

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

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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)
	)	
	)	Re: Docket No. <u>9</u>

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**INTERIM ORDER (I) AUTHORIZING PAYMENT OF (A) PREPETITION CLAIMS OF CERTAIN LIEN CLAIMANTS, (B) SECTION 503(B)(9) CLAIMS, AND (C) FOREIGN VENDOR CLAIMS, (II) APPROVING PROCEDURES RELATED THERETO, AND (III) GRANTING RELATED RELIEF**

Upon the motion (the "Motion") of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order") (I) authorizing the Debtors to pay (a) certain prepetition claims of the Lien Claimants, (b) the 503(b)(9) Claims, and (c) claims held by Foreign Vendors, (II) approving and authorizing procedures related thereto, (III) granting related relief, and (IV) scheduling a hearing to consider approval of the Motion on a final basis, all as more fully set forth in the Motion; and upon the First Day Declaration; and the Court having found that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates,

<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>.

their creditors, and other parties in interest; and the Court having found that the Debtors provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before the Court (the "Hearing"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

2. ~~The final hearing (the "Final Hearing") on the Motion shall be held on \_\_\_\_\_, 2015, at \_\_\_\_\_ [a/p] m., prevailing Central Time~~ Any objections or responses to entry of the final order must be filed on or before Feb. 9, 2015, at 4:00 p.m., prevailing Central Time, and served 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 Daniel M. Eggermann, 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. 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. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized, but not directed, to pay Lien Claims in the ordinary course of business without further Court order; provided, that with respect to each Lien Claimant's prepetition claim, the Debtors are not authorized to pay a Lien Claimant's prepetition claim unless the Lien Claimant has perfected or, in the Debtors' judgment, is capable of perfecting or may be capable of perfecting in the future, one or more liens in respect of such claim; provided further, that such payment shall not be deemed to be a waiver of rights regarding the extent, validity, perfection, or possible avoidance of the related liens.

4. The Debtors' payment of Lien Claims shall not exceed, in the aggregate, \$8,000,000 during the period from the date of this Interim Order until the date that the Final Order is entered in this matter, unless otherwise ordered by the Court.

5. The Debtors are authorized, but not directed, to pay 503(b)(9) Claims; provided, that such payments shall not exceed, in the aggregate, \$20,700,000 during the period from the date of this Interim Order until the date that the Final Order is entered in this matter, unless otherwise ordered by the Court.

6. The Debtors are authorized, but not directed, to pay Foreign Vendor Claims; provided, that such payments shall not exceed, in the aggregate, \$110,000 during the period from the date of this Interim Order until the date that the Final Order is entered in this matter, unless otherwise ordered by the Court.

7. The Debtors are authorized to condition payment of the Lien Claims, 503(b)(9) Claims, and Foreign Vendor Claims upon the vendor's agreement to continue supplying goods and services to the Debtors postpetition on normal and customary trade terms, practices and programs that were most favorable to the Debtors and that were in effect within 12 months before the Petition Date, or such other trade terms that are acceptable to the Debtors (the "Customary Trade Terms"); provided, that the Debtors reserve the right to adjust normal trade terms with any such Lien Claimant, 503(b)(9) Claimant, or Foreign Vendor according to the facts and circumstances.

8. The Debtors are authorized to waive the conditions of this Interim Order for payment of a claim (the "Waiver") and to conditionally pay the claim of a threatening or non-conforming Lien Claimant, 503(b)(9) Claimant, and/or Foreign Vendor (the "Non-Conforming Vendor"), that, despite receiving payment for its respective prepetition trade claim, threatens to withhold performance of its obligations or refuses to perform under one or more executory contracts with the Debtors. If the Debtors grant a Waiver, the Debtors may file a Notice of Waiver and a proposed Order to Show Cause with the Court within three (3) business days of payment pursuant to the Waiver. The Debtors will serve any Notice of Waiver and Order to Show Cause on: (a) the Non-Conforming Vendor; (b) the Office of the United States Trustee for the Northern District of Illinois; (c) counsel for any official committee of unsecured creditors appointed in these cases pursuant to section 1102 of the Bankruptcy Code; (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 Daniel M. Eggermann, Esq.; and (e) those persons who have formally appeared and requested service in this proceeding pursuant to Bankruptcy Rule 2002. At the first regularly scheduled hearing occurring at least five (5) business days following entry of the Order to Show Cause by the Court, the Non-Conforming Vendor is required to appear before the Court and should the Court determine that the Non-Conforming Vendor has violated sections 362 and/or 365 of the Bankruptcy Code, the Court will require the Non-Conforming Vendor to disgorge the payments made by the Debtors pursuant to the Waiver, plus attorneys' fees and costs, within three (3) business days of entry of the order holding such Non-Conforming Vendor in violation.

9. The form of Notice of Waiver attached to the Motion as **Exhibit C** and the form of Order to Show Cause attached to the Motion as **Exhibit D** are hereby approved by the Court in all respects for use in accordance with the provisions of the foregoing paragraph.

10. If a Lien Claimant, 503(b)(9) Claimant, or Foreign Vendor that has received a payment pursuant to this Interim Order refuses to perform its postpetition obligations pursuant to an executory contract with one or more of the Debtors in violation of the Bankruptcy Code, the Debtors may file an Order to Show Cause, substantially in the form attached to the Motion as **Exhibit D**, setting forth the Debtors' belief that the applicable Lien Claimant, 503(b)(9) Claimant, or Foreign Vendor is in violation of the Bankruptcy Code through its failure to perform under a prepetition agreement, identifying the name of the applicable Lien Claimant, 503(b)(9) Claimant, or Foreign Vendor, and the identity of the agreement in question, and seeking entry of such Order to Show Cause, which shall require the applicable Lien Claimant, 503(b)(9) Claimant, or Foreign Vendor to appear before the Court to show why it should not be

(a) found to have willfully violated sections 362 and/or 365 of the Bankruptcy Code and (b) required to return any payment made by the Debtors to the applicable Lien Claimant, 503(b)(9) Claimant, or Foreign Vendor pursuant to this Interim Order, plus attorneys' fees and costs.

11. Nothing herein shall prejudice the Debtors' rights to request authority to make additional payments to Lien Claimants, 503(b)(9) Claimants, or Foreign Vendors.

12. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors' right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

13. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

14. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored

as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Lien Claims, 503(b)(9) Claims, or Foreign Vendor Claims.

15. Notwithstanding anything to the contrary contained herein, the relief granted in this Interim Order and any payment to be made hereunder shall be subject to the terms of any orders granting the use of cash collateral approved by this Court in these chapter 11 cases (including with respect to any budgets governing or relating to such use), and to the extent there is any inconsistency between the terms of such cash collateral orders and any action taken or proposed to be taken hereunder, the terms of such cash collateral orders shall control.

16. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

17. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

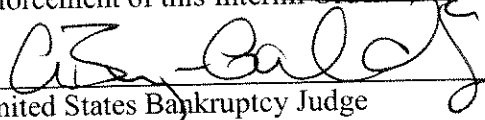
18. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

19. Notwithstanding Local Rule 5005-3(D), the Debtors are authorized to file the Motion in an amount exceeding 15 pages without filing a separate motion for relief.

20. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

~~21. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order~~

Dated: 15 JAN 2015  
Chicago, Illinois

  
United States Bankruptcy Judge