shall not terminate the Debtors' right to use Cash Collateral in accordance with the terms hereof nor shall it authorize the First Lien Noteholder Parties to exercise any rights and remedies with respect to Collateral absent further order of the Court, upon notice and a hearing); (B) seek any other or supplemental relief or exercise any other rights in respect of the Debtors, including without limitation seeking and receiving additional adequate protection, subject to the terms of the First Lien Intercreditor Agreement and applicable bankruptcy law; and/or (C) terminate the Restructuring Support Agreement. Notice of the occurrence and continuation of any First Lien Noteholder Parties' Event of Default shall be given by facsimile (or other electronic means) to counsel to the Debtors, counsel to each of the Prepetition Secured Agents, counsel to any statutory committee, and the U.S. Trustee. Notwithstanding the foregoing, the First Lien Noteholder Parties at all times shall have the right

to consent to the Debtors' use of Cash Collateral, and nothing contained herein shall be deemed a finding by the Court or an acknowledgement by the First Lien Noteholder Parties that the adequate protection granted herein does in fact adequately protect the First Lien Noteholder Parties.

11. Carve Out.

(a) As used in this Interim Order, "Carve Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to \$50,000 incurred by a trustee under section 726(b) of the Bankruptcy Code (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order, or otherwise, all unpaid fees and expenses (the "Estate Professional Fees") incurred by persons or firms retained by the Debtors pursuant to section 327, 328, or 363 of the Bankruptcy Code (collectively, the "Debtor Professionals") and any Committee appointed in the Chapter 11 Cases pursuant to section 1103 of the Bankruptcy Code (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day following delivery by the First Lien Credit Agent of a Carve Out Trigger Notice (defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Estate Professional Fees of Professional Persons in an aggregate amount not to exceed \$50,000,000 incurred after the first business day following delivery by the First Lien Credit Agent of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order, or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve Out Trigger Notice Cap"). For purposes of the foregoing, "Carve Out Trigger



Notice” shall mean a written notice delivered by electronic mail (or other electronic means) by the First Lien Credit Agent to the Debtors, their lead restructuring counsel, the U.S. Trustee, and lead counsel to the Committee, if any, which notice may be delivered following the occurrence and during the continuation of a First Lien Credit Parties’ Event of Default stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) Carve Out Reserves. On the day on which a Carve Out Trigger Notice is given by the First Lien Credit Agent to the Debtors, the Carve Out Trigger Notice shall constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the then unpaid amounts of the Estate Professional Fees. The Debtors shall deposit and hold cash in an amount equal to the then unpaid amounts of the Estate Professional Fees in a segregated account at the First Lien Credit Agent in trust to pay any then-unpaid Estate Professional Fees (the “Pre-Carve Out Trigger Notice Reserve”) prior to any and all other claims. On the day on which a Carve Out Trigger Notice is given by the First Lien Credit Agent to the Debtors, the Carve Out Trigger Notice shall also constitute a demand to the Debtors to utilize all cash on hand as of such date and any available cash thereafter held by any Debtor to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtors shall deposit and hold such amounts in a segregated account at the First Lien Credit Agent in trust to pay such Estate Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the “Post-Carve Out Trigger Notice Reserve,” and, together with the Pre-Carve Out Trigger Notice Reserve, the “Carve Out Reserves”) prior to any and all other claims. All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the “Pre-Carve Out Amounts”), but not, for the

avoidance of doubt, the Post-Carve Out Trigger Notice Cap, until paid in full, and then, to the extent the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the Prepetition First Lien Creditors under the First Lien Documents in accordance with their rights and priorities as of the Petition Date. All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the “Post-Carve Out Amounts”), and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the Prepetition First Lien Creditors under the First Lien Documents in accordance with their rights and priorities as of the Petition Date. Notwithstanding anything to the contrary in this Interim Order, if either of the Carve Out Reserves are not funded in full in the amounts set forth in this paragraph 11, then, any excess funds in one of the Carve Out Reserves following the payment of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively, shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in this paragraph 11, prior to making any payments to the Prepetition First Lien Creditors. Notwithstanding anything to the contrary in the Prepetition Secured Documents or this Interim Order, following delivery of a Carve Out Trigger Notice, the Prepetition Secured Agents and the Prepetition Secured Creditors shall not, and shall not direct any entity to, sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded. Further, notwithstanding anything to the contrary in this Interim Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute CEOC Secured Debt or increase or reduce the Prepetition Secured Obligations; (ii) the failure of the Carve Out Reserves to satisfy in full the Estate Professional Fees shall not affect the priority of the Carve Out; and (iii) in no way shall the Budget, the Budget Variance Report, the Carve Out, the Post-Carve Out Trigger Notice

Cap, the Carve Out Reserves, or any of the foregoing be construed as a cap or limitation on the amount of the Estate Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary herein or in this Interim Order or in any Prepetition Secured Documents, the Carve Out shall be senior to all liens and claims securing the Adequate Protection Liens and the Superpriority Claim, and any and all other forms of adequate protection, liens, or claims securing the Prepetition Secured Obligations.

(c) Payment of Estate Professional Fees Prior to the Carve Out Trigger Notice. Any payment or reimbursement made prior to the delivery of the Carve Out Trigger Notice in respect of any Estate Professional Fees shall not reduce the Carve Out.

(d) Payment of Carve Out On or After Carve Out Trigger Notice. Any payment or reimbursement made on or after the delivery of the Carve Out Trigger Notice in respect of any Estate Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis. Any funding or payment of the Carve Out shall be added to, and made a part of, the Prepetition Secured Obligations secured by the Collateral and shall be otherwise entitled to the protections granted under this Interim Order, the Prepetition Secured Documents, the Bankruptcy Code, and applicable law.

(e) No Lender Guaranty. The Prepetition First Lien Creditors shall not be responsible for the direct payment or reimbursement of any of the Professional Persons incurred in connection with the Chapter 11 Cases or any Successor Cases. Nothing contained herein shall be construed (i) to obligate the Prepetition First Lien Creditors in any way to pay compensation to or reimburse expenses of any Professional Persons or member of any Committee, or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement; (ii) to increase the Carve Out if actual Estate Professional Fees allowed by this Court are higher

in fact than the estimated fees and disbursements reflected in the Budget; or (iii) as a consent to the allowance of any professional fees or expenses of any Estate Professionals or shall affect the right of the Prepetition First Lien Creditors to object to the allowance and payment of such fees and expenses.

12. Reservation of Certain Committee and Third Party Rights and Bar of Challenges and Claims.

(a) Subject to paragraph 12(b) hereof, the Debtors' acknowledgements, stipulations, and waivers contained in this Interim Order, including, without limitation, the Debtors' Stipulations, shall be binding upon the applicable Debtors and their respective estates and any representatives, successors and assigns thereto (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors), and the Debtors are deemed to have irrevocably waived and relinquished all Challenges (as defined herein) as of the Petition Date).

(b) Nothing in this Interim Order prejudices the right of a Committee or other party in interest, in each case, if and to the extent granted standing by the Court, to seek to avoid, object to or otherwise challenge (each, a "Challenge") the findings or Debtors' Stipulations or to challenge, initiate any proceeding, or assert any claim or cause of action with respect to (i) the validity, enforceability, extent, priority, or perfection of the First Lien Documents or any of the mortgages, security interests, and liens (including the Prepetition First Priority Liens) of any Prepetition Secured Agent or Prepetition Secured Creditor; (ii) the validity, allowability, priority, secured status or amount of the Prepetition First Lien Obligations, or (iii) the Prepetition First Lien Creditors arising under or in connection with the First Lien Documents or the Prepetition First Lien Obligations, in each case, whether in the

nature of a setoff, recharacterization, counterclaim, defense of the Prepetition First Lien Obligations or otherwise, no later than (a) with respect to any Committee (if appointed), the date that is sixty (60) days after the Committee's formation, and (b) with respect to other parties in interest, no later than the date that is seventy-five (75) days after the entry of the Final Order, in each case subject to further extension by written agreement of the Required Lenders and the Requisite Consenting Creditors (such time period shall be referred to as the "Challenge Period" and the date of expiration of each Challenge Period being a "Challenge Period Termination Date"). Upon the Challenge Period Termination Date without the filing of a Challenge, or unless a Challenge is successful pursuant to a final order entered no later than ninety (90) days from the commencement of such Challenge, then in either case: (x) any and all such Challenges by any party (including, without limitation, the Committee, any chapter 11 trustee, and/or any examiner or other estate representative appointed or elected in the Chapter 11 Cases, and any chapter 7 trustee and/or examiner or other estate representative appointed or elected in any Successor Case) shall be deemed to be forever waived, released, and barred, and (y) all of the Debtors' Stipulations, waivers, releases, affirmations, and other stipulations as to the grant, creation, attachment, perfection, priority, extent, and validity as to the Prepetition First Lien Agents' and Prepetition First Lien Creditors' claims, liens, and interests shall be of full force and effect and forever binding upon the Debtors, the Debtors' bankruptcy estates and all creditors, interest holders, and other parties in interest in the Chapter 11 Cases and any Successor Cases. Nothing in this Interim Order vests or confers on any person or entity, including any Committee, standing or authority bring, to pursue or settle any claim or cause of action belonging to the Debtors or their estates, including, without limitation, any Challenges with respect to the First Lien Documents, the Prepetition First Lien Obligations and the

Prepetition First Priority Liens, and an order of the Court conferring such standing on a Committee or other party in interest shall be a prerequisite for the prosecution of a Challenge by the Committee or such other party in interest

13. Limitations on the Use of Cash Collateral and the Carve Out. Notwithstanding anything to the contrary herein, no proceeds of the Prepetition First Lien Collateral, including the Cash Collateral, and none of the Carve Out may be used: (a) in connection with or to finance in any way any investigation, action, suit, arbitration, proceeding, application, motion, or other litigation of any type objecting to, challenging or contesting in any manner, invalidating, setting aside, avoiding, subordinating or raising any defenses to, in whole or in part, the amount, validity, extent, priority, enforceability or perfection of the Prepetition First Lien Obligations or the Prepetition First Priority Liens, or any other rights or interests of any of the Prepetition First Lien Agents or the Prepetition First Lien Creditors, including with respect to the Adequate Protection Liens and the Adequate Protection Payments, including any objection or challenge to the Debtors' Stipulations; or (b) for or in connection with contesting, preventing, hindering, impairing, interfering with, or otherwise delaying the exercise by any Prepetition First Lien Agent or Prepetition First Lien Creditor of any rights or remedies provided under this Interim Order in a manner inconsistent with the terms of this Interim Order (which for the avoidance of doubt, shall enable the Debtors to use Cash Collateral and the Carve Out, pursuant to the Interim Order, among other things, to dispute whether the Prepetition First Lien Creditor has the right to exercise such rights and remedies). Notwithstanding the foregoing, up to \$75,000 may be made available to any Committee (if appointed) to investigate the Prepetition First Lien Obligations, the Prepetition First Priority Liens and/or any potential Challenge (as defined below); provided that the Prepetition First Lien Creditors shall have the right to object to, contest, or otherwise

challenge any claim for amounts incurred in connection with such activities on the grounds that such claim shall not be allowed, treated or payable as an administrative expense claim pursuant to section 1129(a)(9)(A) of the Bankruptcy Code; provided, further, that, nothing herein shall preclude the Committee from arguing that they are entitled to a larger budget.

14. No Third Party Rights. Except as explicitly provided for herein, this Interim Order does not create any rights for the benefit of any creditor, equity holder, or other person or entity, or any direct, indirect, or incidental beneficiary, other than the Prepetition Secured Agents and the Prepetition Secured Creditors.

15. Section 506(c) Claims. Subject to entry of the Final Order, in partial consideration for, among other things, the Carve Out and the payments made under the Budget to administer the Chapter 11 Cases or Successor Cases with the use of Cash Collateral, no costs or expenses of administration which have been or may be incurred in the Chapter 11 Cases at any time shall be charged against any Prepetition First Lien Agent or any Prepetition First Lien Creditor or any of the Prepetition First Lien Obligations or the Collateral pursuant to sections 105 or 506(c) of the Bankruptcy Code or otherwise for any costs and expenses incurred in connection with the preservation, protection, or enhancement of realization by the Prepetition First Lien Creditors upon the Prepetition First Lien Collateral or Prepetition Second Lien Collateral, as applicable, without the prior express written consent of the affected Prepetition First Lien Agent and/or affected Prepetition First Lien Creditor, in their sole discretion, and no such consent shall be implied, directly or indirectly, from any other action, inaction, or acquiescence by any such agents or creditors.

16. No Liability to Third Parties. None of the Prepetition First Lien Creditors (a) shall have any liability to any third party and none of them shall be deemed to be in control of

the operations of any Debtors or to be acting as a “controlling person,” “responsible person,” “owner or operator,” or “participant” with respect to the operation or management of any Debtors (as such term, or any similar terms, are used in the Internal Revenue Code, the United States Comprehensive Environmental Response, Compensation and Liability Act, as amended, or any similar Federal or state statute or regulation), or (b) shall owe any fiduciary duty to the Debtors, their creditors, or their estates or shall be deemed to constitute a joint venture or partnership with any of the Debtors.

17. No Marshaling. Subject to entry of the Final Order, none of the Prepetition First Lien Agents, the Prepetition First Lien Creditors, or the Prepetition First Lien Obligations shall be subject to the equitable doctrine of “marshaling” or any other similar doctrine with respect to any of the Collateral, as the case may be, and proceeds thereof shall be received and applied in accordance with this Interim Order notwithstanding any other agreement or provision to the contrary (except for the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement).

18. Section 552(b). Subject to entry of the Final Order, the Prepetition First Lien Creditors shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and neither the Debtors nor any of their creditors or equity holders nor any other person or entity shall have any right to seek to apply the “equities of the case” exception under section 552(b) of the Bankruptcy Code to any of the Prepetition First Lien Agents, the Prepetition First Lien Creditors, or the Prepetition First Lien Obligations.

19. Section 507(b) Reservation. Nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to any of the Prepetition First Lien Agents or Prepetition First Lien Creditors hereunder



is insufficient during the Chapter 11 Cases or any Successor Cases. Nothing contained herein shall be deemed a finding by the Court or an acknowledgement by the Prepetition First Lien Agents or the Prepetition First Lien Creditors that the adequate protection granted herein does in fact adequately protect the Prepetition First Lien Creditors; provided, however, except as expressly set forth herein the Prepetition First Lien Creditors shall not seek alternative or additional adequate protection prior to the expiration of the Specified Period.

20. Recharacterization. In the event that it is determined by a final order, which order shall not be subject to any appeal, stay, reversal or vacatur (a "Final Order"), that the Prepetition First Lien Creditors are not entitled to Adequate Protection Payments, then, pursuant to a further Final Order, such Adequate Protection Payments shall be applied as a payment made to the principal balance of such Prepetition First Lien Obligations.

21. Rights Preserved. Notwithstanding anything herein to the contrary, if at any time the Interim Order is no longer in full force or effect (or, with respect to the Prepetition First Lien Creditors, upon the First Lien Noteholder Parties' Termination Declaration Date), or any Debtor has sought to amend, modify, supplement, or extend this Interim Order over the objection of the Required Lenders, then neither the entry of this Interim Order nor anything herein shall prejudice, or constitute a waiver of, expressly or implicitly: (a) the right of the Prepetition First Lien Agents or the Prepetition First Lien Creditors to seek any other or supplemental relief in respect of the Debtors, including the right to seek and receive additional adequate protection; (b) any rights of the Prepetition First Lien Agents or any Prepetition First Lien Creditor under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the right to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of the Chapter 11 Cases or any Successor Cases, conversion of the Chapter 11 Cases to

a case under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers, (iii) propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan, or (iv) submit a credit bid in respect of any sale of any Collateral pursuant to the immediately preceding paragraph; and nothing contained herein shall be deemed a finding by the Court or an acknowledgement by the Prepetition First Lien Agents or the Prepetition First Lien Creditors that the adequate protection granted herein does in fact adequately protect the Prepetition First Lien Creditors. Notwithstanding anything in this Interim Order to the contrary, if at any time (x) this Interim Order ceases to be in full force and effect, or (y) any amendment, modification, waiver, supplement or extension of this Interim Order is effected without the prior written consent of the Requisite Consenting Creditors, then the Requisite Consenting Creditors shall have the right to terminate the Restructuring Support Agreement pursuant to section 8(e) thereof.

22. No Waiver by Failure to Seek Relief. The failure of any Prepetition First Lien Agent or Prepetition First Lien Creditor to seek relief or otherwise exercise its rights and remedies under this Interim Order, the First Lien Documents or applicable law, as the case may be, shall not constitute a waiver of any of the rights hereunder, thereunder, or otherwise of the applicable Prepetition First Lien Agent or Prepetition First Lien Creditor.

23. Proofs of Claim. Notwithstanding any order entered by the Court in relation to the establishment of a bar date in any of the Chapter 11 Cases or Successor Cases to the contrary, the Prepetition First Lien Creditors will not be required to file proofs of claim in any of the Chapter 11 Cases or Successor Cases for any claim described herein or otherwise arising under or in connection with the First Lien Documents or this Interim Order, and the Debtors' Stipulations in paragraph E herein shall be deemed to constitute a timely filed proof of claim for

the Prepetition First Lien Creditors. Notwithstanding the foregoing, the Prepetition First Lien Agents for the benefit of themselves and the Prepetition First Lien Creditors are authorized and entitled, in their sole discretion, but not required, to file (and amend and/or supplement, as they see fit) a proof of claim and/or aggregate proofs of claim in each of the Chapter 11 Cases or Successor Cases for any claim described herein.

24. Good Faith. The Prepetition First Lien Creditors and their respective professionals each have acted in good faith, and without negligence or violation of public policy or law, in respect of all actions taken by any of them in connection with or related in any way to negotiating, implementing, documenting, or obtaining requisite approvals of the use of Cash Collateral, including in respect of the granting of the Adequate Protection Liens, the making of the Adequate Protection Payments, any challenges, or objections to the use of Cash Collateral, and all documents related to and all transactions contemplated by the foregoing.

25. Binding Effect of Interim Order. Immediately upon entry by this Court (notwithstanding any applicable law or rule to the contrary), the terms and provisions of this Interim Order shall become valid and binding upon and inure to the benefit of the Debtors, the Prepetition First Lien Agents, the Prepetition First Lien Creditors, all other creditors of any of the Debtors, any Committee or any other Court appointed committee appointed in any Chapter 11 Cases, and all other parties in interest, and their respective successors and assigns, including any chapter 7 or chapter 11 trustee hereafter appointed or elected for the estate of any of the Debtors, an examiner appointed pursuant to section 1104 of the Bankruptcy Code, or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors, in each case in any of the Chapter 11 Cases, any Successor Cases, or upon dismissal of any Chapter 11 Cases or Successor Case.

26. Interim Order Governs. The terms of this Interim Order shall govern the use of Cash Collateral and nothing contained herein shall require the Debtors to comply with the Prepetition Secured Documents as a condition to the use Cash Collateral. In the event of any inconsistency between the provisions of this Interim Order and the Prepetition Secured Documents or any other order (including any “First Day” order), the provisions of this Interim Order shall govern and control. Any payments to be made under any order (including any “First Day” order) shall be made in accordance with this Interim Order and the Budget.

27. Effect of Dismissal of Chapter 11 Cases. If any of the Chapter 11 Cases is dismissed, converted, transferred, or substantively consolidated, such dismissal, transfer, conversion or substantive consolidation shall not affect the rights of the Prepetition First Lien Agents or the Prepetition First Lien Creditors under this Interim Order, and all of their rights and remedies thereunder shall remain in full force and effect as if the Chapter 11 Cases had not been dismissed, converted, transferred, or substantively consolidated. If an order dismissing any of the Chapter 11 Cases is at any time entered, such order shall provide or be deemed to provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that: (i) subject to paragraph 12 of this Interim Order, the Prepetition First Priority Liens, Adequate Protection Liens and Superpriority Claims granted to and conferred upon the Prepetition First Lien Creditors shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order (and that such Superpriority Claims shall, notwithstanding such dismissal, remain binding on all interested parties), and (ii) to the greatest extent permitted by applicable law, this Court shall retain jurisdiction, notwithstanding such dismissal, for the purpose of enforcing the Prepetition First Priority Liens, Adequate Protection Liens and Superpriority Claims referred to in this Interim Order.

28. No Modification of Interim Order. In the event any or all of the provisions of this Interim Order are modified, amended or vacated by a subsequent order of this Court or any other court, such modification, amendment, or vacatur shall not affect the validity, perfection, priority, allowability, enforceability, or non-avoidability of any advances previously made or made hereunder, uses of cash or Cash Collateral previously authorized or authorized hereunder, or lien, claim, or priority authorized or created hereby. Any liens or claims granted to the Prepetition First Lien Agents or Prepetition First Lien Creditors arising prior to the effective date of any modification, amendment, or vacatur of this Interim Order that is not consented to by the Required Lenders and the Requisite Consenting Creditors shall be governed in all respects by the original provisions of this Interim Order, including entitlement to all rights, remedies, privileges, and benefits granted herein.

29. Survival. The provisions of this Interim Order and any actions taken pursuant hereto shall survive entry of any order which may be entered: (a) confirming any plan of reorganization in any of the Chapter 11 Cases; (b) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; (c) dismissing any of the Chapter 11 Cases or any Successor Cases; (d) discharging any Debtor; or (e) abstaining from hearing any of the Chapter 11 Cases or Successor Cases. The terms and provisions of this Interim Order, including the Debtors' Stipulations and the claims, liens, security interests, and other protections granted to the Prepetition First Lien Creditors pursuant to this Interim Order, shall continue in the Chapter 11 Cases, in any Successor Cases, or following dismissal or conversion of any of the Chapter 11 Cases or Successor Cases, and shall maintain their priority as provided by this Interim Order until all Prepetition First Lien Obligations have been indefeasibly and irrevocably

paid in full, notwithstanding the expiration of the Specified Period or any earlier termination of the Debtors' authorization to use Cash Collateral.

30. Continuing and Binding Effect of Intercreditor Agreements and the First Lien Guaranty and Pledge Agreement. Notwithstanding anything contained herein to the contrary (x) the terms of the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement are incorporated by reference as though fully restated herein; (y) the First Lien Intercreditor Agreement and the Second Lien Intercreditor Agreement each remain in full force and effect and are fully enforceable in accordance with their respective terms, and (z) the First Lien Guaranty and Pledge Agreement remains in full force and effect and is enforceable in accordance with its terms, and in each case, each of the parties to the respective agreements and the beneficiaries thereof shall continue to be bound to all terms, provisions, and restrictions contained in their respective agreements and all rights of the parties thereto are fully preserved.

31. Notice of Final Hearing. The final hearing (the "Final Hearing") on the Motion shall be held on \_\_\_\_\_, 2015, at \_\_:\_\_ [a/p].m., prevailing Central Time. On or before [\_\_\_\_\_] 2015, the Debtors shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Interim Order and of the Final Hearing (the "Final Hearing Notice"), together with copies of this Interim Order and the Motion, on the following parties: (a) the Debtors, One Caesars Palace Drive, Las Vegas, Nevada 89109, Attn: Timothy J. Lambert; (b) proposed counsel for the Debtors, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, Illinois 60654, Attn: David R. Seligman, P.C. and Jeffrey D. Pawlitz, Esq.; and Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Nicole L. Greenblatt, Esq.; (c) counsel to Caesars Entertainment Corp., Inc., Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019, Attn: Jeffrey D. Saferstein,

Esq. and Samuel E. Lovett, Esq.; (d) counsel for the First Lien Note Group, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Kenneth H. Eckstein, Esq. and Douglas H. Mannal, Esq.; (e) counsel for the First Lien Credit Agreement Group, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038, Attn: Kristopher M. Hansen, Esq., Erez E. Gilad, Esq., and Jonathan D. Canfield, Esq. (f) counsel for the indenture trustee under the First Lien Notes Indenture, Katten Muchin Rosenman LLP, 575 Madison Avenue, New York, New York 10022, Attn: Craig A. Barbarosh, Esq. and Karen B. Dine, Esq.; (g) the Office of the United States Trustee for the Northern District of Illinois, 219 South Dearborn Street, Suite 873, Chicago, Illinois 60604; (h) counsel to any statutory committee appointed in these chapter 11 cases; and (i) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Final Hearing Notice shall state that any responses or objections to the Motion shall be made in writing, conform to the applicable Bankruptcy Rules and Local Rules, be filed with the Bankruptcy Court, set forth the name of the objecting party, the basis for the objection, and the specific grounds therefor, and be served so as to be actually received no later than \_\_\_\_\_, 2014, at 4:00 p.m. (prevailing Eastern time) by the Notice Parties. If no objections are filed to the Motion, the Court may enter the Final Order without further notice or hearing.

32. Effect of this Interim Order. This Interim Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052 and shall take effect and be enforceable immediately upon execution hereof.

33. Retention of Jurisdiction. The Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation of this Interim Order.

Dated: \_\_\_\_\_

---

UNITED STATES BANKRUPTCY JUDGE



EXHIBIT A

Budget

**6-Week Cash Flow Model**

**SUBJECT TO MATERIAL CHANGE**

Updated as of 1/14/2015

(in millions of USD)

Week Ending (Friday):

Week Number

6 Weeks From

1/17/15

2/27/15

1/23/15	1/30/15	2/6/15	2/13/15	2/20/15	2/27/15
1	2	3	4	5	6

**Cash Flow Summary**

**Operating Receipts**

Gaming Activity	\$42	\$40	\$50	\$53	\$68	\$54	\$308
Non-Gaming Activity	14	14	15	16	19	15	93
Casino Management Fees	--	--	--	--	19	--	19
Intercompany Reimbursements	--	--	14	--	--	--	14
<b>Total Operating Receipts</b>	<b>\$56</b>	<b>\$55</b>	<b>\$79</b>	<b>\$69</b>	<b>\$106</b>	<b>\$69</b>	<b>\$434</b>

Payroll, Taxes & Benefits	(\$21)	(\$9)	(\$23)	(\$16)	(\$23)	(\$16)	(\$109)
Vendor Payments (ex First Day Orders)	(15)	(9)	(10)	(10)	(11)	(12)	(67)
Intercompany Disbursements/Payments	(3)	(3)	(6)	(3)	(3)	(3)	(22)
Utilities	(3)	(3)	(3)	(3)	(3)	(3)	(17)
Taxes	(14)	(12)	(22)	(14)	(16)	(20)	(99)
<b>Total Operating Disbursements</b>	<b>(\$57)</b>	<b>(\$35)</b>	<b>(\$64)</b>	<b>(\$47)</b>	<b>(\$56)</b>	<b>(\$55)</b>	<b>(\$314)</b>

<b>Net Operating Cash Flow</b>	<b>(\$0)</b>	<b>\$19</b>	<b>\$15</b>	<b>\$23</b>	<b>\$49</b>	<b>\$14</b>	<b>\$120</b>
Capital Expenditures	(\$6)	(\$4)	(\$5)	(\$4)	(\$6)	(\$4)	(\$28)
Adequate Protection & Cash Interest	--	(15)	(0)	--	(0)	--	(15)
Chapter 11 Fees	--	--	--	--	(2)	--	(2)
Other Restructuring Items	(5)	(7)	(14)	(19)	(14)	(14)	(72)
<b>Net Cash Flow</b>	<b>(\$11)</b>	<b>(\$6)</b>	<b>(\$4)</b>	<b>(\$0)</b>	<b>\$27</b>	<b>(\$4)</b>	<b>\$2</b>

**Cash Balance Rollforward**

<b>Opening Bank Cash</b>	<b>\$864</b>	<b>\$852</b>	<b>\$847</b>	<b>\$844</b>	<b>\$846</b>	<b>\$873</b>	<b>\$864</b>
Change in Cage Cash	(1)	1	1	2	0	(1)	3
Net Cash Flow	(11)	(6)	(4)	(0)	27	(4)	2
<b>Ending Bank Cash</b>	<b>\$852</b>	<b>\$847</b>	<b>\$844</b>	<b>\$846</b>	<b>\$873</b>	<b>\$869</b>	<b>\$869</b>

Note:  
 1) Excludes foreign subsidiaries and joint ventures where CEOC does not control bank accounts

**Exhibit B**

**Eisenberg Declaration**

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

---

In re:	)	
	)	Chapter 11
	)	
CAESARS ENTERTAINMENT OPERATING COMPANY, INC., <u>et al.</u> , <sup>1</sup>	)	Case No. 15-01145 (ABG)
	)	
Debtors.	)	(Joint Administration Requested)

---

**DECLARATION OF RANDALL S. EISENBERG IN SUPPORT  
OF THE DEBTORS’ MOTION FOR ENTRY OF INTERIM AND  
FINAL ORDERS (I) AUTHORIZING USE OF CASH COLLATERAL,  
(II) GRANTING ADEQUATE PROTECTION, (III) MODIFYING THE  
AUTOMATIC STAY TO PERMIT IMPLEMENTATION, (IV) SCHEDULING  
A FINAL HEARING, AND (V) GRANTING RELATED RELIEF**

I, Randall S. Eisenberg, hereby declare as follows under penalty of perjury:

1. I am the Chief Restructuring Officer (“CRO”) of Caesars Entertainment Operating Company, Inc. (“CEOC”), a corporation organized under the laws of the State of Delaware and one of the above-captioned debtors and debtors in possession (collectively, the “Debtors”). I became CEOC’s CRO contemporaneously with this chapter 11 filing on January 15, 2015. I have been overseeing the Debtors’ preparations for chapter 11 since October 23, 2014, through my role as Managing Director at AlixPartners, LLP, which served as restructuring advisor and consultant to the Debtors since that time. Contemporaneously with this chapter 11 filing on January 15, 2015, AP Services, LLC, an affiliate of AlixPartners, began providing

---

<sup>1</sup> The last four digits of Caesars Entertainment Operating Company, Inc.’s tax identification number are 1623. Due to the large number of Debtors in these chapter 11 cases, for which the Debtors have requested joint administration, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://cases.primeclerk.com/CEOC>.

temporary employees to the Company to assist it in its restructuring. As CRO, I am generally familiar with the Debtors' day to day operations, business affairs, and books and records, as well as the Debtors' restructuring efforts. I am above 18 years of age, and I am competent to testify.

2. I am a Managing Director of AlixPartners, where I co-lead its Transformation and Restructuring Advisory Practice. I have more than 20 years of experience in advising senior management teams, boards of directors, debtors, and creditors in and out of chapter 11 proceedings. I have been involved in all aspects of developing and implementing transformation and turnaround plans. During the course of my career, I have been involved in numerous large and complex restructurings, including, but not limited to, Momentive Performance Materials, Inc., Delphi Corporation, US Airways Group, Inc., Visteon Corporation, Jackson Hewitt, Vertis, Inc., Anthracite Capital, Inc., Kmart Corporation, Planet Hollywood International, Inc., RSL Communications, Ltd., Rotech Healthcare, Inc., and Select Staffing. I am a Certified Turnaround Professional and a Certified Public Accountant. In addition, I am a Fellow in both the American College of Bankruptcy and the International Insolvency Institute. During the course of my career, I have served as the President and Chairman of the Turnaround Management Association and the Association of Certified Turnaround Professionals, the latter of which was merged into the Turnaround Management Association.

3. I submit this declaration (the "Declaration") in support of the Debtors' Motion for Interim and Final Orders (I) Authorizing Use of Cash Collateral; (II) Granting Adequate Protection; (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief (the "Motion").<sup>2</sup> Except as otherwise indicated, all facts set forth

---

<sup>2</sup> Capitalized terms used, but not defined, herein shall have the meaning ascribed to them in the Motion or the proposed interim cash collateral order (attached to the Motion as Exhibit A, the "Interim Order"), as applicable.

herein are based upon my personal knowledge of the Debtors' operations and finances, information learned from my review of documents, or information I have received from other members of the Debtors' management, the Debtors' advisors, or temporary employees of the Debtors working under my direction. I am authorized to submit this Declaration on behalf of the Debtors, and, if called upon to testify, I could and would testify competently to the facts set forth herein.

**I. The Debtors Need to Use Cash Collateral.**

4. The Debtors have sufficient cash on hand to operate their business throughout the course of these chapter 11 cases. As of the Petition Date, the Debtors have approximately \$864 million of cash. A significant amount of that cash is collateral for the Prepetition Secured Creditors. As of January 13, 2015, approximately \$468.5 million of cash was held in bank accounts subject to deposit account control agreements with the Prepetition First Lien Creditors.

5. The Debtors' ability to access Cash Collateral in the ordinary course of business is critical to maintaining ongoing operations and to ensuring the success of this restructuring. Without the ability to access and use Cash Collateral, the Debtors will be unable to provide their customers with the experience they have come to expect, to procure necessary goods and services from vendors, to pay their thousands of employees that report to work every day, to fund working capital, to pay their taxes, to maintain their insurance policies, to continue their cash management system, to make capital expenditures required to maintain or improve their properties, or to pay the administrative costs throughout these chapter 11 cases.

6. In short, the Debtors need to access and use Cash Collateral in order to continue to operate their business, and to preserve and maintain the going-concern value of the Debtors' estates—all of which will substantially enhance the Debtors' ability to make a smooth transition into chapter 11 and will maximize the value of the estate for the benefit of all creditors.

## **II. The Debtors' Good Faith Negotiations with Respect to Cash Collateral.**

7. Prior to the Petition Date, the Debtors engaged in extensive, good-faith negotiations regarding the terms of the consensual use of Cash Collateral with both an *ad hoc* group of certain of the First Lien Lenders (the "First Lien Credit Agreement Group") and an *ad hoc* group of certain of the First Lien Noteholders (the "First Lien Notes Group," and together with the First Lien Credit Agreement Group, the "First Lien Groups").

## **III. The Adequate Protection Package.**

8. The Debtors have provided a substantial adequate protection package to the Prepetition Secured Creditors. In particular, the Debtors have provided the Prepetition Secured Creditors with the following forms of adequate protection:

- adequate protection liens for the Prepetition Secured Creditors to the extent of any diminution in value of their respective interests in the prepetition collateral, including, the Cash Collateral;
- superpriority administrative claims for the Prepetition First Lien Creditors;
- monthly adequate protection payments to the Prepetition First Lien Creditors at a rate of 1.5% per year of the aggregate amount of all Prepetition First Lien Obligations as of the Petition Date, and payment on a pro rata basis to the Prepetition First Lien Creditors of all remaining Available Cash, as that term is defined in the previously filed Restructuring Support Agreement, upon the effective date of a plan of reorganization;
- agreement to operate in the ordinary course of business consistent with the terms of an agreed-to cash flow forecast; and
- payment of the Prepetition First Lien Agents' and First Lien Groups' reasonable and documented fees and expenses, and access to the Debtors' books and records and other financial reporting.

9. The Debtors have provided the Prepetition Secured Creditors with substantial additional value to the extent there is any diminution in value of their cash collateral. Importantly, the Adequate Protection Liens provide the Prepetition Secured Creditors with a

broader cash collateral package than that included in the prepetition cash collateral package. For example, certain Debtors are not obligors or collateral pledgers under the Prepetition Secured Documents but are obligated to provide Adequate Protection Liens, thus providing the Prepetition Secured Creditors with a broader cash collateral package than they were entitled previously. Moreover, the Adequate Protection Liens include cash that is currently not part of the Prepetition Secured Creditors' cash collateral.

10. The Superpriority Claims that the Debtors have provided to the Prepetition First Lien Creditors will also ensure that such Creditors' claims based on diminution in value of their cash collateral receive the highest priority under the Bankruptcy Code—priority over all administrative expenses of any kind—subject only to the Carve Out. And these Superpriority Claims are allowed against all Debtors, again providing the Prepetition First Lien Creditors with the additional value of having recourse to more Debtors and additional cash collateral than were originally obligated under the First Lien Documents.

11. The adequate protection payments that the Debtors are also providing to the Prepetition First Lien Creditors provide continuous cash payments throughout these chapter 11 cases. In particular, the Debtors have provided the Prepetition First Lien Creditors with monthly payments, in cash, at a rate of 1.5% per year of the aggregate amount of all Prepetition First Lien Obligations. The Debtors have also agreed to provide the Prepetition First Lien Creditors with all remaining Available Cash, as that term is defined in the previously filed Restructuring Support Agreement, upon the effective date of a plan of reorganization.

12. The Debtors are also paying the Prepetition First Lien Agents' and the First Lien Groups' reasonable and documented professional fees and expenses, providing certain financial reporting and access to the Debtors' financial information, and operating in the ordinary course



of business consistent with the terms of an agreed-to cash flow forecast. In preparing the Budget, the Debtors have used their reasonable best efforts to determine their best estimate of operational receipts and disbursements. The Budget process will ensure that the Debtors' performance remains on course throughout the chapter 11 cases.

13. The Debtors have entered into a Restructuring Support Agreement with First Lien Noteholders holding approximately 80% of such Notes, and who have cross-holdings of almost 20% of the First Lien Bank claims, creating a platform for their entry into chapter 11 and creating the framework for consensual resolution of these chapter 11 cases on a timely basis. Importantly, the Debtors have agreed to various plan-related milestones, which are incorporated into the Interim Order, keeping the Debtors on track and preserving the value of the estate for the benefit of creditors.

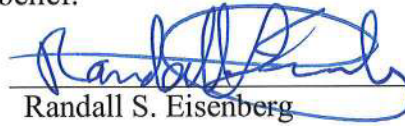
14. In addition to the above, by having the ability to access and use Cash Collateral in the ordinary course and reinvest such Cash Collateral into the business, the Debtors will be able to continue operating their business—which creates additional cash and maximizes value available for the Prepetition Secured Creditors. In light of the foregoing, I believe that this adequate protection package is more than sufficient to protect the Prepetition Secured Creditors' interests in the prepetition collateral from any diminution in value.

#### **IV. Interim Use of Cash Collateral.**

15. As discussed above, I believe that the Debtors have a critical need to use Cash Collateral, immediately upon commencement of these chapter 11 cases. Without the continued use of Cash Collateral, the Debtors will have no ability to operate their businesses. Therefore, I believe that utilizing Cash Collateral is absolutely necessary to preserve and maximize value for the Debtors' stakeholders and that the Debtors will suffer immediate and irreparable harm absent approval of the Interim Order.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true  
and correct to the best of my knowledge and belief.

Chicago, Illinois  
Dated: January 15, 2015



---

Randall S. Eisenberg  
Chief Restructuring Officer  
Caesars Entertainment Operating Company, Inc.

**REQUIRED STATEMENT  
TO ACCOMPANY MOTIONS FOR RELIEF FROM STAY**

All Cases: Debtor(s) \_\_\_\_\_ Case No. \_\_\_\_\_ Chapter \_\_\_\_\_

All Cases: Moving Creditor \_\_\_\_\_ Date Case Filed \_\_\_\_\_

Nature of Relief Sought:  Lift Stay  Annul Stay  Other (describe) \_\_\_\_\_

Chapter 13: Date of Confirmation Hearing \_\_\_\_\_ or Date Plan Confirmed \_\_\_\_\_

Chapter 7:  No-Asset Report Filed on \_\_\_\_\_  
 No-Asset Report not Filed, Date of Creditors Meeting \_\_\_\_\_

1. Collateral
  - a.  Home
  - b.  Car Year, Make, and Model \_\_\_\_\_
  - c.  Other (describe) \_\_\_\_\_
2. Balance Owed as of Petition Date \$ \_\_\_\_\_  
Total of all other Liens against Collateral \$ \_\_\_\_\_
3. In chapter 13 cases, if a post-petition default is asserted in the motion, attach a payment history listing the amounts and dates of all payments received from the debtor(s) post-petition.
4. Estimated Value of Collateral (must be supplied in *all* cases) \$ \_\_\_\_\_
5. Default
  - a.  Pre-Petition Default  
Number of months \_\_\_\_\_ Amount \$ \_\_\_\_\_
  - b.  Post-Petition Default
    - i.  On direct payments to the moving creditor  
Number of months \_\_\_\_\_ Amount \$ \_\_\_\_\_
    - ii.  On payments to the Standing Chapter 13 Trustee  
Number of months \_\_\_\_\_ Amount \$ \_\_\_\_\_
6. Other Allegations
  - a.  Lack of Adequate Protection § 362(d)(1)
    - i.  No insurance
    - ii.  Taxes unpaid Amount \$ \_\_\_\_\_
    - iii.  Rapidly depreciating asset
    - iv.  Other (describe) \_\_\_\_\_
  - b.  No Equity and not Necessary for an Effective Reorganization § 362(d)(2)
  - c.  Other "Cause" § 362(d)(1)
    - i.  Bad Faith (describe) \_\_\_\_\_
    - ii.  Multiple Filings
    - iii.  Other (describe) \_\_\_\_\_
  - d. Debtor's Statement of Intention regarding the Collateral
    - i.  Reaffirm
    - ii.  Redeem
    - iii.  Surrender
    - iv.  No Statement of Intention Filed

Date: \_\_\_\_\_

\_\_\_\_\_  
Counsel for Movant