

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> ,)	
)	
Debtors.)	(Jointly Administered)
)	

**FIFTH AMENDMENT TO SUPPLEMENT TO DEBTORS’
THIRD AMENDED JOINT PLAN OF REORGANIZATION
PURSUANT TO CHAPTER 11 OF THE BANKRUPTCY CODE**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) submit this fifth amendment to the plan supplement (this “Fifth Amended Plan Supplement”) in support of, and in accordance with, the *Debtors’ Third Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 5325] (as may be amended, supplemented, or modified from time to time, the “Plan”). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Plan. The document contained in this Fifth Amended Plan Supplement is integral to, part of, and incorporated by reference into the Plan. This document has not yet been approved by the Bankruptcy Court. If the Plan is confirmed by the Bankruptcy Court, the document contained in this Fifth Amended Plan Supplement will be approved by the Bankruptcy Court pursuant to the Confirmation Order.

On July 18, 2016, the Debtors filed the *Supplement to Debtors’ Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 4389] (the “Initial Plan Supplement”). On September 16, 2016, the Debtors filed the *First Amendment to Supplement to Debtors’ Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 4998] (the “First Amended Plan Supplement”). On October 5, 2016, the Debtors filed the *Second Amendment to Supplement to Debtors’ Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 5181] and the *Third Amendment to Supplement to Debtors’ Third Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 5193]. On November 15, 2016, the Debtors filed the *Fourth Amendment to Supplement to Debtors’ Third Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 5660].

Contents

This Fifth Amended Plan Supplement contains the following document, as may be amended, modified, or supplemented from time to time by the Debtors in accordance with the Plan.

Exhibit RR Summary of Revised Economic Terms for the PropCo First Lien Credit Agreement, PropCo First Lien Notes Indenture, and PropCo Second Lien Notes Indenture

PLEASE TAKE FURTHER NOTICE that the terms set forth in **Exhibit RR** replace the terms set forth in **Exhibit R** (PropCo First Lien Credit Agreement), **Exhibit S** (PropCo First Lien Notes Indenture), and **Exhibit T** (the PropCo Second Lien Notes Indenture) filed in the First Amended Plan Supplement. Revised forms of the PropCo First Lien Credit Agreement, the PropCo First Lien Notes Indenture, and the PropCo Second Lien Notes Indenture will be filed in the future.

PLEASE TAKE FURTHER NOTICE that copies of the Plan, the Initial Plan Supplement, the First Amended Plan Supplement, the Second Amended Plan Supplement, the Third Amended Plan Supplement, the Fourth Amended Plan Supplement, the Fifth Amended Plan Supplement, and all documents filed in these chapter 11 cases are available free of charge by visiting <https://cases.primeclerk.com/CEOC> or by calling (855) 842-4123 within the United States or Canada or, outside of the United States or Canada, by calling +1 (646) 795-6969. You may also obtain copies of any pleadings by visiting the Court's website at <http://www.ilnb.uscourts.gov> in accordance with the procedures and fees set forth therein.

Dated: December 23, 2016
Chicago, Illinois

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

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Exhibit RR

**Summary of Revised Economic Terms for the PropCo First Lien Credit Agreement,
PropCo First Lien Notes Indenture, and PropCo Second Lien Notes Indenture**

Propco Credit Agreement Business Issues List

December 2016

Provision	Proposed Terms 12-23-2016
§2.11, Call Protection	NC1 (subject to customary make-whole) / 103 / 102 / 101, <u>provided</u> that call protection does not apply (ie the debt can be prepaid at par) for first 6 months solely in the event of a refinancing of the Propco term loan in full
§2.11, Prepayments	Prepayment premium is not payable upon an acceleration
§2.21, Incremental Loans	<p>Incremental loans can be term loans or revolving commitments</p> <p>(i) \$60mm starter basket, plus (ii) pari 1L debt to finance acquisition of Option Properties (subject to compensation described below if PF first lien leverage¹ exceeds closing first lien leverage (5.41x)), plus (iii) pari 1L debt for other purposes up to PF first lien closing leverage (subject to a customary 50 bps MFN in respect of term loan incremental debt), plus (iv) junior lien debt (including 1.5L debt) up to PF closing secured leverage (plus any junior lien debt incurred to finance the Option Properties in excess of the closing secured leverage) , plus (v) unsecured debt up to PF total closing leverage (plus any unsecured debt incurred to finance the Option Properties in excess of the closing leverage).</p> <p>Incremental compensation shall be be paid to the term lenders in respect of of clause (ii) above as follows: if first lien leverage exceeds 5.41x (pro forma for the Option Properties and incurrence of debt), then interest rate on term loans will be increased to the lesser of (i) all in yield on such incremental first lien debt and (ii) the existing rate on the term loans plus (w) 150 bps if such increase occurs in months 0-12 after closing, (x) 125 bps if such increase occurs in months 13-24 after closing, (y) 75 bps if such increase occurs in months 25-36 after closing and (z) 25 bps if such increase occurs in months 37-48 after closing. No increase in interest rate if the Option Property 1L debt is incurred after month 48.</p> <p>Company can allocate debt incurrence to ratio incurrence basket first and then the dollar basket</p>
§5.10, Further Assurances	
<i>Excluded Collateral</i>	<p>Exclusions to Collateral (including real property and vessels) shall be limited to assets with fair market of less than \$10mm individually / \$30mm in the aggregate (by applicable class of assets excluded)</p> <p>All deposit accounts to be subject to DACAs other than trust accounts, payroll and deposit accounts not greater than \$10mm individually or \$30mm in the aggregate</p> <p>Stock pledge of CPLV to be discussed depending upon what is necessary or advisable to successfully market CPLV financing</p>
<i>Immaterial Sub Non-Guarantor Threshold</i>	Adjusted Total Assets of less than 2.5% individually or in the aggregate or total revenues of less than 7.5% individually or in the aggregate
<i>Unrestricted Subs</i>	Unrestricted Subsidiaries limited to: (i) CPLV and its subsidiaries and (ii) subsidiaries into which scheduled parcels of undeveloped property are transferred (subject to reasonably acceptable due diligence on properties)

¹ All closing leverage references will be set without giving effect to any equity-for-debt exchange, i.e. first lien closing leverage will be set at 5.41x for purposes of the incurrence tests regardless of whether the actual ratio at closing is lower as the result of the equity-for-debt exchange.

Provision	Proposed Terms 12-23-2016
§6.01, Debt	
<i>Acquisition debt</i>	No first lien debt. Otherwise may incur debt if one of the following two tests are met: closing date leverage on a pro forma basis or leverage no worse than leverage immediately prior to the transaction. If debt is secured by a junior lien, then test will be based on total secured leverage. If debt is unsecured, then test will be based on total leverage.
<i>Cap Leases, Etc</i>	\$50mm / 1% of ATA
<i>General Debt</i>	\$100mm / 2.33% of ATA (provided that basket may not be used to incur debt secured by a pari passu first lien on the Collateral)
<i>Ratio Debt</i>	Additional ratio debt to match accordion incurrence tests \$60mm / 1.25% of ATA sublimit for non-Loan Parties, shared with non-Loan Party debt sublimit below
<i>Non-Loan Party Debt</i>	\$60mm / 1.25% of ATA, shared with ratio sub-limit
<i>Non-Recourse Debt / Project Financing</i>	\$450mm plus \$1.45bn in respect of Option Properties
<i>JV Debt</i>	\$60mm with corresponding lien basket limited to encumbering the equity of the JV (or its assets)
§6.02, Liens	\$35mm / equivalent % of ATA – if used to secure funded debt, lien on Collateral must be junior
§6.04, Investments	
<i>Loans to Employees</i>	\$6mm
<i>General basket #1</i>	One basket of \$100mm / 2.33% of ATA
<i>General Basket #2</i>	
<i>Cumulative Credit</i>	(i) \$30mm starter basket, plus (ii) customary builders, plus (iii) 95% of retained AFFO, less REIT distributions (which amount in (iii) shall not be less than zero). [Definition is also used for purposes of Section 6.06 Restricted Payments]
<i>Acquisitions</i>	Permitted, subject to no event of default and pro forma decline in consolidated total leverage Sublimit for investments in non-loan parties of \$100mm / corresponding % of ATA, which basket shall be shared with the investments in Non-Loan Parties basket (see below)
<i>Investments in Similar Business</i>	Collapse general baskets #1 and #2 and the basket for investments in similar businesses into one basket of \$100mm / 2.33% of ATA
<i>Unrestricted Subs</i>	See above regarding permitted contributions of certain parcels of undeveloped property to unrestricted subsidiaries, subject to reasonably acceptable due diligence on the properties
<i>Investments in Non-Loan Parties</i>	\$100mm / corresponding % of ATA (shared basket with acquisition sublimit)
<i>Investments in JV's</i>	\$75mm / corresponding % of ATA.
<i>Other; Contribution of Undeveloped Land; Investments to Develop or Operate Properties within a Project; or Investments in Tenants</i>	Permit contribution of undeveloped land upfront, subject to reasonably acceptable due diligence \$45mm / corresponding % of ATA to develop or operate properties within a Project \$45mm / corresponding % of ATA to invest in tenants or property managers
<i>Permitted Mortgage Investments</i>	Permits investments in secured notes, mortgage deeds of trust, collateralized mortgage obligations, CMBS, etc.

Provision	Proposed Terms 12-23-2016
§6.05, Asset Sales	
<i>Transfers to Non-Loan Party Subs</i>	Delete this incremental basket and rely on investment capacity described above
<i>75% Cash Test</i>	75% cash consideration requirement only applies to dispositions in excess of \$20mm
<i>Designated Non-Cash Consideration</i>	\$100mm / 2.0% of ATA
<i>Other Baskets; Non-Collateral and De Minimis Dollar Baskets</i>	Delete
<i>Asset Sale Sweep with Excess Proceeds</i>	Debt repayment required if amount not applied in accordance with credit agreement (within required time periods) exceeds \$30mm in any fiscal year [Note: with no carry forward of lower amounts to subsequent fiscal years]
<i>Reinvestment Rights for Sweeps</i>	Company has 12 months to reinvest (with an additional 6 months if a binding commitment exists) Reinvestment can be to acquire, maintain, develop, construct, improve, upgrade or repair assets useful in the business of the Borrower or to make “permitted business acquisitions” and other permitted investments Net proceeds will net any amounts required to be distributed to maintain REIT status
§6.06 – RP’s	
<i>Employee, Etc. Stock Repurchases</i>	\$9mm per year \$18mm per year after an IPO
<i>Common Units</i>	No restricted payments basket to permit distributions to any parent in connection with exchange of OP units.
<i>Series A</i>	No separate restricted payments basket to permit distribution of cash to parent upon a redemption of the REIT preferred stock. With respect to an exercise of the “put” rights under the preferred stock following a default of its terms, the Company shall be permitted (at its election) to (i) use equity or the proceeds of equity issuances to redeem such preferred stock or (ii) issue junior secured payment subordinated debt claims, with maturity outside of the IL debt, to redeem the preferred stock. No separate restricted payments basket to make cash payments on the REIT preferred stock.
<i>Required REIT Distributions (6.06(h))</i>	100% of REIT taxable income will be permitted to be distributed
<i>General Basket</i>	\$30mm / 0.6% of ATA
§6.07 – Affiliate Transactions	
<i>Definition of Affiliate</i>	CEOC and its affiliates (i.e., CEC and CIE, etc.), regardless of whether they are affiliates of the Company, will be subject to the Affiliates Transaction covenant and any transactions with these entities must comply with the covenant
<i>Threshold to Comply with Covenant</i>	\$30mm to comply with covenant, \$60mm threshold for majority of disinterested members of the board to approve and no fairness opinion requirement [Note: separate carve out from covenant if fairness opinion obtained.]
§6.09(b) – Prepayments of Subordinated Debt, Amendments, etc.; MFN related to amendments to the IL bonds	MFN right in respect of the IL Bonds limited to the following: (i) shortening of scheduled maturity date; and (ii) increase of effective yield in excess of 350bps

Provision	Proposed Terms 12-23-2016
§7.01 – EoD’s	
<i>Cross Default</i>	\$60mm
<i>Judgement Default</i>	\$60mm
§9.04 – Assignments	
<i>Borrower Consent</i>	Lenders may freely assign subject to DQ lender list and restrictions on affiliates of landlord (absent borrower consent)
<i>Borrower Purchases</i>	Borrower can make open market purchases on a non-pro rata basis
<i>Affiliate Lender Assignments</i>	25% cap
DEFINITIONS	
EBITDA	To be mutually agreed in good faith consistent with previous discussions
Limited Condition Transaction	If the Company is incurring ratio debt to finance an acquisition or to redeem HY bonds that have an irrevocable notice of redemption and is within ratio as of the date of the signing of the APA / issuing the notice of redemption, Company can incur debt at closing of acquisition / refi even if Company would no longer be able to satisfy the ratio because leverage has increased during intervening period
Pro Forma Basis	Cap of 2.5% of EBITDA for pro forma or projected cost savings and synergies (with the percentage calculated prior to giving effect to any such savings or synergies)
MISC	
Control under 1L ICA	Banks to control remedies until paid in full consistent with existing CEOC facility