UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

WILMINGTON TRUST, NATIONAL ASSOCIATION, solely in its capacity as successor Indenture Trustee for the 10.75% Notes due 2016, Plaintiff, v. CAESARS ENTERTAINMENT CORPORATION, Defendant.	CIVIL ACTION NO.:_____ COMPLAINT FOR DECLARATORY RELIEF AND DAMAGES DEMAND FOR TRIAL BY JURY

Wilmington Trust, National Association ("Wilmington Trust"), as Successor Indenture Trustee (the "10.75% Notes Trustee" or "Plaintiff") for the 10.75% Senior Unsecured Notes due 2016 (the "10.75% Notes") issued by Caesars Entertainment Operating Company, Inc. ("CEOC"), and guaranteed by certain wholly-owned domestic subsidiaries of CEOC (the "Subsidiary Guarantors"), under that certain indenture dated February 1, 2008 (the "Indenture"), by and through its undersigned counsel, hereby brings this complaint (the "Complaint") against Caesars Entertainment Corporation ("Defendant" or "CEC" and, together with its direct and indirect subsidiaries, "Caesars") to enforce CEC's guarantee of CEOC's debt obligations with respect to the 10.75% Notes (the "Parent Guarantee"), and in support thereof respectfully alleges as follows:

NATURE OF THE ACTION

1. This action concerns CEC's reported attempts to avoid its written guarantee of the repayment of over $51 million of unpaid interest in respect of the 10.75% Notes. Plaintiff, for the benefit of holders of the 10.75% Notes (the "10.75% Noteholders"), seeks various forms of relief to recover that unpaid interest. Primarily, Plaintiff seeks to establish that CEC's actions in

purporting to release itself from any obligations under its Parent Guarantee are void for violations of both the Trust Indenture Act of 1939, 15 U.S.C. §§ 77aaa to 77bbbb (the "TIA") and the Indenture. Plaintiff further seeks a money judgment against CEC in an amount equal to the $51,447,565.00 of outstanding interest that is due and payable but remains unpaid as of the date hereof under the Indenture (the "Missed Interest Payments").

2. Defendant CEC is the parent holding company of CEOC, the issuer of the 10.75% Notes. As of the date hereof, the 10.75% Notes remain outstanding in the principal amount of approximately $479 million plus interest, fees, and other charges due under the Indenture. Under that Indenture, and as a material payment term thereof, CEC unconditionally and irrevocably guaranteed payment of all principal and interest owing on the 10.75% Notes as and when due. See Indenture § 11.01(a) (Exhibit 1).

3. As discussed in greater detail herein, during the past several years, CEC used its position as CEOC's controlling shareholder to cause CEOC to transfer many of its most valuable assets to affiliated entities controlled by CEC and its shareholder sponsors (the "Distressed Transfers"). Upon information and belief, those Distressed Transfers have rendered CEOC insolvent and unable to pay principal and interest in respect of the 10.75% Notes as and when due. From an economic standpoint, because the Indenture remained valid and in effect, the 10.75% Notes Trustee had direct claims for principal and interest against both CEOC, as issuer transferor, and CEC, as guarantor transferee. The 10.75% Noteholders, therefore, were not disadvantaged by the Distressed Transfers between co-obligors on the debt under the Indenture.

4. Directly following the closing of the last of the Distressed Transfers, however, CEC purported to release its guarantee of CEOC's funded debt obligations, including its Parent

Guarantee of the 10.75% Notes. That purported release had the effect of leaving the 10.75% Noteholders without recourse to payment from CEC, the transferee, then in control of CEOC's former assets. Indeed, in other litigation against CEC pending in this Court, CEC has continued to assert that all of its guarantees of CEOC's funded debt obligations have been released and that it has no obligation to pay any of CEOC's debts at this time. See, e.g., BOKF Action (as defined below), *Memorandum of Law of Caesars Entertainment Corporation In Opposition To BOKF, N.A.'s Motion for Partial Summary Judgment* (July 24, 2015) [Dkt. No. 44], at 8-11. Specifically, with respect to its Parent Guarantee of the 10.75% Notes, CEC has asserted that the Parent Guarantee was released in conjunction with CEC's sale of 68.1 shares of CEOC equity in May 2014 (or 5% of all CEOC's shares). Relying on this sale, on May 6, 2014, CEC first publicly announced its view that none of its obligations under the Parent Guarantee were in effect. At all times since, CEC has not withdrawn its disavowal and has thus been in material breach of the Indenture.

5. CEC's breach of the Indenture now has a direct monetary impact on the 10.75% Notes Trustee. The reverse form of note attached to the Indenture makes clear that the Missed Interest Payments were due and payable on February 1 and August 1, 2015. See Form Of Reverse Side Of Initial Cash Pay Note for the 10.75% Senior Cash Pay Notes Due 2016 (Exhibit 2). Those amounts have not been paid by either CEOC or CEC. As a guarantor of payment, not collection, CEC is directly obligated to make the Missed Interest Payments to the 10.75% Notes Trustee. See Indenture §§ 11.01(a), 11.01(d).

6. Together, the Distressed Transfers and the purported release of the Parent Guarantee constitute an out-of-court restructuring or reorganization of CEC's and CEOC's debt

obligations with the overall effect of impairing the right of the 10.75% Notes Trustee to receive payment of principal and interest on the 10.75% Notes as and when due.

7. Neither the 10.75% Notes Trustee, nor any 10.75% Noteholder in its capacity as such, has ever consented to any out-of-court restructuring of principal or interest due under the Indenture (including the Parent Guarantee therein) or the proposed reorganization scheme. As a result, the out-of-court restructuring or reorganization scheme and its purported release of the Parent Guarantee constitute a violation of the TIA, rendering the purported Parent Guarantee strip null and void.

8. Independent of the TIA–related claims, and as alleged in greater detail herein, the terms of the Indenture did not, in fact, permit CEC's release of the Parent Guarantee pursuant to the Five Percent Sale (as defined below). As set forth below, CEC's purported bases for releasing itself had no business rationale, served only as a pretense to support CEC's disavowal of the Parent Guarantee, and were not sufficient to release the Parent Guarantee under the express terms of the Indenture. Having failed to disclaim that ineffective release and disavowal within the ten business days provided for in the Indenture, CEC materially breached the Indenture. Regardless of any supervening event, including any subsequent purported releases of the Parent Guarantee, CEC has remained in material breach of the Indenture since May 16, 2014.

THE PARTIES

9. Plaintiff is a national banking association with a principal place of business at Rodney Square North, 1100 North Market Street Wilmington, Delaware 19890. Plaintiff is the successor indenture trustee under the Indenture dated as of February 1, 2008 among CEOC, as issuer, CEC as guarantor, and U.S. Bank National Association, as trustee. On January 23, 2015, Plaintiff was appointed successor trustee to U.S. Bank National Association pursuant to the

terms of the Indenture. Plaintiff currently serves as the 10.75% Notes Trustee under the Indenture.

10. Defendant CEC (formerly known as Harrah's Entertainment, Inc.) is a Delaware corporation with its principal place of business at One Caesars Palace Drive, Las Vegas, Nevada 89109. CEC and CEOC, together with their affiliates, provide casino entertainment services, operating primarily under the Caesars, Harrah's, and Horseshoe brand names. CEC is publicly traded and is the world's most geographically diversified casino-entertainment provider. CEC, through its economic interests in CEOC, Caesars Entertainment Resort Properties, LLC ("CERP"), and Caesars Growth Partners, LLC ("CGP"), owns, operates, or manages 50 gaming and resort properties in 14 states and five countries, covering 3 million square feet of gaming space, 39,000 hotel rooms, 45 million customer loyalty program participants, and 68,000 employees.

JURISDICTION & VENUE

11. This Court has subject matter jurisdiction pursuant to Section 322(b) of the TIA, 15 U.S.C. § 77vvv(b), Section 22(a) of the Securities Act of 1933, 15 U.S.C. § 77v(a), and 28 U.S.C. §§ 1331, 1367, and 2201. This controversy arises under federal law, involves claims herein so related to the 10.75% Notes Trustee's federal claims that they form part of the same case or controversy, and the 10.75% Notes Trustee seeks a declaration of the rights and other legal relations of the 10.75% Notes Trustee and the 10.75% Noteholders, whether or not further relief is or could be sought.

12. This Court has personal jurisdiction over CEC under New York's long arm jurisdiction statute, N.Y.C.P.L.R. § 302(a), because it has, at least, minimum contacts with the State of New York. Among other things, CEC transacts business within the State, regularly does or solicits business, or engages in other persistent courses of conduct in the State, expects or

should reasonably expect its acts to have consequences in the State, and/or derives substantial revenue from interstate or international commerce.

13. Venue is proper in this District pursuant to Section 322(b) of the TIA, 15 U.S.C. § 77vvv(b), Section 22(a) of the Securities Act of 1933, 15 U.S.C. § 77v(a), and 28 U.S.C. §§ 1391(b) and (c). Among other things, CEC is found or transacts business in this District, the offer or sale of debt at issue took place at least in part in this District, and/or a substantial part of the events giving rise to the violations of law complained of herein occurred at least in part in this District.

14. Section 13.09 of the Indenture provides that the provisions of the Indenture and securities "shall be governed by, and construed in accordance with, the laws of the State of New York . . . ." Indenture § 13.09.

15. CEC is a party to several actions pending in this District, which cases are related to this Complaint and raise similar issues regarding CEC's conduct, including: (i) the MeehanCombs Action; (ii) the BOKF Action; and (iii) the UMB Action (each as defined below).

FACTUAL ALLEGATIONS

Background on CEC and CEOC Obligations

16. On January 28, 2008, CEC was acquired by affiliates of Apollo Global Management, LLC ("Apollo") and TPG Capital, LP ("TPG" and, together with Apollo, the "Sponsors") in an all-cash transaction (the "LBO"), valued at approximately $30.7 billion. As a result of this transaction, the issued and outstanding shares of non-voting common stock and non-voting preferred stock of CEC became owned by entities affiliated with the Sponsors and certain co-investors and members of management, and the issued and outstanding shares of voting common stock of CEC became owned by Hamlet Holdings LLC, which is itself owned by certain individuals affiliated with the Sponsors. See CEC Current Report (Form 10-K) (filed

Mar. 9, 2010), at 3. The Sponsors and other investors contributed approximately $6.1 billion, and the remainder was funded through the issuance of approximately $24 billion in debt. See In re Caesars Entm't Operating Co., Inc., No. 15-01145 (ABG) (Bankr. N.D. Ill.), *Memorandum in Support of Chapter 11 Petitions* (Jan. 15, 2015) [Dkt. No. 4] (the "Mem. in Support"), at 4.

17. Currently, CEOC has the following outstanding funded debt obligations, totaling approximately $18.4 billion in principal amount:

- four tranches of first lien bank debt totaling approximately $5.35 billion (the "First Lien Bank Debt");
- three series of outstanding first lien notes totaling approximately $6.35 billion (the "First Lien Notes");
- three series of outstanding second lien notes totaling approximately $5.24 billion (the "Second Lien Notes" and, together with the First Lien Notes, the "Secured Notes");
- the 10.75% Notes, totaling approximately $479 million; and
- two series of senior unsecured notes totaling approximately $530 million (the "Legacy Notes").

The 10.75% Notes

18. In connection with the LBO, on February 1, 2008, CEOC issued $4,932,417,000 aggregate principal amount of 10.75% Notes and $1,402,583,000 aggregate principal amount of 10.75%/11.5% senior toggle notes, which mature on February 1, 2016 and February 1, 2018, respectively, pursuant to the Indenture, between CEOC, the Subsidiary Guarantors party thereto, and U.S. Bank National Association, as original trustee. The 10.75% Notes are guaranteed by CEC and each Subsidiary Guarantor.

19. Pursuant to Section 11.01(a) of the Indenture, CEC "jointly and severally, irrevocably and unconditionally" guaranteed CEOC's obligations under the Indenture. Indenture § 11.01(a). Further, Section 11.01(g) of the Indenture provides that the Parent Guarantee "shall

remain in full force and effect until payment in full of all the Guaranteed Obligations." Id. § 11.01(g).

Relevant Provisions From Indenture

20. The Indenture provides certain essential protections to the 10.75% Noteholders. One such provision—mandated by Section 316(b) of the TIA, 15 U.S.C. § 77ppp(b)—is the unconditional right of noteholders to receive payment of principal and interest. Section 316(b) of the TIA states:

> Notwithstanding any other provision of the indenture to be qualified, *the right of any holder of any indenture security to receive payment of the principal of and interest on such indenture security*, on or after the respective due dates expressed in such indenture security, *or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder* . . . .

15 U.S.C. § 77ppp(b) (emphasis added). The protections of Section 316(b) of the TIA are incorporated into Section 6.07 of the Indenture:

> Notwithstanding any other provision of this Indenture, *the right of any holder to receive payment of principal of and interest on the Notes held by such holder*, on or after the respective due dates expressed or provided for in the Notes, *or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder*.

Indenture § 6.07 (emphasis added).

21. Section 6.07 of the Indenture, therefore, provides an unconditional right to receive principal and interest on the 10.75% Notes, which right shall not be impaired without the consent of each holder.

22. To the extent the Indenture and the TIA conflict, the Indenture provides that the relevant provisions of the TIA, including Section 316, control:

> If and to the extent that any provision of this Indenture limits, qualifies or conflicts with the duties imposed by, or with another provision (an 'incorporated

> provision') included in this Indenture by operation of, Sections 310 to 318 of the TIA, inclusive, such imposed duties or incorporated provision shall control.

Id. § 13.01.

23. Together, Sections 6.07 and 13.01 of the Indenture ensure that "a company cannot – outside of bankruptcy – alter its obligation to pay bonds without the consent of each bondholder." MeehanCombs Action, *Opinion and Order* (Jan. 15, 2015) [Dkt. No. 28], at 10-11 (Scheindlin, J.). Rather, "if, in taking actions allowed under the release provision of the Indenture, CEC violated noteholders' rights to payment under section 316(b), then the release was invalid as a matter of law." BOKF Action, *Opinion and Order* (Aug. 27, 2015) [Dkt. No. 54] (the "TIA Decision"), at 22 (Scheindlin, J.).

24. The Indenture provides that CEC is a primary obligor that has "jointly and severally, irrevocably and unconditionally" guaranteed the payment of interest under the Indenture when due and payable:

> Each Note Guarantor hereby jointly and severally, irrevocably and unconditionally guarantees on a unsecured senior basis, as a primary obligor and not merely as a surety . . . the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Issuer under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, premium, if any, or interest on in respect of the Notes. . . .

Indenture § 11.01(a).

25. Section 11.01(h) of the Indenture contemplates that "each Note Guarantor hereby promises to and shall . . . forthwith pay . . . an amount equal to the sum of (i) the unpaid principal amount of such Guaranteed Obligations, (ii) accrued and unpaid interest on such Guaranteed Obligations . . . and (iii) all other monetary obligations of the Issuer to the holders and the Trustee." Id. § 11.01(h).

26. The Indenture clarifies that this guarantee is a guarantee of payment, not collection, meaning that, as set forth in 11.01(d), payment is owing when due:

> Each Note Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any holder or the Trustee to any security held for payment of the Guaranteed Obligations.

Id. § 11.01(d).

27. The Indenture establishes that it is an Event of Default if CEC denies or disaffirms the Parent Guarantee, and this remains uncured for 10 days:

> An 'Event of Default' occurs with respect to a series of Notes if: . . . [T]he Parent Note Guarantor . . . denies or disaffirms its obligations under this Indenture or any Note Guarantee with respect to such series of Notes and such Default continues for 10 days.

Id. § 6.01(h). As discussed herein, CEC denied and disaffirmed the Parent Guarantee pursuant to the May Announcement (as defined below). Accordingly, CEC has violated Section 6.01(h) of the Indenture.

28. Further, the Indenture provides that it is an Event of Default if there is a default in any payment of interest when the same becomes due and payable and this remains uncured for 30 days:

> An 'Event of Default' occurs with respect to a series of Notes if: . . . [T]here is a default in any payment of interest (including any additional interest) on any Note of such series when the same becomes due and payable, and such default continues for a period of 30 days.

Id. § 6.01(a). Interest payments were due and payable on February 1 and August 1, 2015 and, to date, those interest payments have not been made. See Form Of Reverse Side Of Initial Cash Pay Note for the 10.75% Senior Cash Pay Notes Due 2016.

29. The Indenture does not require the 10.75% Notes Trustee to issue a demand to CEC for payment prior to bringing this action, given that CEC expressly waived any right to assert that its payment obligations under the Indenture were subject to various pre-conditions:

> (b) Each Note Guarantor waives presentation to, demand of payment from and protest to the Issuer of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Note Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Note Guarantor hereunder shall not be affected by (i) ***the failure of any holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Notes or any other agreement or otherwise***; (ii) any extension or renewal of this Indenture, the Notes or any other agreement; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (iv) the release of any security held by any holder or the Trustee for the Guaranteed Obligations or any Note Guarantor; (v) the failure of any holder or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (vi) any change in the ownership of such Note Guarantor, except as provided in Section 11.02(b).
>
> (c) Each Note Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Note Guarantors, such that such Note Guarantor's obligations would be less than the full amount claimed. Each Note Guarantor hereby waives any right to which it may be entitled to have the assets of the Issuer first be used and depleted as payment of the Issuer's or such Note Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Note Guarantor hereunder. Each Note Guarantor hereby waives any right to which it may be entitled to require that the Issuer be sued prior to an action being initiated against such Note Guarantor.

Indenture §§ 11.01(b)-(c) (emphasis added).[1]

[1] In any event, demand for payment from CEC would be futile, as CEC already has repeatedly disavowed the guarantee and opted to litigate the question of its liability before this Court. See, e.g., MeehanCombs Action; BOKF Action; UMB Action. For this reason, CEC, in responding to UMB Bank N.A.'s ("UMB") summary judgment motion, failed to raise and did not contest UMB's failure to seek demand prior to commencement of its complaint. See UMB Action, *Complaint* (June 15, 2015) [Dkt. No. 1], at 20 ("[S]uch demand would clearly be futile in this case, as CEC has repeatedly disclaimed its Guarantee liability in its publicly disclosed securities filings."); UMB Action, *Memorandum of Law of Caesars Entertainment Corporation in Opposition to UMB Bank, N.A.'s Motion for Partial Summary Judgment* (July 24, 2015) [Dkt. No. 46].

Caesars' Restructuring and/or Reorganization Scheme

30. Immediately following the LBO, CEOC was the main operating subsidiary of CEC and owned and operated five casino resorts on the Las Vegas strip, five casinos in Atlantic City, and 17 regional casinos across the United States. CEOC also managed 20 other casino properties and owned an online gaming business, the rights to the World Series of Poker, and all of the intellectual property and data comprising Caesars' revolutionary customer loyalty program, the Total Rewards Program. The LBO, which saddled CEOC with substantial new debt obligations, occurred at the precipice of the financial crisis that began in 2008. This left CEOC over-levered and facing substantial challenges, including significant declines in revenue (particularly from CEOC's regional casinos).

31. As a result, beginning at least as early as March 2014, CEOC was likely insolvent. At that time, CEC publicly acknowledged that CEOC's cash flow from operations would be insufficient to repay CEOC's indebtedness in the long term. See CEC Current Report (Form 10-K) (filed Mar. 17, 2014), at 46 ("We do not expect that cash flow from operations will be sufficient to repay CEOC's indebtedness in the long-term and we will have to ultimately seek a restructuring, amendment or refinancing of our debt, or if necessary, pursue additional debt or equity offerings.").

32. Upon information and belief, to preserve the value of its equity investment in CEOC (which appeared hopelessly burdened with LBO debt), CEC, through its control of CEOC, caused CEOC to undertake a systematic process of diverting value away from CEOC's LBO creditors. This process was accomplished in two steps: (i) certain of CEOC's most valuable assets were extracted from CEOC and funneled into other CEC subsidiaries not burdened by LBO debt (i.e., the Distressed Transfers) and (ii) the Parent Guarantee CEC

provided in favor of CEOC's debt was stripped. This two-step strategy, if effective, could ensure that CEC and the Sponsors would retain their equity in CEOC's most valuable assets (because they would be safely harbored at other CEC subsidiaries free of the Parent Guarantee), while at the same time insulate CEC from judicial scrutiny of its out-of-court restructuring or reorganization.

33. The Distressed Transfers included the following transfers of material assets from CEOC and its subsidiaries to CEC subsidiaries:

- CIE Transaction. CEOC transferred its interest in certain intellectual property to Caesars Interactive Entertainment ("CIE") in exchange for equity in CIE. Subsequently, CEC forced CEOC to transfer its interest in CIE to CEC which ultimately transferred the interest to CGP.

- CERP Transaction. The Octavius Tower at Caesars Palace ("Octavius") and Project LINQ were transferred from CEOC subsidiaries to CERP for less than reasonably equivalent value.

- CGP Transaction. Planet Hollywood Resort and Casino ("Planet Hollywood"), the Horseshoe Casino Baltimore ("Horseshoe Baltimore"), and 50% of the management fee stream for these properties were transferred from CEOC subsidiaries to CGP for less than reasonably equivalent value.

- Four Properties Transactions. The Linq Hotel & Casino (formerly known as The Quad Resort & Casino) (the "Linq Hotel"), The Cromwell, Bally's Las Vegas Hotel and Casino ("Bally's Las Vegas"), and Harrah's New Orleans Hotel and Casino ("Harrah's New Orleans") were transferred from CEOC subsidiaries to CGP for less than reasonably equivalent value.

- CES Transaction. CEOC granted to Caesars Entertainment Services ("CES") (an entity owned jointly among CEC, CEOC, and Caesars Growth Properties Holdings, LLC) an exclusive and irrevocable license in highly valuable intellectual property, including the Total Rewards Program.

CIE Transaction

34. CIE was formed in May 2009 as an indirect subsidiary of CEOC with the purpose of developing certain Caesars brands, including its online gaming platform and the World Series of Poker brand. CEOC transferred to CIE the World Series of Poker rights and related

intellectual property in exchange for equity interests valued at $15 million, though CEOC retained the right to use the intellectual property pursuant to a perpetual, royalty-free license. See Mem. in Support, at 6.

35. In 2011 (i) CIE purchased from CEOC the exclusive right to host World Series of Poker tournaments for $20.5 million in cash and (ii) CEC subsequently caused CEOC to transfer to CEC the subsidiary holding the CIE equity interests. Finally, in October 2013, CEC transferred the subsidiary holding the CIE equity interests to CGP as part of the CGP Transaction (described below). See id. CIE's stated value in October 2013 was $750 million.

CERP Transaction

36. In August 2013, CEC and the Sponsors formed CERP. On October 11, 2013, the equity interests in Octavius and Project LINQ, marquee properties of the Caesars enterprise, were transferred from CEOC to CERP. Octavius is the newest of the six hotel towers that comprise Caesars Palace. Octavius is a 23-story high-end luxury complex that features 662 guest rooms, 60 suites, and six luxury villas. CEOC spent approximately $860 million to construct Octavius and intended it to appeal to Caesars Palace VIP customers and other high net worth guests. See CEC Current Report (Form 10-K) (filed Mar. 15, 2012), at 33. Project LINQ is "a $550 million outdoor retail, dining and entertainment district on the east side of the Las Vegas Strip between the Flamingo Las Vegas and The Quad Resort and Casino" and includes the world's largest observation wheel, "The High Roller." CEC Current Report (Form 10-K) (filed Mar. 17, 2014), at 37. Project LINQ is across the street from Caesars Palace and is positioned in the midst of other Caesars properties formerly owned by CEOC. The first phase of Project LINQ opened in December 2013. See id.

37. In exchange for the ownership interests in Octavius and Project LINQ, CERP provided to CEOC $80.7 million in cash and $53 million in CEOC notes for retirement and assumed $450 million in debt. This provided a total value of less than $600 million for both properties. See Mem. in Support, at 32-33.

CGP Transaction

38. CGP was formed on October 21, 2013 as a joint venture between subsidiaries of CEC and Caesars Acquisition Company ("CAC") to acquire assets from CEOC and CEC. As stated by CEC, "CAC was formed to directly own 100% of the voting membership units in CGP LLC. CGP LLC was formed for the purpose of acquiring certain businesses and assets of Caesars Entertainment." CEC Current Report (Form 10-K) (filed Mar. 17, 2014), at 7. All of the non-voting units of CGP are owned by CEC or its subsidiaries.

39. The CGP joint venture was formed through several transactions including: (i) a rights offering of CAC common stock; (ii) the exercise of subscription rights by the Sponsors to purchase $457.8 million of CAC common stock; (iii) the use of proceeds from the rights offering by CAC to purchase 100% of the voting units of CGP; (iv) CGP's use of proceeds received from CAC to purchase from CEOC the Planet Hollywood casino property, the Baltimore Horseshoe casino property, and a 50% interest in the management fee revenues of the entities that manage those two properties; and (v) the contribution of CIE common stock from a subsidiary of CEC, along with certain notes held by the subsidiary, in exchange for all of CGP's non-voting units. Id. at 7-8.

40. Additionally, as part of CEOC's transfer of 50% of its management fees, CEOC, CGP, and CAC entered into a management services agreement (the "2013 Management Services Agreement") intended to "allow[] CAC, [CGP] and their subsidiaries to leverage Caesars'

infrastructure." CEC Current Report (Form 8-K) (filed Oct. 22, 2013), at 5. In practice, however, the 2013 Management Services Agreement operated to give CGP and CAC access to, and benefit from, the Total Rewards Program while requiring CEOC to perform certain services on behalf of CGP and CAC. In exchange, CEOC receives a "service fee." See 2013 Management Services Agreement § 5.01 (Exhibit 3).

41. Among other features, the 2013 Management Services Agreement provides that (i) CEOC has no ability to terminate the agreement (absent an event of default); (ii) CGP and CAC can unilaterally terminate the agreement on 180 days' notice; (iii) the agreement otherwise remains in effect until CGP is liquidated; and (iv) if the agreement is terminated, CEOC must provide "transition assistance" upon termination. See 2013 Management Services Agreement §§ 3.04(b), 10.01, 10.03. Upon information and belief, and in light of its one-sided nature, the 2013 Management Services Agreement was not negotiated on an arms' length basis or in good faith.

Four Properties Transactions

42. On March 1, 2014, CEC caused CEOC to enter into a transaction agreement that required CEOC's subsidiaries to sell four of its most valuable properties to CGP (the "2014 Transaction Agreement"). See Mem. in Support, at 34. The properties included the Linq Hotel, The Cromwell, Bally's Las Vegas, and Harrah's New Orleans, as well as 50% of the management fees CEOC would earn from managing each of these properties. See id. The Linq Hotel, The Cromwell, and Bally's Las Vegas are among Caesars' most valuable and newly renovated properties in Las Vegas. In fact, The Cromwell was extensively renovated, redeveloped, and only reopened in May 2014. The Linq Hotel recently underwent substantial renovation that was completed in July 2015. Bally's Las Vegas had a new tower open in the

fourth quarter of 2013. Additionally, Harrah's New Orleans is the largest casino in Louisiana and enjoys a significant share of the New Orleans gaming market.

43. The Linq Hotel, for example, is so valuable that CGP has openly acknowledged that its construction (along with Project LINQ) caused a material decline in Caesars' revenue in 2013. See CEC Current Report (Form 8-K) (filed Apr. 10, 2014), at 26. Similarly, according to CAC, CGP's increase in room revenues for the third quarter in 2014 was driven by the renovated tower at Bally's Las Vegas and the opening of The Cromwell. See CAC Quarterly Report (Form 10-Q) (filed Nov. 14, 2014), at 41.

44. CEOC received roughly $2 billion ($1.8 billion of cash and CGP's assumption of a $185 million credit facility used to renovate The Cromwell) in exchange for transferring these four properties to CGP. See Mem. in Support, at 34. This amount, however, is likely understated because (i) CEOC agreed to pay cost overruns for renovations on the Linq Hotel and certain other expenses; (ii) funds required to pay the remaining costs for The Cromwell renovation were transferred by CEOC to CGP; and (iii) the consideration does not take into account the value of these properties to the Caesars enterprise as a whole. See 2014 Transaction Agreement § 11.2(g) (Exhibit 4).

45. For example, Caesars consistently emphasizes the value that the Total Rewards Program generates by funneling customers from its regional properties to its marquee properties, such as those in Las Vegas and New Orleans. According to CEC, Total Rewards allows it to generate almost one-third more revenue than its competitors. Pursuant to the Distressed Transfers, however, many of Caesars' marquee properties were transferred from CEOC and its subsidiaries to CEC subsidiaries. As a result, while CEOC and its subsidiaries (who now own mostly regional properties) generate customers for the marquee properties, they do not share in

revenue generated by customers at the marquee locations. Thus, as a result of the Distressed Transfers, CEOC and its subsidiaries—and their substantial creditors, including the 10.75% Notes Trustee—were not only provided with insignificant value for the properties that were transferred, but were also robbed of the increased revenue generated at those properties by operation of the Total Rewards Program.

CES Transaction

46. The 2014 Transaction Agreement also established a joint services venture, CES, that assumed control over certain of CEOC's intellectual property, including the Total Rewards Program. CES is owned, in part, by CEOC, CERP, and CGP. Moreover, CES may have been created to move the Total Rewards Program out of the reach of CEOC creditors. Upon information and belief, a CAC management call on March 27, 2014 described CES as being "bankruptcy remote" and intended to protect assets from a bankruptcy filing by one of its owners. Additionally, at a regulatory hearing in Louisiana on April 24, 2014, CAC's general counsel admitted that CES was formed at the request of CAC's special committee based on "a fear o[f] the Caesars Acquisition Company that parties might take away the Total Rewards Program from Caesars Acquisition Company, and these CEOC lenders, who -- we don't know what their intentions are." Louisiana Gaming Control Board Directors' Meeting Transcript, at 136:19-136:24 (Apr. 24, 2014) (Exhibit 5).

47. On May 20, 2014, CEOC, CERP, and CGP entered into the Omnibus License and Enterprise Services Agreement (as amended and restated, the "License Agreement"). The License Agreement provides for CEOC's grant to CES of a non-exclusive, irrevocable, world-wide, royalty free license for all intellectual property, including the Total Rewards Program. See

CAC Current Report (Form 8-K) (filed May 21, 2014), at 3. Additionally, the agreement transitions certain "enterprise-wide" corporate services to CES.

48. This arrangement gave disproportionate control over key functions to CES. This control is compounded by the fact that CES is meant to serve the interests of CERP and CGP prior to serving the interests of CEOC. See CEC Current Report (Form 8-K) (filed May 6, 2014), at Risk Factors ("In the event that our interests do not align with those of [CGP] or CERP, the interests of [CGP] or CERP may be met before ours."). Though CEOC received a 69% stake in CES for the grant of its intellectual property and other consideration, this interest cannot be sold or assigned to third parties. See License Agreement § 16.4. CEOC is also responsible for 70% of the costs attributed to CES (compared to 24.6% for CERP and 5.4% for CGP). Accordingly, this all served to move Caesars' arguably most valuable asset, the Total Rewards Program, to an entity controlled by CERP and CGP, while shifting costs onto CEOC and depriving CEOC of value to service its obligations under the Indenture.

The Purported Parent Guarantee Strip

49. On May 6, 2014, CEC announced that the Parent Guarantee was released as to CEOC's secured and unsecured debt as a result of certain transactions consisting of (i) a $1.75 billion "refinancing" of CEOC's credit facility (the "B-7 Financing") and (ii) CEC's sale of 68.1 shares, or just five percent (5%), of CEOC's common stock for the nominal sum of $6.15 million (the "Five Percent Sale"). See CEC Current Report (Form 8-K) (filed May 6, 2014), at 5-6. Subsequently, on May 30, 2014, CEC transferred another six percent (6%) of CEOC's common stock to an employee benefits plan (the "Six Percent Transfer" and, together with the B-7 Financing and the Five Percent Sale, the "May Transactions").

50. Following the Five Percent Sale (and prior to the Six Percent Transfer), CEC and CEOC publicly disclaimed the Parent Guarantee by each filing a Form 8-K (together, the "May Announcement") stating that, pursuant to the Five Percent Sale, the Parent Guarantee was automatically released as to all of CEOC's outstanding secured and unsecured notes (including the 10.75% Notes). See CEC Current Report (Form 8-K) (filed May 6, 2014), at 6 ("Upon the completion of the [Five Percent Sale], [CEC]'s guarantee of CEOC's outstanding secured and unsecured notes was automatically released."); CEOC Current Report (Form 8-K) (filed May 6, 2014) (same). CEC and CEOC provided no further indication as to why the Five Percent Sale was undertaken or how the transaction provided any value to CEC or CEOC.

51. Upon information and belief, the Five Percent Sale was an attempt to avoid payments by CEC of principal and interest under CEOC's secured and unsecured notes, including the 10.75% Notes, rather than a *bona fide* sale transaction. The investors that purchased CEOC's equity in the Five Percent Sale were reportedly holders of other debt or equity in the Caesars capital structure, including First Lien Bank Debt and/or CEC equity. Upon information and belief, the purchasing parties benefitted from termination of the Parent Guarantee because (i) holders of First Lien Bank Debt would not have to share any value to be received from CEC with the holders of CEOC's secured or unsecured notes and (ii) removal of the Parent Guarantee would create equity value for CEC shareholders.

52. Pursuant to the Indenture, the Five Percent Sale was insufficient to terminate the Parent Guarantee. The Indenture unambiguously provides that CEOC ceasing to be a wholly owned subsidiary of CEC is one of three total conditions that all must be met in order for the Parent Guarantee to be automatically released:

> (c) A Note Guarantee as to any Parent Note Guarantor shall terminate and be of no further force or effect and such Note Guarantor shall be deemed to be released from all obligations under this Article 11 upon:
>
> (i) the Issuer ceasing to be a Wholly Owned Subsidiary of Harrah's Entertainment;
>
> (ii) the Issuer's transfer of all or substantially all of its assets to, or merger with, an entity that is not a Wholly Owned Subsidiary of Harrah's Entertainment in accordance with Section 5.01 and such transferee entity assumes the Issuer's obligations under this Indenture; *and*
>
> (iii) the Issuer's exercise of its legal defeasance option or covenant defeasance option under Article 8 or if the Issuer's obligations under this Indenture are discharged in accordance with the terms of this Indenture.

Indenture § 11.02(c) (emphasis added). These conditions are conjunctive (as the conditions are connected by the word "and") and each condition, therefore, must be met in order for the Parent Guarantee to be released. All of the conditions in Section 11.02(c) were not satisfied at the time of the disavowal of the Parent Guarantee (and CEC and CEOC have not claimed otherwise). Accordingly, the Parent Guarantee could not have been released from the 10.75% Notes pursuant to this section as a result of the Five Percent Sale. Because the Parent Guarantee was not released pursuant to the Five Percent Sale, CEC's disavowal of the Parent Guarantee in the May Announcement on May 6, 2014 constituted a material default that became an Event of Default on May 16, 2014 when it remained continuing and uncured. See Indenture § 6.01(h).

53. CEOC and CEC have implicitly recognized that default. Several weeks after the Five Percent Sale, CEOC undertook the Six Percent Transfer, which transferred six percent of CEOC's common stock to an employee benefits program. As a result of this transaction, CEC reduced its holdings to 89% of CEOC's equity. Again, CEC and CEOC provided no indication that this was a *bona fide* sale transaction and, upon information and belief, the transaction was undertaken for the sole purpose of justifying CEC's prior material breach of the Indenture.

54. Following the May Transactions, on June 2, 2014, CEOC sent a notice to the 10.75% Notes Trustee (the "10.75% Subsequent Notice") and separate notices (the "Secured June Notices" and, together with the 10.75% Subsequent Notice, the "June Notices") to the indenture trustees for the Secured Notes purporting to release the Parent Guarantee in accordance with a separate Indenture provision. The June Notices also reiterated that the May Transactions caused the automatic release of the Parent Guarantee from the 10.75% Notes and the Secured Notes. In any event, both the Six Percent Transfer and the June Notices, undertaken at a time when CEC was in material breach of the Indenture, are of no force or effect.

55. CEC's scheme to remove valuable assets from CEOC and to remove the Parent Guarantee from CEOC's debt, including the 10.75% Notes, is subject to several lawsuits currently pending, including:

- Actions filed by certain holders of the Legacy Notes in the Southern District of New York, MeehanCombs Glob. Credit Opportunities Master Fund, LP v. Caesars Entm't Corp., No. 14-cv-07091 (SAS) (S.D.N.Y. 2014) and Danner v. Caesars Entm't Corp., No. 14-cv-07093 (SAS) (S.D.N.Y. 2014) (together, the "MeehanCombs Action");

- An action filed by CEC and CEOC in the Supreme Court of New York, New York County against certain holders of First Lien Notes and Second Lien Notes, Caesars Entm't Operating Co., Inc. v. Appaloosa Inv. Ltd. P'ship I, et al., Index No. 652392/2014 (N.Y. Sup. Ct. 2014);

- An action filed by the indenture trustee for the 10% Second Lien Notes in the Delaware Chancery Court, Wilmington Sav. Fund Society, FSB v. Caesars Entm't Corp., No. 10004-VCG (Del. Ch. 2014) (the "WSFS Action");

- An action filed by the trustee for the First Lien Notes in the Delaware Chancery Court, UMB Bank v. Caesars Entm't Corp., No. 10393-VCG (Del. Ch. 2014);

- An action filed by the trustee for the 12.75% Second Lien Notes in the Southern District of New York, BOKF, N.A. v. Caesars Entm't Corp., No. 1:15-cv-01561 (SAS) (S.D.N.Y. 2015) (the "BOKF Action"); and

- An action filed by the trustee for the First Lien Notes in the Southern District of New York, UMB Bank, N.A. v. Caesars Entm't Corp., No. l:15-cv-04634 (SAS) (S.D.N.Y. 2015) (the "UMB Action").

56. The actions filed in the Southern District of New York are consolidated before Judge Shira A. Scheindlin and are proceeding with discovery. On August 27, 2015, Judge Scheindlin issued the TIA Decision, denying the plaintiffs' motion for summary judgment in the BOKF Action and UMB Action but holding that CEC's release of the Parent Guarantee would constitute a violation of the TIA to the extent it was part of an out-of-court restructuring or reorganization. See TIA Decision, at 31-32 (denying summary judgment but recognizing the need to "examin[e] the transactions as a whole to determine whether they *collectively* constitute an impermissible out-of-court reorganization in violation of the noteholders' rights under section 316(b) . . ."") (emphasis in original).

COUNT I

BREACH OF INDENTURE
(Indenture § 6.01(h) – Disavowal of Parent Guarantee Pursuant to the May Announcement)

57. The 10.75% Notes Trustee restates and realleges the allegations contained in paragraphs 1 through 56 above, as if fully set forth herein.

58. The terms of the Indenture were at all relevant times valid and enforceable contract obligations of CEC and CEOC to the 10.75% Notes Trustee and the 10.75% Noteholders.

59. CEC provided the Parent Guarantee as a material term of the Indenture regarding the repayment of principal and interest.

60. Section 6.01(h) of the Indenture provides that an Event of Default occurs if the "Parent Note Guarantor . . . denies or disaffirms its obligations under this Indenture or any Note Guarantee with respect to such series of Notes and such Default continues for 10 days." Indenture § 6.01(h).

61. The May Announcement by CEC that the Parent Guarantee had been "automatically released" constitutes a denial or disaffirmance of obligations under the Indenture to pay principal and interest when due and such default continued for more than 10 days. An Event of Default under the Indenture has, therefore, occurred and is continuing.

62. This breach of the Indenture harmed the 10.75% Notes Trustee and the 10.75% Noteholders.

COUNT II

VIOLATIONS OF TRUST INDENTURE ACT – FIVE PERCENT SALE (15 U.S.C. §§ 77aaa, *et seq.*)

63. The 10.75% Notes Trustee restates and realleges the allegations contained in paragraphs 1 through 62 above, as if fully set forth herein.

64. The terms of the Indenture were at all relevant times valid and enforceable contract obligations of CEC and CEOC to the 10.75% Notes Trustee and the 10.75% Noteholders. The Indenture specifically provides that CEC has a direct obligation to pay principal and interest when due under the Indenture.

65. Upon information and belief, at the time of the Missed Interest Payments, CEOC, as issuer of the 10.75% Notes, was insolvent.

66. The TIA governs corporate debt securities offered for sale that have been qualified by the Securities and Exchange Commission, including the 10.75% Notes. In order to qualify under the TIA, the relevant indenture must contain specific provisions designed to protect the bondholder. See 15 U.S.C. § 77ggg.

67. Section 316(b) of the TIA requires that the 10.75% Notes Trustee and the 10.75% Noteholders have an absolute right to receive payment of the principal of and interest under the Indenture and further provides that the 10.75% Notes Trustee's and the 10.75% Noteholders'

right to institute suit for the enforcement of any such payment shall not be impaired or affected without their consent. See id. § 77ppp(b).

68. Contrary to this statutory mandate, CEC has impaired and affected the 10.75% Noteholders' right to receive payment of principal and interest when due without the consent of each 10.75% Noteholder. CEC's attempt to terminate or release the Parent Guarantee pursuant to the Five Percent Sale was part of a broader restructuring or reorganization scheme to protect CEC and its affiliates' interests at the expense of the 10.75% Notes Trustee and the 10.75% Noteholders, as well as other CEOC creditors. This out-of-court restructuring or reorganization, which impaired the 10.75% Noteholders' rights to obtain payment of interest on the 10.75% Notes without the consent of each 10.75% Noteholder, directly violated the provisions of the TIA.

69. The purported elimination of the Parent Guarantee prospectively impairs the rights of the 10.75% Notes Trustee and the 10.75% Noteholders to receive payment of principal and interest on and when due.

70. Accordingly, the 10.75% Notes Trustee seeks a declaration that the Five Percent Sale did not effectuate a release of the Parent Guarantee as such action violated the TIA.

71. As a result of CEC's violations of the TIA, the 10.75% Notes Trustee and the 10.75% Noteholders have suffered actual and prospective damages in an amount to be determined at trial.

COUNT III

VIOLATIONS OF TRUST INDENTURE ACT – 10.75% SUBSEQUENT NOTICE
(15 U.S.C. §§ 77aaa, *et seq.*)

72. The 10.75% Notes Trustee restates and realleges the allegations contained in paragraphs 1 through 71 above, as if fully set forth herein.

73. The terms of the Indenture were at all relevant times valid and enforceable contract obligations of CEC and CEOC to the 10.75% Notes Trustee and the 10.75% Noteholders. The Indenture specifically provides that CEC has a direct obligation to pay principal and interest when due under the Indenture.

74. Upon information and belief, at the time of the Missed Interest Payments, CEOC, as issuer of the 10.75% Notes, was insolvent.

75. The TIA governs corporate debt securities offered for sale that have been qualified by the Securities and Exchange Commission, including the 10.75% Notes. In order to qualify under the TIA, the relevant indenture must contain specific provisions designed to protect the bondholder. See 15 U.S.C. § 77ggg.

76. Section 316(b) of the TIA requires that the 10.75% Notes Trustee and the 10.75% Noteholders have an absolute right to receive payment of the principal of and interest under the Indenture and further provides that the 10.75% Notes Trustee's and the 10.75% Noteholders' right to institute suit for the enforcement of any such payment shall not be impaired or affected without their consent. See id. § 77ppp(b).

77. Contrary to this statutory mandate, CEC has impaired and affected the 10.75% Noteholders' right to receive payment of principal and interest when due without the consent of each 10.75% Noteholder. CEC's attempt to terminate or release the Parent Guarantee pursuant to the June Notices, including the 10.75% Subsequent Notice, was part of a broader restructuring or reorganization scheme to protect CEC and its affiliates' interests at the expense of the 10.75% Notes Trustee and the 10.75% Noteholders, as well as other CEOC creditors. This out-of-court restructuring or reorganization, which impaired the 10.75% Noteholders' rights to obtain

payment of interest on the 10.75% Notes pursuant to the Parent Guarantee without the consent of each 10.75% Noteholder, directly violated the provisions of the TIA.

78. The purported elimination of the Parent Guarantee prospectively impairs the rights of the 10.75% Notes Trustee and the 10.75% Noteholders to receive payment of principal and interest on and when due.

79. Accordingly, the 10.75% Notes Trustee seeks a declaration that the 10.75% Subsequent Notice did not effectuate a release of the Parent Guarantee as such action violated the TIA.

80. As a result of CEC's violations of the TIA, the 10.75% Notes Trustee and the 10.75% Noteholders have suffered actual and prospective damages in an amount to be determined at trial.

COUNT IV

DECLARATORY JUDGMENT
(Affirming Parent Guarantee)

81. The 10.75% Notes Trustee restates and realleges the allegations contained in paragraphs 1 through 80 above, as if fully set forth herein.

82. An actual controversy exists between the 10.75% Notes Trustee and CEC regarding the validity and enforceability of the Parent Guarantee of the 10.75% Notes under the Indenture.

83. The Parent Guarantee remains valid and binding on CEC because:

- The 10.75% Notes Trustee's and the 10.75% Noteholders' right to receive payment of principal and interest from CEC cannot be impaired pursuant to an out-of-court restructuring or reorganization without the consent of each 10.75% Noteholder, regardless of whether purportedly permitted by the Indenture;

- CEOC still constitutes a wholly owned subsidiary of CEC notwithstanding the Five Percent Sale and the Six Percent Transfer and, therefore, the Parent

Guarantee has not been released pursuant to Sections 11.02(c)(i)-(iii) of the Indenture;

- Even if CEOC were no longer a wholly owned subsidiary of CEC, the other conditions in Sections 11.02(c)(ii) and (c)(iii) of the Indenture have not been met as required to release the Parent Guarantee;

- Even if CEOC were no longer a wholly owned subsidiary of CEC, the Five Percent Sale and Six Percent Transfer were part of an out-of-court restructuring or reorganization scheme to release the Parent Guarantee to the detriment of the 10.75% Notes Trustee and the 10.75% Noteholders; and

- The 10.75% Subsequent Notice failed to affect CEC's earlier material, uncured breach of the Indenture as a result of its disavowal of the Parent Guarantee.

84. CEC's attempts to restructure its liability on the Parent Guarantee violate Section 316(b) of the TIA, because the right to receive payment of principal and interest under the Indenture cannot be impaired without the consent of each 10.75% Noteholder. To the extent the TIA conflicts with any provision in the Indenture (such as the provisions governing the release of the Parent Guarantee), pursuant to Section 13.01 of the Indenture, the TIA controls. For this reason, the release of the Parent Guarantee under Section 11.02 of the Indenture—to the extent valid, which it is not—would conflict with Section 316(b) of the TIA. Section 11.02 of the Indenture is, therefore, void and unenforceable in this context.

85. Accordingly, the 10.75% Notes Trustee is entitled to a declaration that the Parent Guarantee under the Indenture has not been terminated or released and remains valid, binding, and enforceable against CEC pursuant to the express provisions of the Indenture.

COUNT V

BREACH OF INDENTURE
(Indenture § 6.07 – Deprivation of Unconditional Right to Receive Principal and Interest Payments Without Consent of Each Affected Noteholder)

86. The 10.75% Notes Trustee restates and realleges the allegations contained in paragraphs 1 through 85 above, as if fully set forth herein.

87. The terms of the Indenture were at all relevant times valid and enforceable contract obligations of CEC and CEOC to the 10.75% Notes Trustee and the 10.75% Noteholders.

88. Under Section 6.07 of the Indenture (mandated by Section 316(b) of the TIA), the 10.75% Notes Trustee and the 10.75% Noteholders are entitled to the unconditional right to receive principal and interest payments from CEOC and CEC. Such right shall not be impaired without the consent of each individual holder of the 10.75% Notes.

89. CEC has impaired the rights of the 10.75% Notes Trustee and the 10.75% Noteholders to the payment of principal and interest, including the Missed Interest Payments, under the 10.75% Notes, without securing the consent of each 10.75% Noteholder.

90. Accordingly, the 10.75% Notes Trustee is entitled to the declaratory relief pleaded in Count IV above.

91. In addition, as a result of CEC's breach, the 10.75% Notes Trustee and the 10.75% Noteholders have suffered substantial actual and prospective damages in an amount to be determined at trial, including, but not limited to, all outstanding accrued, unpaid, and capitalized interest on the 10.75% Notes and all other amounts and obligations due and owing under the Indenture.

92. Pursuant to Section 11.01(j) of the Indenture, this Court should additionally award attorneys' fees and expenses incurred by the 10.75% Notes Trustee and any 10.75% Noteholder in enforcing the Parent Guarantee.

COUNT VI

BREACH OF INDENTURE
(Indenture § 6.01(a) – Failure to Pay Interest When Due)

93. The 10.75% Notes Trustee restates and realleges the allegations contained in paragraphs 1 through 92 above, as if fully set forth herein.

94. The terms of the Indenture were at all relevant times valid and enforceable contract obligations of CEC and CEOC to the 10.75% Notes Trustee and the 10.75% Noteholders.

95. CEC provided the Parent Guarantee under the Indenture.

96. Section 6.01(a) of the Indenture provides that an Event of Default occurs if "there is a default in any payment of interest (including any additional interest) on any Note of such series when the same becomes due and payable, and such default continues for a period of 30 days." Indenture § 6.01(a).

97. Section 11.01(a) of the Indenture provides that CEC is a primary obligor that has "jointly and severally, irrevocably and unconditionally" guaranteed the payment of interest under the Indenture when due and payable. Id. § 11.01(a).

98. Interest payments in the aggregate amount of $51,447,565.00 were due and payable under the Indenture on February 1 and August 1, 2015. See Form Of Reverse Side Of Initial Cash Pay Note for the 10.75% Senior Cash Pay Notes Due 2016. CEC has failed to pay the outstanding interest that was due and payable on February 1 and August 1, 2015. An Event of Default under Section 6.01(a) of the Indenture has, therefore, occurred and is continuing and CEC has not fulfilled its obligations under the Indenture.

99. Section 6.08 of the Indenture provides that if an Event of Default specified in Section 6.01(a) occurs and is continuing, the 10.75% Notes Trustee may recover a judgment in

its own name and as trustee of an express trust against the Issuer or any other obligor on the 10.75% Notes for the whole amount then due and owing (together with interest on overdue principal and any unpaid interest at the rate provided for in the Notes) and amounts owed under the compensation and indemnity provisions of Section 7.07 of the Indenture.

100. This breach of the Indenture harmed the 10.75% Notes Trustee and the 10.75% Noteholders.

COUNT VII

BREACH OF IMPLIED DUTY OF GOOD FAITH AND FAIR DEALING

101. The 10.75% Notes Trustee restates and realleges the allegations contained in paragraphs 1 through 100 above, as if fully set forth herein.

102. New York law implies in every contract a covenant requiring each party to deal fairly and in good faith with the other and to refrain from taking any actions that would deprive the other party of the benefit of their respective bargain.

103. The Indenture is a contract governed by New York law.

104. CEC has breached its implied duty of good faith and fair dealing by engaging in the transactions as a means to avoid the Parent Guarantee. CEC's actions have deprived the 10.75% Notes Trustee and the 10.75% Noteholders of their reasonable expectations of receiving the benefits to which they are entitled under the Indenture.

105. Additionally, CEC breached the covenant of good faith and fair dealing by engaging in a course of conduct outside of performance of the contract, including entry into agreements and amendments that sought to accomplish certain outcomes CEC would never have been able to achieve had it followed the terms of the 10.75% Notes, the Indenture, and the provisions of the TIA.

106. This breach of the Indenture harmed the 10.75% Notes Trustee and the 10.75% Noteholders.

PRAYER FOR RELIEF

WHEREFORE, by reason of the foregoing, Plaintiff requests that the Court enter an order:

a) Awarding Plaintiff damages in an amount to be determined at trial;

b) Declaring that the Parent Guarantee is in full force and effect;

c) Awarding pre- and post-judgment interest calculated pursuant to the terms of the 10.75% Notes, the Indenture, and the Parent Guarantee;

d) Awarding Plaintiff its attorneys' fees, costs, and expenses incurred in bringing this action; and

e) Awarding such other and further relief as the Court may deem proper.

Plaintiff hereby demands a trial by jury.

Dated: October 20, 2015
New York, New York

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Attorneys for Wilmington Trust, National Association, as successor Indenture Trustee

Exhibit 1

Exhibit 10.1

Execution Version

HARRAH'S OPERATING COMPANY, INC.
as Issuer
and the Note Guarantors named herein
10.75% Senior Notes due 2016
10.75% / 11.5% Senior Toggle Notes due 2018

INDENTURE

Dated as of February 1, 2008

U.S. Bank National Association,
as Trustee

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ARTICLE 12

[RESERVED]

ARTICLE 13

MISCELLANEOUS

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N.A. Means Not Applicable.
Note: This Cross-Reference Table shall not, for any purposes, be deemed to be part of this Indenture.

INDENTURE dated as of February 1, 2008 among HARRAH'S OPERATING COMPANY, INC., a Delaware corporation (the "Issuer"), the Note Guarantors (as defined herein) and U.S. BANK NATIONAL ASSOCIATION, as trustee (the "Trustee").

Each party agrees as follows for the benefit of the other parties and for the equal and ratable benefit of the holders of (i) $4,932,417,000 aggregate principal amount of the Issuer's 10.75% Senior Notes due 2016 issued on the date hereof (the "Cash Pay Notes"), (ii) $1,402,583,000 aggregate principal amount of the Issuer's 10.75%/11.5% Optional PIK Interest Senior Notes due 2018 issued on the date hereof (the "Toggle Notes" and, together with the Cash Pay Notes, the "Initial Notes"), (iii) Exchange Notes issued in exchange for the Initial Notes pursuant to the Registration Rights Agreement or pursuant to an effective registration statement under the Securities Act (the "Exchange Notes") and (iv) Additional Notes issued from time to time as either Initial Notes or Exchanges Notes (together with the Initial Notes and any Exchange Notes, the "Notes"):

ARTICLE 1

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01. Definitions.

"Acquired Indebtedness" means, with respect to any specified Person:

(1) Indebtedness of any other Person existing at the time such other Person is merged, consolidated or amalgamated with or into or became a Restricted Subsidiary of such specified Person, and

(2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"Acquisition" means the acquisition by Affiliates of the Sponsors of substantially all of the outstanding shares of capital stock of Harrah's Entertainment, Inc., pursuant to the Merger Agreement.

"Acquisition Documents" means the Merger Agreement and any other document entered into in connection therewith, in each case as amended, supplemented or modified from time to time prior to the Issue Date or thereafter.

"Additional Notes" means Cash Pay Notes or Toggle Notes issued under the terms of this Indenture subsequent to the Issue Date.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise.

"Applicable Premium" means, with respect to any Note on any applicable redemption date, the greater of:

(1) 1% of the then outstanding principal amount of the Note; and

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Note at February 1, 2012 (in the case of the Cash Pay Notes) and February 1, 2013 (in the case of the Toggle Notes) (such redemption price being set forth in Paragraph 5 of the applicable Note) plus (ii) all required interest payments (in the case of the Toggle Notes, calculated based on the cash interest rate payable on the Toggle Notes) due on the Note through February 1, 2012 (in the case of the Cash Pay Notes) and February 1, 2013 (in the case of the Toggle Notes) (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(b) the then outstanding principal amount of the Note.

"Asset Sale" means:

(1) the sale, conveyance, transfer or other disposition (whether in a single transaction or a series of related transactions) of property or assets (including by way of a Sale/ Leaseback Transaction) outside the ordinary course of business of the Issuer or any Restricted Subsidiary of the Issuer (each referred to in this definition as a "disposition") or

(2) the issuance or sale of Equity Interests (other than directors' qualifying shares and shares issued to foreign nationals or other third parties to the extent required by applicable law) of any Restricted Subsidiary (other than to the Issuer or another Restricted Subsidiary of the Issuer) (whether in a single transaction or a series of related transactions),

in each case other than:

(a) a disposition of Cash Equivalents or Investment Grade Securities or obsolete, damaged or worn out property or equipment in the ordinary course of business;

(b) the disposition of all or substantially all of the assets of the Issuer in a manner permitted pursuant to Section 5.01 or any disposition that constitutes a Change of Control;

(c) any Restricted Payment or Permitted Investment that is permitted to be made, and is made, under Section 4.04;

(d) any disposition of assets of the Issuer or any Restricted Subsidiary or issuance or sale of Equity Interests of any Restricted Subsidiary, which assets or Equity Interests so disposed or issued have an aggregate Fair Market Value (as determined in good faith by the Issuer) of less than $50.0 million;

(e) any disposition of property or assets, or the issuance of securities, by a Restricted Subsidiary of the Issuer to the Issuer or by the Issuer or a Restricted Subsidiary of the Issuer to a Restricted Subsidiary of the Issuer;

(f) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Similar Business of comparable or greater market value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;

(g) foreclosure or any similar action with respect to any property or other asset of the Issuer or any of its Restricted Subsidiaries;

(h) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;

(i) the lease, assignment or sublease of any real or personal property in the ordinary course of business;

(j) any sale of inventory or other assets in the ordinary course of business;

(k) any grant in the ordinary course of business of any license of patents, trademarks, know-how or any other intellectual property;

(l) in the ordinary course of business, any swap of assets, or lease, assignment or sublease of any real or personal property, in exchange for services (including in connection with any outsourcing arrangements) of comparable or greater value or usefulness to the business of the Issuer and its Restricted Subsidiaries as a whole, as determined in good faith by the Issuer;

(m) a transfer of accounts receivable and related assets of the type specified in the definition of "Receivables Financing" (or a fractional undivided interest therein) by a Receivables Subsidiary in a Qualified Receivables Financing;

(n) any financing transaction with respect to property built or acquired by the Issuer or any Restricted Subsidiary after the Issue Date, including any Sale/Leaseback Transaction or asset securitization permitted by this Indenture;

(o) any disposition in connection with the Post-Closing CMBS Transaction;

(p) dispositions in connection with Permitted Liens;

(q) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

(r) any disposition made pursuant to an Operations Management Agreement;

(s) the sale of any property in a Sale/Leaseback Transaction within six months of the acquisition of such property;

(t) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements; and

(u) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind.

"Bank Indebtedness" means any and all amounts payable under or in respect of the Credit Agreement and the other Credit Agreement Documents as amended, restated, supplemented, waived, replaced, restructured, repaid, refunded, refinanced or otherwise modified from time to time (including after

termination of the Credit Agreement), including principal, premium (if any), interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Issuer whether or not a claim for post-filing interest is allowed in such proceedings), fees, charges, expenses, reimbursement obligations, guarantees and all other amounts payable thereunder or in respect thereof.

"Board of Directors" means, as to any Person, the board of directors or managers, as applicable, of such Person (or, if such Person is a partnership, the board of directors or other governing body of the general partner of such Person) or any duly authorized committee thereof.

"Business Day" means a day other than a Saturday, Sunday or other day on which banking institutions are authorized or required by law to close in New York City.

"Capital Stock" means:

(1) in the case of a corporation, corporate stock or shares;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Capitalized Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) in accordance with GAAP.

"Capitalized Software Expenditures" means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by a Person and its Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of such Person and such Restricted Subsidiaries.

"Cash Equivalents" means:

(1) U.S. dollars, pounds sterling, euros, the national currency of any member state in the European Union or, in the case of any Foreign Subsidiary that is a Restricted Subsidiary, such local currencies held by it from time to time in the ordinary course of business;

(2) securities issued or directly and fully guaranteed or insured by the U.S. government or any country that is a member of the European Union or any agency or instrumentality thereof in each case maturing not more than two years from the date of acquisition;

(3) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances, in each case with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank having capital and surplus in excess of $250.0 million and whose long-term debt is rated "A" or the equivalent thereof by Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency);

(4) repurchase obligations for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

(5) commercial paper issued by a corporation (other than an Affiliate of the Issuer) rated at least "A-1" or the equivalent thereof by Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) and in each case maturing within one year after the date of acquisition;

(6) readily marketable direct obligations issued by any state of the United States of America or any political subdivision thereof having one of the two highest rating categories obtainable from either Moody's or S&P (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition;

(7) Indebtedness issued by Persons (other than the Sponsors or any of their Affiliates) with a rating of "A" or higher from S&P or "A-2" or higher from Moody's (or reasonably equivalent ratings of another internationally recognized ratings agency) in each case with maturities not exceeding two years from the date of acquisition; and

(8) investment funds investing at least 95% of their assets in securities of the types described in clauses (1) through (7) above.

"Cash Interest" means interest paid entirety in cash.

"Change of Control" means the occurrence of either of the following:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of the Issuer and its Subsidiaries, taken as a whole, to a Person other than any of the Permitted Holders; or

(2) the Issuer becomes aware (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) of the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), other than any of the Permitted Holders, in a single transaction or in a related series of transactions, by way of merger, consolidation, amalgamation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of more than 50% of the total voting power of the Voting Stock of (prior to a Qualified IPO or upon or after an Issuer IPO) the Issuer or (upon or after a Holdco Qualified IPO) the Holdco Issuer.

"Code" means the Internal Revenue Code of 1986, as amended.

"Consolidated Depreciation and Amortization Expense" means, with respect to any Person for any period, the total amount of depreciation and amortization expense, including the amortization of intangible assets, deferred financing fees and Capitalized Software Expenditures and amortization of unrecognized prior service costs and actuarial gains and losses related to pensions and other post-employment benefits, of such Person and its Restricted Subsidiaries for such period on a consolidated basis and otherwise determined in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period, the sum, without duplication, of:

(1) consolidated interest expense of such Person and its Restricted Subsidiaries for such period, to the extent such expense was deducted in computing Consolidated Net Income (including amortization of original issue discount, the interest component of Capitalized Lease Obligations, and net payments and receipts (if any) pursuant to interest rate Hedging Obligations and excluding additional interest in respect of the Notes, amortization of deferred financing fees, debt issuance costs, commissions, fees and expenses and expensing of any bridge, commitment or other financing fees); *plus*

(2) consolidated capitalized interest of such Person and its Restricted Subsidiaries for such period, whether paid or accrued; *plus*

(3) commissions, discounts, yield and other fees and charges Incurred in connection with any Receivables Financing which are payable to Persons other than the Issuer and its Restricted Subsidiaries; *minus*

(4) interest income for such period.

For purposes of this definition, interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP.

"Consolidated Leverage Ratio" means, with respect to any Person, at any date the ratio of (i) Indebtedness (other than Qualified Non-Recourse Debt) of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP) *less* the amount of cash and Cash Equivalents in excess of any Restricted Cash that would be stated on the balance sheet of such Person and its Restricted Subsidiaries and held by such Person and its Restricted Subsidiaries as of such date of determination to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is Incurred. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness subsequent to the commencement of the period for which the Consolidated Leverage Ratio is being calculated but prior to the event for which the calculation of the Consolidated Leverage Ratio is made (the "Consolidated Leverage Calculation Date"), then the Consolidated Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period; provided that the Issuer may elect pursuant to an Officer's Certificate delivered to the Trustee to treat all or any portion of the commitment under any Indebtedness as being Incurred at such time, in which case any subsequent Incurrence of Indebtedness under such commitment shall not be deemed, for purposes of this calculation, to be an Incurrence at such subsequent time.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions and the Post-Closing CMBS Transaction) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that the Issuer or any of its Restricted Subsidiaries has determined to make and/or made during the four-quarter reference period or

subsequent to such reference period and on or prior to or simultaneously with the Consolidated Leverage Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions and the Post-Closing CMBS Transaction), discontinued operations and other operational changes (and the change of any associated Indebtedness and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation, amalgamation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Consolidated Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period. For purposes of making the computation referred to above, with respect to each New Project that commences operations and records not less than one full fiscal quarter's operations during the four-quarter reference period, the operating results of such New Project will be annualized on a straight-line basis during such period.

For purposes of this definition, whenever pro forma effect is to be given to any event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officer's Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable event (including, to the extent applicable, from the Transactions and the Post-Closing CMBS Transaction) and (2) all adjustments of the nature used in connection with the calculation of "Adjusted EBITDA" as set forth in footnote 3 to "Summary Pro Forma Consolidated Financial Data" under "Summary" in the Offering Memorandum to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

For purposes of this definition, any amount in a currency than U.S. dollars will be converted to U.S. dollars based on the average exchange rate for such currency for the most recent twelve month period immediately prior to the date of determination in a manner consistent with that used in calculating EBITDA for the applicable period.

"Consolidated Net Income" means, with respect to any Person for any period, the aggregate of the Net Income of such Person and its Restricted Subsidiaries for such period, on a consolidated basis; *provided*, *however*, that:

(1) any net after-tax extraordinary, nonrecurring or unusual gains or losses (less all fees and expenses relating thereto) or expenses or charges, any severance expenses, relocation expenses, curtailments or modifications to pension and post-retirement employee benefit plans, any expenses related to any reconstruction, decommissioning, recommissioning or reconfiguration of fixed assets for alternate uses and fees, expenses or charges relating to facilities closing costs, acquisition integration costs, facilities opening costs, project start-up costs, business optimization costs, signing, retention or completion bonuses, expenses or charges related to any issuance of Equity Interests, Investment, acquisition, disposition, recapitalization or issuance, repayment, refinancing, amendment or modification of Indebtedness (in each case, whether or not successful), and any fees, expenses, charges or change in control payments made under the Acquisition Documents or otherwise related to the Transactions or the Post-Closing CMBS Transaction, in each case, shall be excluded;

(2) effects of purchase accounting adjustments (including the effects of such adjustments pushed down to such Person and such Restricted Subsidiaries) in amounts required or permitted by GAAP, resulting from the application of purchase accounting in relation to the Transactions or any consummated acquisition or the amortization or write-off of any amounts thereof, net of taxes, shall be excluded;

(3) the Net Income for such period shall not include the cumulative effect of a change in accounting principles during such period;

(4) any net after-tax income or loss from disposed, abandoned, transferred, closed or discontinued operations and any net after-tax gains or losses on disposal of disposed, abandoned, transferred, closed or discontinued operations shall be excluded;

(5) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to business dispositions or asset dispositions other than in the ordinary course of business (as determined in good faith by management of the Issuer) shall be excluded;

(6) any net after-tax gains or losses (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of indebtedness, Hedging Obligations or other derivative instruments shall be excluded;

(7) the Net Income for such period of any Person that is not a Subsidiary of such Person, or is an Unrestricted Subsidiary or a Qualified Non-Recourse Subsidiary, or that is accounted for by the equity method of accounting, shall be included only to the extent of the amount of dividends or distributions or other payments paid in cash (or to the extent converted into cash) to the referent Person or a Restricted Subsidiary thereof (other than a Qualified Non-Recourse Subsidiary of such referent Person) in respect of such period;

(8) solely for the purpose of determining the amount available for Restricted Payments under clause (1) of the definition of "Cumulative Credit," the Net Income for such period of any Restricted Subsidiary (other than any Note Guarantor) shall be excluded to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of its Net Income is not at the date of determination permitted without any prior governmental approval (which has not been obtained) or, directly or indirectly, by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless such restrictions with respect to the payment of dividends or similar distributions have been legally waived; *provided* that the Consolidated Net Income of such Person shall be increased by the amount of dividends or other distributions or other payments actually paid in cash (or converted into cash) by any such Restricted Subsidiary to such Person, to the extent not already included therein;

(9) an amount equal to the amount of Tax Distributions actually made to any parent or equity holder of such Person in respect of such period in accordance with Section 4.04(b)(xii) shall be included as though such amounts had been paid as income taxes directly by such Person for such period;

(10) any impairment charges or asset write-offs, in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded;

(11) any non-cash expense realized or resulting from stock option plans, employee benefit plans or post-employment benefit plans, or grants or sales of stock, stock appreciation or similar rights, stock options, restricted stock, preferred stock or other rights, shall be excluded;

(12) any (a) one-time non-cash compensation charges, (b) costs and expenses after the Issue Date related to employment of terminated employees, or (c) costs or expenses realized in connection with or resulting from stock appreciation or similar rights, stock options or other rights existing on the Issue Date of officers, directors and employees, in each case of such Person or any of its Restricted Subsidiaries, shall be excluded;

(13) accruals and reserves that are established or adjusted within 12 months after the Issue Date and that are so required to be established or adjusted in accordance with GAAP or as a result of adoption or modification of accounting policies shall be excluded;

(14) solely for purposes of calculating EBITDA, (a) the Net Income of any Person and its Restricted Subsidiaries shall be calculated without deducting the income attributable to, or adding the losses attributable to, the minority equity interests of third parties in any non-Wholly Owned Restricted Subsidiary except to the extent of dividends declared or paid in respect of such period or any prior period on the shares of Capital Stock of such Restricted Subsidiary held by such third parties and (b) any ordinary course dividend, distribution or other payment paid in cash and received from any Person in excess of amounts included in clause (7) above shall be included;

(15) (a)(i) the non-cash portion of "straight-line" rent expense shall be excluded and (ii) the cash portion of "straight-line" rent expense which exceeds the amount expensed in respect of such rent expense shall be included and (b) non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP and related interpretations shall be excluded;

(16) any currency translation gains and losses related to currency remeasurements of Indebtedness, and any net loss or gain resulting from hedging transactions for currency exchange risk, shall be excluded; and

(17) to the extent covered by insurance and actually reimbursed, or, so long as such Person has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is (a) not denied by the applicable carrier in writing within 180 days and (b) in fact reimbursed within 365 days of the date of such evidence (with a deduction for any amount so added back to the extent not so reimbursed within 365 days), expenses with respect to liability or casualty events or business interruption shall be excluded.

Notwithstanding the foregoing, for the purpose of Section 4.04 only, there shall be excluded from Consolidated Net Income any dividends, repayments of loans or advances or other transfers of assets from Unrestricted Subsidiaries of the Issuer or a Restricted Subsidiary of the Issuer to the extent such dividends, repayments or transfers increase the amount of Restricted Payments permitted under such Section pursuant to clauses (D) and (E) of the definition of "Cumulative Credit."

"Consolidated Non-cash Charges" means, with respect to any Person for any period, the non-cash expenses (other than Consolidated Depreciation and Amortization Expense) of such Person and its Restricted Subsidiaries reducing Consolidated Net Income of such Person for such period on a consolidated basis and otherwise determined in accordance with GAAP, *provided* that if any such non-cash expenses represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from EBITDA in such future period to the extent paid, but excluding from this proviso, for the avoidance of doubt, amortization of a prepaid cash item that was paid in a prior period.

"Consolidated Taxes" means, with respect to any Person for any period, the provision for taxes based on income, profits or capital, including, without limitation, state, franchise, property and similar taxes, foreign withholding taxes (including penalties and interest related to such taxes or arising from tax examinations) and any Tax Distributions taken into account in calculating Consolidated Net Income.

"Contingent Obligations" means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

(1) to purchase any such primary obligation or any property constituting direct or indirect security therefor,

(2) to advance or supply funds:

(a) for the purchase or payment of any such primary obligation; or

(b) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

(3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

"Credit Agreement" means (i) the credit agreement entered into in connection with, and on or prior to, the consummation of the Acquisition, among the Issuer, the pledgors named therein, the financial institutions named therein, and Bank of America, N.A., as Administrative Agent, as amended, restated, supplemented, waived, replaced (whether or not upon termination, and whether with the original lenders or otherwise), restructured, repaid, refunded, refinanced or otherwise modified from time to time, including any agreement or indenture extending the maturity thereof, refinancing, replacing or otherwise restructuring all or any portion of the Indebtedness under such agreement or agreements or indenture or indentures or any successor or replacement agreement or agreements or indenture or indentures or increasing the amount loaned or issued thereunder or altering the maturity thereof and (ii) whether or not the credit agreement referred to in clause (i) remains outstanding, if designated by the Issuer to be included in the definition of "Credit Agreement," one or more (A) debt facilities or commercial paper facilities, providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances), or (C) instruments or agreements evidencing any other Indebtedness, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, replaced or refunded in whole or in part from time to time.

"Credit Agreement Documents" means the collective reference to any Credit Agreement, any notes issued pursuant thereto and the guarantees thereof, and the collateral documents relating thereto, as amended, supplemented, restated, renewed, refunded, replaced, restructured, repaid, refinanced or otherwise modified, in whole or in part, from time to time.

"Cumulative Credit" means the sum of (without duplication):

(A) 50% of the Consolidated Net Income of the Issuer for the period (taken as one accounting period), from January 1, 2008 to the end of the Issuer's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, in the case such Consolidated Net Income for such period is a deficit, minus 100% of such deficit), *plus*

(B) 100% of the aggregate net proceeds, including cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash, received by the Issuer after the Issue Date (other than net proceeds to the extent such net proceeds have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to Section 4.03(b)(xii)) from the issue or sale of Equity Interests of the Issuer (excluding Refunding Capital Stock, Designated Preferred Stock, Excluded Contributions and Disqualified Stock), including Equity Interests issued upon exercise of warrants or options (other than an issuance or sale to a Restricted Subsidiary of the Issuer), *plus*

(C) 100% of the aggregate amount of contributions to the capital of the Issuer received in cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash after the Issue Date (other than Excluded Contributions, Refunding Capital Stock, Designated Preferred Stock and Disqualified Stock and other than contributions to the extent such contributions have been used to Incur Indebtedness, Disqualified Stock or Preferred Stock pursuant to Section 4.03(b)(xii)), *plus*

(D) 100% of the principal amount of any Indebtedness or the liquidation preference or maximum fixed repurchase price, as the case may be, of any Disqualified Stock of the Issuer or any Restricted Subsidiary thereof issued after the Issue Date (other than Indebtedness or Disqualified Stock issued to a Restricted Subsidiary) which has been converted into or exchanged for Equity Interests in the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer (*provided* in the case of any parent, such Indebtedness or Disqualified Stock is retired or extinguished), *plus*

(E) 100% of the aggregate amount received by the Issuer or any Restricted Subsidiary in cash and the Fair Market Value (as determined in good faith by the Issuer) of property other than cash received by the Issuer or any Restricted Subsidiary from:

(I) the sale or other disposition (other than to the Issuer or a Restricted Subsidiary of the Issuer) of Restricted Investments made by the Issuer and its Restricted Subsidiaries and from repurchases and redemptions of such Restricted Investments from the Issuer and its Restricted Subsidiaries by any Person (other than the Issuer or any of its Restricted Subsidiaries) and from repayments of loans or advances, and releases of guarantees, which constituted Restricted Investments (other than in each case to the extent that the Restricted Investment was made pursuant to clause (vii) or (x) of Section 4.04(b)),

(II) the sale (other than to the Issuer or a Restricted Subsidiary of the Issuer) of the Capital Stock of an Unrestricted Subsidiary, or

(III) a distribution or dividend from an Unrestricted Subsidiary, *plus*

(F) in the event any Unrestricted Subsidiary of the Issuer has been redesignated as a Restricted Subsidiary or has been merged, consolidated or amalgamated with or into, or transfers or conveys its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer, the Fair Market Value (as determined in good faith by the Issuer) of the Investment of the Issuer

in such Unrestricted Subsidiary (which, if the Fair Market Value of such investment shall exceed $250.0 million, shall be determined by the Board of Directors of the Issuer, a copy of the resolution of which with respect thereto shall be delivered to the Trustee) at the time of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable) (other than in each case to the extent that the designation of such Subsidiary as an Unrestricted Subsidiary was made pursuant to clause (vii) of Section 4.04(b) or constituted a Permitted Investment).

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

"Designated Non-cash Consideration" means the Fair Market Value (as determined in good faith by the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officer's Certificate, setting forth the basis of such valuation, less the amount of Cash Equivalents received in connection with a subsequent sale of such Designated Non-cash Consideration.

"Designated Preferred Stock" means Preferred Stock of the Issuer or any direct or indirect parent of the Issuer (other than Disqualified Stock), that is issued for cash (other than to the Issuer or any of its Subsidiaries or an employee stock ownership plan or trust established by the Issuer or any of its Subsidiaries) and is so designated as Designated Preferred Stock, pursuant to an Officer's Certificate, on the issuance date thereof.

"Disqualified Stock" means, with respect to any Person, any Capital Stock of such Person which, by its terms (or by the terms of any security into which it is convertible or for which it is redeemable or exchangeable), or upon the happening of any event:

(1) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise (other than as a result of a change of control or asset sale),

(2) is convertible or exchangeable for Indebtedness or Disqualified Stock of such Person, or

(3) is redeemable at the option of the holder thereof, in whole or in part (other than solely as a result of a change of control or asset sale),

in each case prior to 91 days after the earlier of the maturity date of the Notes or the date the Notes are no longer outstanding; *provided*, *however*, that only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock; *provided*, *further*, *however*, that if such Capital Stock is issued to any employee or to any plan for the benefit of employees of the Issuer or its Subsidiaries or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Issuer in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability; *provided*, *further*, that any class of Capital Stock of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of Capital Stock that is not Disqualified Stock shall not be deemed to be Disqualified Stock.

"Domestic Subsidiary" means a Restricted Subsidiary that is not a Foreign Subsidiary.

"EBITDA" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication, to the extent the same was deducted in calculating Consolidated Net Income:

(1) Consolidated Taxes; *plus*

(2) Fixed Charges; *plus*

(3) Consolidated Depreciation and Amortization Expense; *plus*

(4) Consolidated Non-cash Charges; *plus*

(5) any expenses or charges (other than Consolidated Depreciation and Amortization Expense) related to any issuance of Equity Interests, Investment, acquisition, disposition, recapitalization or the Incurrence or repayment of Indebtedness permitted to be Incurred by this Indenture (including a refinancing thereof) (whether or not successful), including (i) such fees, expenses or charges related to the offering of the Notes and the Bank Indebtedness, (ii) any amendment or other modification of the Notes or other Indebtedness, (iii) any additional interest in respect of the Notes and (iv) commissions, discounts, yield and other fees and charges (including any interest expense) related to any Qualified Receivables Financing; *plus*

(6) business optimization expenses and other restructuring charges, reserves or expenses (which, for the avoidance of doubt, shall include, without limitation, the effect of inventory optimization programs, facility consolidations, retention, systems establishment costs, contract termination costs, future lease commitments and excess pension charges); *plus*

(7) the amount of management, monitoring, consulting, transaction and advisory fees and related expenses paid to the Sponsors (or any accruals relating to such fees and related expenses) during such period to the extent otherwise permitted by Section 4.07; *plus*

(8) the amount of loss on sale of receivables and related assets to a Receivables Subsidiary in connection with a Qualified Receivables Financing; *plus*

(9) any costs or expense Incurred pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement, to the extent that such cost or expenses are funded with cash proceeds contributed to the capital of the Issuer or a Note Guarantor or net cash proceeds of an issuance of Equity Interests of the Issuer (other than Disqualified Stock) solely to the extent that such net cash proceeds are excluded from the calculation of the Cumulative Credit; *plus*

(10) Pre-Opening Expenses;

less, without duplication,

(11) non-cash items increasing Consolidated Net Income for such period (excluding the recognition of deferred revenue or any items which represent the reversal of any accrual of, or cash reserve for, anticipated cash charges that reduced EBITDA in any prior period and any items for which cash was received in a prior period).

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Equity Offering" means any public or private sale after the Issue Date of common stock or Preferred Stock of the Issuer or any direct or indirect parent of the Issuer, as applicable (other than Disqualified Stock), other than:

(1) public offerings with respect to the Issuer's or such direct or indirect parent's common stock registered on Form S-4 or Form S-8;

(2) issuances to any Subsidiary of the Issuer; and

(3) any such public or private sale that constitutes an Excluded Contribution.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Exchange Offer Registration Statement" means the registration statement filed with the SEC in connection with the Registered Exchange Offer.

"Excluded Contributions" means the Cash Equivalents or other assets (valued at their Fair Market Value as determined in good faith by senior management or the Board of Directors of the Issuer) received by the Issuer after the Issue Date from:

(1) contributions to its common equity capital, and

(2) the sale (other than to a Subsidiary of the Issuer or to any Subsidiary management equity plan or stock option plan or any other management or employee benefit plan or agreement) of Capital Stock (other than Disqualified Stock and Designated Preferred Stock) of the Issuer,

in each case designated as Excluded Contributions pursuant to an Officer's Certificate executed by an Officer of the Issuer on or promptly after the date such capital contributions are made or the date such Capital Stock is sold, as the case may be.

"Fair Market Value" means, with respect to any asset or property, the price which could be negotiated in an arm's-length transaction, for cash, between a willing seller and a willing and able buyer, neither of whom is under undue pressure or compulsion to complete the transaction.

"Fixed Charge Coverage Ratio" means, with respect to any Person for any period, the ratio of EBITDA of such Person for such period to the Fixed Charges (other than Fixed Charges in respect of Qualified Non-Recourse Debt) of such Person for such period. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness (other than in the case of revolving credit borrowings or revolving advances under any Qualified Receivables Financing, in which case interest expense shall be computed based upon the average daily balance of such Indebtedness during the applicable period) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated but prior to the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions and the Post-Closing CMBS Transaction) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that the Issuer or any of its Restricted Subsidiaries has determined to make and/or made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions and the Post-Closing CMBS Transaction), discontinued operations and operational changes (and the change of any associated fixed charge obligations and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation, amalgamation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period. For purposes of making the computation referred to above, with respect to each New Project that commences operations and records not less than one full fiscal quarter's operations during the four-quarter reference period, the operating results of such New Project will be annualized on a straight line basis during such period.

For purposes of this definition, whenever pro forma effect is to be given to any event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officer's Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable event (including, to the extent applicable, from the Transactions and the Post-Closing CMBS Transaction), and (2) all adjustments of the nature used in connection with the calculation of "Adjusted EBITDA" as set forth in footnote 3 to "Summary Pro Forma Consolidated Financial Data" under "Summary" in the Offering Memorandum to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligations applicable to such Indebtedness if such Hedging Obligation has a remaining term in excess of 12 months). Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed on a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the applicable period. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be deemed to have been based upon the rate actually chosen, or, if none, then based upon such optional rate chosen as the Issuer may designate.

For purposes of this definition, any amount in a currency than U.S. dollars will be converted to U.S. dollars based on the average exchange rate for such currency for the most recent twelve-month period immediately prior to the date of determination in a manner consistent with that used in calculating EBITDA for the applicable period.

"Fixed Charges" means, with respect to any Person for any period, the sum, without duplication, of:

(1) Consolidated Interest Expense of such Person for such period, and

(2) all cash dividend payments (excluding items eliminated in consolidation) on any series of Preferred Stock or Disqualified Stock of such Person and its Restricted Subsidiaries.

"Foreign Subsidiary" means a Restricted Subsidiary not organized or existing under the laws of the United States of America or any state or territory thereof or the District of Columbia and any direct or indirect subsidiary of such Restricted Subsidiary.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issue Date. For the purposes of this Indenture, the term "consolidated" with respect to any Person shall mean such Person consolidated with its Restricted Subsidiaries, and shall not include any Unrestricted Subsidiary, but the interest of such Person in an Unrestricted Subsidiary will be accounted for as an Investment.

"Gaming Authorities" means, in any jurisdiction in which Issuer or any of its subsidiaries manages or conducts any casino, gaming business or activities, the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities of the Issuer or any of its subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws.

"Gaming Laws" means all applicable constitutions, treaties, laws and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances or regulations of any Gaming Authority applicable to the gambling, casino or gaming businesses or activities of the Issuer or any of its subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities.

"guarantee" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness or other obligations.

"Harrah's Entertainment" means Harrah's Entertainment, Inc., a Delaware corporation.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under:

(1) currency exchange, interest rate or commodity swap agreements, currency exchange, interest rate or commodity cap agreements and currency exchange, interest rate or commodity collar agreements; and

(2) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange, interest rates or commodity prices.

"Holdco Issuer" means the issuer in any Holdco Qualified IPO.

"Holdco Qualified IPO" means any Qualified IPO in which a direct or indirect parent of the Issuer is the issuer.

"holder" or "noteholder" means the Person in whose name a Note is registered on the Registrar's books.

"Incur" means issue, assume, guarantee, incur or otherwise become liable for; *provided*, *however*, that any Indebtedness or Capital Stock of a Person existing at the time such person becomes a Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time it becomes a Subsidiary.

"Indebtedness" means, with respect to any Person:

(1) the principal and premium (if any) of any indebtedness of such Person, whether or not contingent, (a) in respect of borrowed money, (b) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers' acceptances (or, without duplication, reimbursement agreements in respect thereof), (c) representing the deferred and unpaid purchase price of any property (except any such balance that constitutes (i) a trade payable or similar obligation to a trade creditor Incurred in the ordinary course of business, (ii) any earn-out obligations until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and (iii) liabilities accrued in the ordinary course of business), which purchase price is due more than six months after the date of placing the property in service or taking delivery and title thereto, (d) in respect of Capitalized Lease Obligations, or (e) representing any Hedging Obligations, if and to the extent that any of the foregoing indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability on a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP;

(2) to the extent not otherwise included, any obligation of such Person to be liable for, or to pay, as obligor, guarantor or otherwise, the obligations referred to in clause (1) of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); and

(3) to the extent not otherwise included, Indebtedness of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); *provided*, *however*, that the amount of such Indebtedness will be the lesser of: (a) the Fair Market Value (as determined in good faith by the Issuer) of such asset at such date of determination, and (b) the amount of such Indebtedness of such other Person;

provided, *however*, that notwithstanding the foregoing, Indebtedness shall be deemed not to include (1) Contingent Obligations Incurred in the ordinary course of business and not in respect of borrowed

money; (2) deferred or prepaid revenues; (3) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the respective seller; (4) Obligations under or in respect of Qualified Receivables Financing or (5) obligations under the Acquisition Documents.

Notwithstanding anything in this Indenture to the contrary, Indebtedness shall not include, and shall be calculated without giving effect to, the effects of Statement of Financial Accounting Standards No. 133 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under this Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness; and any such amounts that would have constituted Indebtedness under this Indenture but for the application of this sentence shall not be deemed an Incurrence of Indebtedness under this Indenture.

"Indenture" means this Indenture as amended or supplemented from time to time.

"Independent Financial Advisor" means an accounting, appraisal or investment banking firm or consultant, in each case of nationally recognized standing, that is, in the good faith determination of the Issuer, qualified to perform the task for which it has been engaged.

"Intercreditor Agreement" means the intercreditor agreement, as it may be amended from time to time in accordance with this Indenture, among Bank of America, N.A., as agent under the Credit Agreement Documents, Citibank, N.A., in its capacity as administrative agent under the Senior Interim Loan Facility, the Trustee, the Issuer, each Note Guarantor that is a Subsidiary of the Issuer, and any representative on behalf of other holders of securities or lenders of indebtedness ranking pari passu with the Notes that is Incurred from time to time.

"Interest Payment Date" has the meaning set forth in Exhibits A-1 and A-2 and Exhibits B-1 and B-2 hereto.

"Interest Period" means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period shall commence on and include the Issue Date and end on and include July 31, 2008.

"Investment Grade Rating" means a rating equal to or higher than Baa3 (or the equivalent) by Moody's and BBB- (or the equivalent) by S&P, or an equivalent rating by any other Rating Agency.

"Investment Grade Securities" means:

(1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents),

(2) securities that have a rating equal to or higher than Baa3 (or equivalent) by Moody's and BBB- (or equivalent) by S&P, but excluding any debt securities or loans or advances between and among the Issuer and its Subsidiaries,

(3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) which fund may also hold immaterial amounts of cash pending investment and/or distribution, and

(4) corresponding instruments in countries other than the United States customarily utilized for high quality investments and in each case with maturities not exceeding two years from the date of acquisition.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of loans (including guarantees), advances or capital contributions (excluding accounts receivable, trade credit and advances to customers and commission, travel and similar advances to officers, employees and consultants made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities issued by any other Person and investments that are required by GAAP to be classified on the balance sheet of the Issuer in the same manner as the other investments included in this definition to the extent such transactions involve the transfer of cash or other property. For purposes of the definition of "Unrestricted Subsidiary" and Section 4.04:

(1) "Investments" shall include the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value (as determined in good faith by the Issuer) of the net assets of a Subsidiary of the Issuer at the time that such Subsidiary is designated an Unrestricted Subsidiary; *provided*, *however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Issuer shall be deemed to continue to have a permanent "Investment" in an Unrestricted Subsidiary equal to an amount (if positive) equal to:

(a) the Issuer's "Investment" in such Subsidiary at the time of such redesignation less

(b) the portion (proportionate to the Issuer's equity interest in such Subsidiary) of the Fair Market Value (as determined in good faith by the Issuer) of the net assets of such Subsidiary at the time of such redesignation; and

(2) any property transferred to or from an Unrestricted Subsidiary shall be valued at its Fair Market Value (as determined in good faith by the Issuer) at the time of such transfer, in each case as determined in good faith by the Board of Directors of the Issuer.

"Issue Date" means the date on which the Notes are originally issued.

"Lien" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or similar encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"Long-Term Retained Notes" means the Issuer's 5.625% Senior Notes due 2015, 6.500% Senior Notes due 2016 and 5.75% Senior Notes due 2017.

"Management Group" means the group consisting of the directors, executive officers and other management personnel of the Issuer or any direct or indirect parent of the Issuer, as the case may be, on the Issue Date together with (1) any new directors whose election by such boards of directors or whose nomination for election by the shareholders of the Issuer or any direct or indirect parent of the Issuer, as applicable, was approved by a vote of a majority of the directors of the Issuer or any direct or indirect parent of the Issuer, as applicable, then still in office who were either directors on the Issue Date or

whose election or nomination was previously so approved and (2) executive officers and other management personnel of the Issuer or any direct or indirect parent of the Issuer, as applicable, hired at a time when the directors on the Issue Date together with the directors so approved constituted a majority of the directors of the Issuer or any direct or indirect parent of the Issuer, as applicable.

"Merger Agreement" means the Agreement and Plan of Merger among Hamlet Holdings LLC, Hamlet Merger Inc. and Harrah's Entertainment, dated as of December 19, 2006, as amended, supplemented or modified from time to time prior to the Issue Date or thereafter, in accordance with its terms.

"Moody's" means Moody's Investors Service, Inc. or any successor to the rating agency business thereof.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of Preferred Stock dividends.

"Net Proceeds" means the aggregate cash proceeds received by the Issuer or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received in respect of or upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale and any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise, but only as and when received, but excluding the assumption by the acquiring Person of Indebtedness relating to the disposed assets or other consideration received in any other non-cash form), net of the direct costs relating to such Asset Sale and the sale or disposition of such Designated Non-cash Consideration (including, without limitation, legal, accounting and investment banking fees, and brokerage and sales commissions), and any relocation expenses Incurred as a result thereof, taxes paid or payable as a result thereof (after taking into account any available tax credits or deductions and any tax sharing arrangements related thereto), amounts required to be applied to the repayment of principal, premium (if any) and interest on Indebtedness required (other than pursuant to Section 4.06(b)(i)) to be paid as a result of such transaction, and any deduction of appropriate amounts to be provided by the Issuer as a reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such transaction and retained by the Issuer after such sale or other disposition thereof, including, without limitation, pension and other post-employment benefit liabilities and liabilities related to environmental matters or against any indemnification obligations associated with such transaction.

"New Project" means each capital project which is either a new project or a new feature of an existing project owned by the Issuer or its Restricted Subsidiaries which receives a certificate of completion or occupancy and all relevant licenses, and in fact commences operations.

"Note Guarantee" means any guarantee of the obligations of the Issuer under this Indenture and the Notes by any Person in accordance with the provisions of this Indenture.

"Note Guarantor" means each Person that guarantees the Notes in accordance with the terms of this Indenture. Any reference to "Note Guarantor" in this Indenture includes both the Parent Note Guarantor and the Subsidiary Note Guarantors, unless specified otherwise.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers' acceptances), damages and other liabilities payable under the documentation governing any Indebtedness; *provided* that Obligations with respect to the Notes shall not include fees or indemnifications in favor of the Trustee and other third parties other than the holders of the Notes.

"Offering Memorandum" means the confidential offering memorandum, dated January 29, 2008, relating to the sale of the Initial Notes.

"Officer" means the Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer or the Secretary of the Issuer.

"Officer's Certificate" means a certificate signed on behalf of the Issuer by an Officer of the Issuer, who must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Issuer, which meets the requirements set forth in this Indenture.

"Operations Management Agreement" means each of the real estate management agreements and any other operating management agreement entered into by the Issuer or any of its Restricted Subsidiaries with Harrah's Entertainment or with any other direct or indirect Subsidiary of Harrah's Entertainment, including, without limitation, any Real Estate Subsidiary, and any and all modifications thereto, substitutions therefor and replacements thereof so long as such modifications, substitutions and replacements are not materially less favorable, taken as a whole, to the Issuer and its Restricted Subsidiaries than the terms of such agreements as in effect on the Issue Date.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee. The counsel may be an employee of or counsel to the Issuer or the Trustee.

"Parent Note Guarantee" means a Note Guarantee of Harrah's Entertainment and its successors.

"Parent Note Guarantor" means Harrah's Entertainment and its successors.

"Pari Passu Indebtedness" means:

(1) with respect to the Issuer, the Notes and any Indebtedness which ranks pari passu in right of payment to the Notes; and

(2) with respect to any Note Guarantor, its Note Guarantee and any Indebtedness which ranks pari passu in right of payment to such Note Guarantor's Note Guarantee.

"Partial PIK Interest" has the meaning set forth in Exhibit A-2 and Exhibit B-2 hereto.

"Permitted Holders" means, at any time, each of (i) the Sponsors, (ii) the Management Group, (iii) any Person that has no material assets other than the Capital Stock of the Issuer and, directly or indirectly, holds or acquires 100% of the total voting power of the Voting Stock of the Issuer, and of which no other Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), other than any of the other Permitted Holders specified in clauses (i) and (ii) above, holds more than 50% of the total voting power of the Voting Stock thereof and (iv) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) the members of which include any of the Permitted Holders specified in clauses (i) and (ii) above and that, directly or indirectly, hold or acquire beneficial ownership of the Voting Stock of the Issuer (a "Permitted Holder Group"), so long as (1) each member of the Permitted Holder Group has

voting rights proportional to the percentage of ownership interests held or acquired by such member and (2) no Person or other "group" (other than the Permitted Holders specified in clauses (i) and (ii) above) beneficially owns more than 50% on a fully diluted basis of the Voting Stock held by the Permitted Holder Group. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of this Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

"Permitted Investments" means:

(1) any Investment in the Issuer or any Restricted Subsidiary;

(2) any Investment in Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Issuer or any Restricted Subsidiary of the Issuer in a Person if as a result of such Investment (a) such Person becomes a Restricted Subsidiary of the Issuer, or (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys all or substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary of the Issuer;

(4) any Investment in securities or other assets not constituting Cash Equivalents and received in connection with an Asset Sale made pursuant to the provisions of Section 4.06 or any other disposition of assets not constituting an Asset Sale;

(5) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided* that the amount of any such Investment may be increased (x) as required by the terms of such Investment as in existence on the Issue Date or (y) as otherwise permitted under this Indenture;

(6) advances to employees, taken together with all other advances made pursuant to this clause (6), not to exceed $25.0 million at any one time outstanding;

(7) any Investment acquired by the Issuer or any of its Restricted Subsidiaries (a) in exchange for any other Investment or accounts receivable held by the Issuer or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable, or (b) as a result of a foreclosure by the Issuer or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(8) Hedging Obligations permitted under Section 4.03(b)(x);

(9) any Investment by the Issuer or any of its Restricted Subsidiaries in a Similar Business having an aggregate Fair Market Value (as determined in good faith by the Issuer), taken together with all other Investments made pursuant to this clause (9) that are at that time outstanding, not to exceed the greater of (x) $500.0 million and (y) 4.5% of Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided*, *however*, that if any Investment pursuant to this clause (9) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (9) for so long as such Person continues to be a Restricted Subsidiary;

(10) additional Investments by the Issuer or any of its Restricted Subsidiaries having an aggregate Fair Market Value (as determined in good faith by the Issuer), taken together with all other Investments made pursuant to this clause (10) that are at that time outstanding, not to exceed the greater of (x) $950.0 million and (y) 4.5% of Total Assets at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided*, *however*, that if any Investment pursuant to this clause (10) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (10) for so long as such Person continues to be a Restricted Subsidiary;

(11) loans and advances to officers, directors or employees for business-related travel expenses, moving expenses and other similar expenses, in each case Incurred in the ordinary course of business or consistent with past practice or to fund such person's purchase of Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(12) Investments the payment for which consists of Equity Interests of the Issuer (other than Disqualified Stock) or any direct or indirect parent of the Issuer, as applicable; *provided*, *however*, that such Equity Interests will not increase the amount available for Restricted Payments under clause (C) of the definition of "Cumulative Credit";

(13) any transaction to the extent it constitutes an Investment that is permitted by and made in accordance with the provisions of Section 4.07(b) (except transactions described in clauses (ii), (vi), (vii), (xi) and (xii)(b) of such Section);

(14) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(15) guarantees issued in accordance with Section 4.03 and Section 4.11, including, without limitation, any guarantee or other obligation issued or Incurred under the Credit Agreement in connection with any letter of credit issued for the account of Harrah's Entertainment or any of its subsidiaries (including with respect to the issuance of, or payments in respect of drawings under, such letters of credit);

(16) Investments consisting of or to finance purchases and acquisitions of inventory, supplies, materials, services or equipment or purchases of contract rights or licenses or leases of intellectual property;

(17) any Investment in a Receivables Subsidiary or any Investment by a Receivables Subsidiary in any other Person in connection with a Qualified Receivables Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Receivables Financing or any related Indebtedness;

(18) any Investment in an entity or purchase of a business or assets in each case owned (or previously owned) by a customer of a Restricted Subsidiary as a condition or in connection with such customer (or any member of such customer's group) contracting with a Restricted Subsidiary, in each case in the ordinary course of business;

(19) any Investment in an entity which is not a Restricted Subsidiary to which a Restricted Subsidiary sells accounts receivable pursuant to a Qualified Receivables Financing;

(20) additional Investments in joint ventures not to exceed at any one time in the aggregate outstanding under this clause (20) the greater of $350.0 million and 2.0% of Total Assets; *provided*, *however*, that if any Investment pursuant to this clause (20) is made in any Person that is not a Restricted Subsidiary of the Issuer at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Issuer after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (20) for so long as such Person continues to be a Restricted Subsidiary;

(21) Investments of a Restricted Subsidiary of the Issuer acquired after the Issue Date or of an entity merged into, amalgamated with or consolidated with the Issuer or a Restricted Subsidiary of the Issuer in a transaction that is not prohibited by Section 5.01 after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation; and

(22) any Investment in any Subsidiary of the Issuer or any joint venture in connection with intercompany cash management arrangements or related activities arising in the ordinary course of business.

"Permitted Liens" means, with respect to any Person:

(1) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or U.S. government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case Incurred in the ordinary course of business;

(2) Liens imposed by law, such as carriers', warehousemen's and mechanics' Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review;

(3) Liens for taxes, assessments or other governmental charges not yet due or payable or subject to penalties for nonpayment or which are being contested in good faith by appropriate proceedings;

(4) Liens in favor of issuers of performance and surety bonds or bid bonds or with respect to other regulatory requirements or letters of credit issued pursuant to the request of and for the account of such Person in the ordinary course of its business;

(5) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not Incurred in connection with Indebtedness and which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(6) (A) Liens on assets of a Restricted Subsidiary that is not a Note Guarantor securing Indebtedness of such Restricted Subsidiary permitted to be Incurred pursuant to Section 4.03,

(B) Liens securing Indebtedness permitted to be Incurred under the Credit Agreement, including any letter of credit facility relating thereto, that was permitted to be Incurred pursuant to Section 4.03(b)(i), (C) Liens securing obligations in respect of any Indebtedness permitted to be Incurred pursuant to Section 4.03; *provided* that, with respect to Liens securing obligations permitted under this clause (C), at the time of Incurrence and after giving pro forma effect thereto, the Secured Indebtedness Leverage Ratio of the Issuer would not exceed 4.50 to 1.00, and (D) Liens securing Indebtedness permitted to be Incurred pursuant to clause (iv), (xii), (xvi), (xx), (xxii) or (xxv) of Section 4.03(b) (*provided* that (1) in the case of clause (iv), such Lien extends only to the assets and/or Capital Stock, the acquisition, lease, construction, repair, replacement or improvement of which is financed thereby and any proceeds or products thereof, (2) in the case of clause (xx), such Lien does not extend to the property or assets of any Subsidiary of the Issuer other than a Foreign Subsidiary, and (3) in the case of clauses (xxiii) and (xxv) such Lien applies solely to acquired property or asset of the acquired entity, as the case may be);

(7) Liens existing on the Issue Date (other than Liens in favor of the lenders under the Credit Agreement);

(8) Liens on assets, property or shares of stock of a Person at the time such Person becomes a Subsidiary; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such other Person becoming such a Subsidiary; *provided*, *further*, *however*, that such Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary of the Issuer;

(9) Liens on assets or property at the time the Issuer or a Restricted Subsidiary of the Issuer acquired the assets or property, including any acquisition by means of a merger, amalgamation or consolidation with or into the Issuer or any Restricted Subsidiary of the Issuer; *provided*, *however*, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition; *provided*, *further*, *however*, that the Liens may not extend to any other property owned by the Issuer or any Restricted Subsidiary of the Issuer;

(10) Liens securing Indebtedness or other obligations of a Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary of the Issuer permitted to be Incurred in accordance with Section 4.03;

(11) Liens securing Hedging Obligations not Incurred in violation of this Indenture; *provided* that with respect to Hedging Obligations relating to Indebtedness, such Lien extends only to the property securing such Indebtedness;

(12) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(13) leases and subleases of real property which do not materially interfere with the ordinary conduct of the business of the Issuer or any of its Restricted Subsidiaries;

(14) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

(15) Liens in favor of the Issuer or any Note Guarantor;

(16) Liens on accounts receivable and related assets of the type specified in the definition of "Receivables Financing" Incurred in connection with a Qualified Receivables Financing;

(17) deposits made in the ordinary course of business to secure liability to insurance carriers;

(18) Liens on the Equity Interests of Unrestricted Subsidiaries;

(19) grants of software and other technology licenses in the ordinary course of business;

(20) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (6), (7), (8), (9), (10), (11) and (15); *provided*, *however*, that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (6), (7), (8), (9), (10), (11) and (15) at the time the original Lien became a Permitted Lien under this Indenture, and (B) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement; *provided further*, *however*, that in the case of any Liens to secure any refinancing, refunding, extension or renewal of Indebtedness secured by a Lien referred to in clause (6)(B), the principal amount of any Indebtedness Incurred for such refinancing, refunding, extension or renewal shall be deemed secured by a Lien under clause (6)(B) and not this clause (20) for purposes of determining the principal amount of Indebtedness outstanding under clause (6)(B);

(21) Liens on equipment of the Issuer or any Restricted Subsidiary granted in the ordinary course of business to the Issuer's or such Restricted Subsidiary's client at which such equipment is located;

(22) judgment and attachment Liens not giving rise to an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(23) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into in the ordinary course of business;

(24) Liens Incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business;

(25) other Liens securing obligations Incurred in the ordinary course of business which obligations do not exceed $100.0 million at any one time outstanding;

(26) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(27) any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of the Issuer or any Restricted Subsidiary; and

(28) Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depository or financial institution.

For purposes of this definition, notwithstanding anything in the foregoing clauses (1) through (28), any Lien that secures Retained Notes or Long-Term Retained Notes shall not under any circumstances be deemed Permitted Liens.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof or any other entity.

"PIK Interest" has the meaning set forth in Exhibits A-2 and B-2 hereto.

"Post-Closing CMBS Transaction" means the transaction described as the "Post-Closing CMBS Transaction" under "Summary—The Transactions—CMBS Transactions" in the Offering Memorandum.

"Preferred Stock" means any Equity Interest with preferential right of payment of dividends or upon liquidation, dissolution, or winding up.

"Pre-Opening Expenses" means, with respect to any fiscal period, the amount of expenses (other than interest expense) Incurred with respect to capital projects that are classified as "pre-opening expenses" on the applicable financial statements of the Issuer and its Restricted Subsidiaries for such period, prepared in accordance with GAAP.

"Project Financings" means (1) any Capitalized Lease Obligations, mortgage financing, purchase money Indebtedness or other Indebtedness Incurred in connection with the acquisition, lease, construction, repair, replacement, improvement or financing related to any of the Margaritaville Casino & Resort in Biloxi, Mississippi, the retail facilities related to the Margaritaville Casino & Resort, the planned casino and hotel in the community of Ciudad Real, Spain, and a hotel project with Baha Mar Resort Holdings Ltd. in the Bahamas, or any refinancing of any such Indebtedness that does not extend to any assets other than the assets listed above and (2) any Sale/Leaseback Transaction with respect to any of Margaritaville Casino & Resort in Biloxi, Mississippi, the retail facilities related to the Margaritaville Casino & Resort, the planned casino and hotel in the community of Ciudad Real, Spain, and a hotel project with Baha Mar Resort Holdings Ltd. in the Bahamas.

"Qualified IPO" means any underwritten public Equity Offering.

"Qualified Non-Recourse Debt" means Indebtedness that (1) is (a) Incurred by a Qualified Non-Recourse Subsidiary to finance (whether prior to or within 270 days after) the acquisition, lease, construction, repair, replacement or improvement of any property (real or personal) or equipment (whether through the direct purchase of property or the Equity Interests of any person owning such property and whether in a single acquisition or a series of related acquisitions) or (b) assumed by a Qualified Non-Recourse Subsidiary, (2) is non-recourse to the Issuer and any Note Guarantor and (3) is non-recourse to any Restricted Subsidiary that is not a Qualified Non-Recourse Subsidiary.

"Qualified Non-Recourse Subsidiary" means (1) a Restricted Subsidiary that is not a Note Guarantor and that is formed or created after the Issue Date in order to finance an acquisition, lease, construction, repair, replacement or improvement of any property or equipment (directly or through one of its Subsidiaries) that secures Qualified Non-Recourse Debt and (2) any Restricted Subsidiary of a Qualified Non-Recourse Subsidiary.

"Qualified Receivables Financing" means any Receivables Financing of a Receivables Subsidiary that meets the following conditions:

(1) the Board of Directors of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary;

(2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at Fair Market Value (as determined in good faith by the Issuer); and

(3) the financing terms, covenants, termination events and other provisions thereof shall be market terms (as determined in good faith by the Issuer) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Bank Indebtedness, Indebtedness in respect of the Notes or any Refinancing Indebtedness with respect to the Notes shall not be deemed a Qualified Receivables Financing.

"Rating Agency" means (1) each of Moody's and S&P and (2) if Moody's or S&P ceases to rate the Notes for reasons outside of the Issuer's control, a "nationally recognized statistical rating organization" within the meaning of Rule 15cs-1(c)(2)(vi)(F) under the Exchange Act selected by the Issuer or any direct or indirect parent of the Issuer as a replacement agency for Moody's or S&P, as the case may be.

"Real Estate Assets" means, collectively, all Real Property that is to be transferred on the Issue Date constituting any of the following: Harrah's Las Vegas, Rio and Flamingo Las Vegas in Las Vegas, Nevada; Harrah's Atlantic City and Showboat Atlantic City in Atlantic City, New Jersey; and Harrah's Lake Tahoe, Harveys Lake Tahoe and Bill's Lake Tahoe in Lake Tahoe, Nevada, as well as the Capital Stock of any Subsidiary the assets of which are comprised of such Real Property.

"Real Estate Facility" means the mortgage financing and mezzanine financing arrangements between the Real Estate Subsidiaries, which are direct or indirect subsidiaries of Harrah's Entertainment, and JPMorgan Chase Bank N.A. and its successors and assigns, on behalf of the noteholders dated as of the Issue Date, as amended, restated, supplemented, extended, waived, replaced, restructured, repaid, refunded, refinanced or otherwise modified from time to time (including in connection with the Post-Closing CMBS Transaction).

"Real Estate Subsidiary" means those Subsidiaries of Harrah's Entertainment that are party to (prior to, on or after the Issue Date) the Real Estate Facility (and their respective Subsidiaries) secured by the Real Estate Assets collateralizing such facility on the Issue Date plus any additional Real Property sold, contributed or transferred to such Subsidiaries by the Issuer or any Restricted Subsidiary (whether directly or indirectly through the sale, contribution or transfer of the Capital Stock of a Subsidiary the assets of which are comprised solely of such Real Property) subsequent to the Issue Date pursuant to Section 4.06 or in connection with the Post-Closing CMBS Transaction.

"Real Property" means, collectively, all right, title and interests (including any leasehold, mineral or other estate) in and to any and all parcels of or interests in real property owned, leased or operated by any Person, whether by lease, license or other means, together with, in each case, all easements, hereditaments and appurtenances relating thereto, all buildings, structures, parking areas and improvements and appurtenant fixtures and equipment, all general intangibles and contract rights and other property and rights incidental to the ownership, lease or operation thereof.

"Record Date" has the meaning specified in Exhibits A-1, A-2, B-1 and B-2 hereto.

"Receivables Fees" means distributions or payments made directly or by means of discounts with respect to any participation interests issued or sold in connection with, and all other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

"Receivables Financing" means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries); and (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto including, without limitation, all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

"Receivables Repurchase Obligation" means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"Receivables Subsidiary" means a Wholly Owned Restricted Subsidiary of the Issuer (or another Person formed for the purposes of engaging in Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

(a) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Subsidiary of the Issuer (excluding guarantees of obligations (other than the principal of and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is recourse to or obligates the Issuer or any other Subsidiary of the Issuer in any way other than pursuant to Standard Securitization Undertakings, or (iii) subjects any property or asset of the Issuer or any other Subsidiary of the Issuer, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

(b) with which neither the Issuer nor any other Subsidiary of the Issuer has any material contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and

(c) to which neither the Issuer nor any other Subsidiary of the Issuer has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a certified copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"Representative" means the trustee, agent or representative (if any) for an issue of Indebtedness; *provided* that if, and for so long as, such Indebtedness lacks such a Representative, then the Representative for such Indebtedness shall at all times constitute the holder or holders of a majority in outstanding principal amount of obligations under such Indebtedness.

"Restricted Cash" means cash and Cash Equivalents held by Restricted Subsidiaries that are contractually restricted from being distributed to the Issuer, except for (i) such cash and Cash Equivalents subject only to such restrictions that are contained in agreements governing Indebtedness permitted under this Indenture and that are secured by such cash or Cash Equivalents and (ii) cash and Cash Equivalents constituting "cage cash."

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Subsidiary" means, with respect to any Person, any Subsidiary of such Person other than an Unrestricted Subsidiary of such Person. Unless otherwise indicated in this Indenture, all references to Restricted Subsidiaries shall mean Restricted Subsidiaries of the Issuer.

"Retained Notes" means the Issuer's 5.500% Senior Notes due 2010, 8.00% Senior Notes due 2011, 5.375% Senior Notes due 2013, 7.875% Senior Subordinated Notes due 2010, and 8.125% Senior Subordinated Notes due 2011.

"Reversion Date" means the date on which one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating.

"Sale/Leaseback Transaction" means an arrangement relating to property now owned or hereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or such Restricted Subsidiary leases it from such Person, other than leases between the Issuer and a Restricted Subsidiary of the Issuer or between Restricted Subsidiaries of the Issuer.

"S&P" means Standard & Poor's Ratings Group or any successor to the rating agency business thereof.

"SEC" means the Securities and Exchange Commission.

"Secured Indebtedness" means any Indebtedness secured by a Lien.

"Secured Indebtedness Leverage Ratio" means, with respect to any Person, at any date the ratio of (i) Secured Indebtedness (other than Qualified Non-Recourse Debt) of such Person and its Restricted Subsidiaries as of such date of calculation (determined on a consolidated basis in accordance with GAAP) *less* the amount of cash and Cash Equivalents in excess of any Restricted Cash held by such Person and its Restricted Subsidiaries as of such date of determination to (ii) EBITDA of such Person for the four full fiscal quarters for which internal financial statements are available immediately preceding such date on which such additional Indebtedness is Incurred. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, repays, repurchases or redeems any Indebtedness subsequent to the commencement of the period for which the Secured Indebtedness Leverage Ratio is being calculated but prior to the event for which the calculation of the Secured Indebtedness Leverage Ratio is made (the "Secured Leverage Calculation Date"), then the Secured Indebtedness Leverage Ratio shall be calculated giving pro forma effect to such Incurrence, repayment, repurchase or redemption of Indebtedness as if the same had occurred at the beginning of the applicable four-quarter period; *provided* that the Issuer may elect pursuant to an Officer's Certificate delivered to the Trustee to treat all or any portion of the commitment under any Indebtedness as being Incurred at such time, in which case any subsequent Incurrence of Indebtedness under such commitment shall not be deemed, for purposes of this calculation, to be an Incurrence at such subsequent time.

For purposes of making the computation referred to above, Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions and the Post-Closing CMBS Transaction) and discontinued operations (as determined in accordance with GAAP), in each case with respect to an operating unit of a business, and any operational changes that the Issuer or any of its Restricted Subsidiaries has determined to make and/or made during the four-quarter reference period or subsequent to such reference period and on or prior to or simultaneously with the Secured Leverage Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations (including the Transactions and the Post-Closing CMBS Transaction), discontinued operations and other operational changes (and the change of any associated Indebtedness and the change in EBITDA resulting therefrom) had occurred on the first day of the four-quarter reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Issuer or any Restricted Subsidiary since the beginning of such period shall have made any Investment, acquisition, disposition, merger, consolidation, amalgamation, discontinued operation or operational change, in each case with respect to an operating unit of a business, that would have required adjustment pursuant to this definition, then the Secured Indebtedness Leverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, discontinued operation, merger, amalgamation, consolidation or operational change had occurred at the beginning of the applicable four-quarter period. For purposes of making the computation referred to above, with respect to each New Project that commences operations and records not less than one full fiscal quarter's operations during the four-quarter reference period, the operating results of such New Project will be annualized on a straight line basis during such period.

For purposes of this definition, whenever pro forma effect is to be given to any event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Issuer. Any such pro forma calculation may include adjustments appropriate, in the reasonable good faith determination of the Issuer as set forth in an Officer's Certificate, to reflect (1) operating expense reductions and other operating improvements or synergies reasonably expected to result from the applicable event (including, to the extent applicable, from the Transactions and the Post-Closing CMBS Transaction) and (2) all adjustments of the nature used in connection with the calculation of "Adjusted EBITDA" as set

forth in footnote 3 to "Summary Historical and Unaudited Pro Forma Financial Data" under "Summary" in the Offering Memorandum to the extent such adjustments, without duplication, continue to be applicable to such four-quarter period.

For purposes of this definition, any amount in a currency than U.S. dollars will be converted to U.S. dollars based on the average exchange rate for such currency for the most recent twelve-month period immediately prior to the date of determination in a manner consistent with that used in calculating EBITDA for the applicable period.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Senior Interim Loan Facility" means the interim loan agreement, dated as of January 28, 2008, by and among the Issuer, as borrower, the lenders party thereto in their capacities as lenders thereunder and Citibank, N.A. as administrative agent, including any guarantees, instruments and agreements executed in connection therewith, and any amendments, supplements, modifications or restatements thereof.

"Significant Subsidiary" means any Restricted Subsidiary that would be a "Significant Subsidiary" of the Issuer within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC (or any successor provision).

"Similar Business" means a business, the majority of whose revenues are derived from the activities of the Issuer and its Subsidiaries as of the Issue Date or any business or activity that is reasonably similar or complementary thereto or a reasonable extension, development or expansion thereof or ancillary thereto.

"Sponsors" means (i) Apollo Management, L.P. and any of its respective Affiliates other than any portfolio companies (collectively, the "Apollo Sponsors"), (ii) Texas Pacific Group and any of its respective Affiliates other than any portfolio companies (collectively, the "Texas Pacific Sponsors"), (iii) any individual who is a partner or employee of an Apollo Sponsor or a Texas Pacific Sponsor that is licensed by a relevant gaming authority on the Issue Date or thereafter replaces such licensee and (iv) any Person that forms a group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision) with any Apollo Sponsors and/or Texas Pacific Sponsors; *provided* that the Apollo Sponsors and/or the Texas Pacific Sponsors (x) own a majority of the voting power and (y) control a majority of the Board of Directors of the Issuer.

"Standard Securitization Undertakings" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing including, without limitation, those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the final payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision (but excluding any provision providing for the repurchase of such security at the option of the holder thereof upon the happening of any contingency beyond the control of the issuer unless such contingency has occurred).

"Subordinated Indebtedness" means (a) with respect to the Issuer, any Indebtedness of the Issuer which is by its terms subordinated in right of payment to the Notes, and (b) with respect to any Note Guarantor, any Indebtedness of such Note Guarantor which is by its terms subordinated in right of payment to its Note Guarantee.

"Subsidiary" means, with respect to any Person, (1) any corporation, association or other business entity (other than a partnership, joint venture or limited liability company) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, and (2) any partnership, joint venture or limited liability company of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"Subsidiary Note Guarantee" means a Note Guarantee of a Note Guarantor that is a Restricted Subsidiary.

"Subsidiary Note Guarantor" means a Note Guarantor that is a Restricted Subsidiary.

"Suspension Period" means the period of time between a Covenant Suspension Event and the related Reversion Date.

"Tax Distributions" means any distributions described in Section 4.04(b)(xii).

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbbb) as in effect on the date of this Indenture.

"Total Assets" means the total consolidated assets of the Issuer and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Issuer, without giving effect to any amortization of the amount of intangible assets since the Issue Date.

"Transactions" means, with the exception of the Post-Closing CMBS Transaction, the transactions described under "Summary—The Transactions" in the Offering Memorandum.

"Treasury Rate" means, as of the applicable redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such redemption date (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to February 1, 2012, in the case of the Cash Pay Notes, and February 1,2013, in the case of the Toggle Notes; *provided*, *however*, that if the period from such redemption date to February 1, 2012 in the case of the Cash Pay Notes, and February 1, 2013, in the case of the Toggle Notes, is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"Trust Officer" means:

(1) any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject, and

(2) who shall have direct responsibility for the administration of this Indenture.

"Trustee" means the party named as such in this Indenture until a successor replaces it and, thereafter, means the successor.

"Uniform Commercial Code" means the New York Uniform Commercial Code as in effect from time to time.

"Unrestricted Subsidiary" means:

(1) any Subsidiary of the Issuer that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors of such Person in the manner provided below; and

(2) any Subsidiary of an Unrestricted Subsidiary;

The Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary of the Issuer) to be an Unrestricted Subsidiary unless such Subsidiary or any of its Subsidiaries owns any Equity Interests or Indebtedness of, or owns or holds any Lien on any property of, the Issuer or any other Subsidiary of the Issuer that is not a Subsidiary of the Subsidiary to be so designated; *provided*, *however*, that the Subsidiary to be so designated and its Subsidiaries do not at the time of designation have and do not thereafter Incur any Indebtedness pursuant to which the lender has recourse to any of the assets of the Issuer or any of its Restricted Subsidiaries; *provided*, *further*, *however*, that either:

(a) the Subsidiary to be so designated has total consolidated assets of $1,000 or less; or

(b) if such Subsidiary has consolidated assets greater than $1,000, then such designation would be permitted under Section 4.04.

The Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided*, *however*, that immediately after giving effect to such designation:

(x) (1) the Issuer could Incur $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.03(a), or (2) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such designation, in each case on a pro forma basis taking into account such designation, and

(y) no Event of Default shall have occurred and be continuing.

Any such designation by Issuer shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors or any committee thereof of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing provisions.

"U.S. Government Obligations" means securities that are:

(1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged, or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America,

which, in each case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depository receipt.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness or Disqualified Stock or Preferred Stock, as the case may be, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Indebtedness or redemption or similar payment with respect to such Disqualified Stock or Preferred Stock multiplied by the amount of such payment, by (2) the sum of all such payments.

"Wholly Owned Restricted Subsidiary" is any Wholly Owned Subsidiary that is a Restricted Subsidiary.

"Wholly Owned Subsidiary" of any Person means a Subsidiary of such Person 100% of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares or shares required to be held by Foreign Subsidiaries) shall at the time be owned by such Person or by one or more Wholly Owned Subsidiaries of such Person.

SECTION 1.02. Other Definitions.

Term	Defined in Section
"Additional Interest"	Appendix A
"Affiliate Transaction"	4.07
"Asset Sale Offer"	4.06(b)
"Bankruptcy Law"	6.01

Term	Defined in Section
"Cash Pay Notes"	Preamble
"Change of Control Offer"	4.08
"covenant defeasance option"	8.01(c)
"Covenant Suspension Event"	4.15
"Custodian"	6.01
"Definitive Note"	Appendix A
"Disqualified Holder"	2.15
"Depository"	Appendix A
"Euroclear"	Appendix A
"Event of Default"	6.01
"Excess Proceeds"	4.06(b)
"Exchange Notes"	Preamble
"Global Notes"	Appendix A
"Global Notes Legend"	Appendix A
"Guaranteed Obligations"	11.01(a)
"IAI"	Appendix A
"incorporated provision"	13.01
"Initial Purchasers"	Appendix A
"Initial Notes"	Preamble
"Issuer"	Preamble
"legal defeasance option"	8.01
"Notes"	Preamble
"Notes Custodian"	Appendix A
"Notice of Default"	6.01
"Offer Period"	4.06(d)
"Paying Agent"	2.04(a)
"PIK Notes"	2.01
"PIK Payment"	2.01
"protected purchaser"	2.08
"Purchase Agreement"	Appendix A
"QIB"	Appendix A
"Refinancing Indebtedness"	4.03(b)
"Refunding Capital Stock"	4.04(b)
"Registered Exchange Offer"	Appendix A
"Registration Agreement"	Appendix A
"Registrar"	2.04(a)
"Regulation S"	Appendix A
"Regulation S Notes"	Appendix A
"Restricted Payment"	4.04(a)
"Restricted Period"	Appendix A
"Restricted Notes Legend"	Appendix A
"Retired Capital Stock"	4.04(b)
"Reversion Date"	4.15
"Rule 501"	Appendix A
"Rule 144A"	Appendix A
"Rule 144A Notes"	Appendix A
"Second Commitment"	4.06

Term	Defined in Section
"Shelf Registration Statement"	Appendix A
"Successor Issuer"	5.01(a)
"Successor Note Guarantor"	5.01(b)
"Successor Parent Note Guarantor"	5.01
"Suspended Covenants"	4.15
"Toggle Notes"	Preamble
"Transfer"	5.01(b)
"Transfer Restricted Notes"	Appendix A
"Unrestricted Definitive Note	Appendix A

SECTION 1.03. Incorporation by Reference of Trust Indenture Act. This Indenture incorporates by reference certain provisions of the TIA. The following TIA terms have the following meanings:

"Commission" means the SEC.

"indenture securities" means the Notes and the Guarantees.

"indenture security holder" means a holder.

"indenture to be qualified" means this Indenture.

"indenture trustee" or "institutional trustee" means the Trustee.

"obligor" on the indenture securities means the Issuer, the Note Guarantors and any other obligor on the Notes.

All other TIA terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule have the meanings assigned to them by such definitions.

SECTION 1.04. Rules of Construction. Unless the context otherwise requires:

(a) a term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) "including" means including without limitation;

(e) words in the singular include the plural and words in the plural include the singular;

(f) unsecured Indebtedness shall not be deemed to be subordinate or junior to Secured Indebtedness merely by virtue of its nature as unsecured Indebtedness;

(g) the principal amount of any non-interest bearing or other discount security at any date shall be the principal amount thereof that would be shown on a balance sheet of the issuer dated such date prepared in accordance with GAAP;

(h) the principal amount of any Preferred Stock shall be (i) the maximum liquidation value of such Preferred Stock or (ii) the maximum mandatory redemption or mandatory repurchase price with respect to such Preferred Stock, whichever is greater;

(i) unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP;

(j) "$" and "U.S. dollars" each refer to United States dollars, or such other money of the United States of America that at the time of payment is legal tender for payment of public and private debts; and

(k) whenever in this Indenture or the Notes there is mentioned, in any context, principal, interest or any other amount payable under or with respect to any Notes, such mention shall be deemed to include mention of the payment of Additional Interest, to the extent that, in such context, Additional Interest is, were or would be payable in respect thereof.

ARTICLE 2

THE NOTES

SECTION 2.01. Amount of Notes. The aggregate principal amount of Notes which may be authenticated and delivered under this Indenture on the Issue Date is $6,335,000,000, comprised of $4,932,417,000 in initial aggregate principal amount of Cash Pay Notes and $1,402,583,000 in aggregate principal amount of Toggle Notes.

In connection with the payment of PIK Interest or Partial PIK Interest in respect of the Notes, the Issuer is entitled to, without the consent of the holders and without regard to Section 4.03, increase the outstanding principal amount of the Notes or issue additional Notes (the "PIK Notes") under this Indenture on the same terms and conditions as the Toggle Notes (in each case, the "PIK Payment").

In addition, the Issuer may from time to time after the Issue Date issue Additional Notes under this Indenture in an unlimited principal amount, so long as (i) the Incurrence of the Indebtedness represented by such Additional Notes is at such time permitted by Section 4.03 and (ii) such Additional Notes are issued in compliance with the other applicable provisions of this Indenture. With respect to any Additional Notes issued after the Issue Date (except for Notes authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Notes pursuant to Section 2.07, 2.08, 2.09, 2.10, 3.06, 4.06(g), 4.08(c) or Appendix A), there shall be (a) established in or pursuant to a resolution of the Board of Directors and (b) (i) set forth or determined in the manner provided in an Officer's Certificate or (ii) established in one or more indentures supplemental hereto, prior to the issuance of such Additional Notes:

(1) the aggregate principal amount of such Additional Notes which may be authenticated and delivered under this Indenture,

(2) the issue price and issuance date of such Additional Notes, including the date from which interest on such Additional Notes shall accrue;

(3) if applicable, that such Additional Notes shall be issuable in whole or in part in the form of one or more Global Notes and, in such case, the respective depositaries for such Global Notes, the form of any legend or legends which shall be borne by such Global Notes in addition to or in lieu of those set forth in Exhibits A-1 and A-2 hereto and any circumstances in addition to or in lieu of those set forth in Section 2.2 of Appendix A in which any such Global Note may be exchanged in whole or in part for Additional Notes registered, or any transfer of such Global Note in whole or in part may be registered, in the name or names of Persons other than the depositary for such Global Note or a nominee thereof; and

(4) if applicable, that such Additional Notes that are not Transfer Restricted Notes shall not be issued in the form of Initial Notes as set forth in Exhibits A-1 and A-2, but shall be issued in the form of Exchange Notes as set forth in Exhibits B-1 and B-2.

If any of the terms of any Additional Notes are established by action taken pursuant to a resolution of the Board of Directors, a copy of an appropriate record of such action shall be certified by the Secretary or any Assistant Secretary of the Issuer and delivered to the Trustee at or prior to the delivery of the Officers' Certificate or the indenture supplemental hereto setting forth the terms of the Additional Notes.

The Cash Pay Notes, including any Additional Notes issued as Cash Pay Notes, may, at the Issuer's option, be treated as a single class for all purposes under this Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. The Toggle Notes, including any PIK Notes and any Additional Notes issued as Toggle Notes, may, at the Issuer's option, be treated as a single class for all purposes under this Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase.

SECTION 2.02. Form and Dating. Provisions relating to the Initial Notes and the Exchange Notes are set forth in Appendix A, which is hereby incorporated in and expressly made a part of this Indenture. The (i) Initial Notes and the Trustee's certificate of authentication and (ii) any Additional Notes (if issued as Transfer Restricted Notes) and the Trustee's certificate of authentication shall each be substantially in the form of Exhibits A-1 and A-2 hereto, which are hereby incorporated in and expressly made a part of this Indenture. The (i) Exchange Notes and the Trustee's certificate of authentication and (ii) any Additional Notes issued other than as Transfer Restricted Notes and the Trustee's certificate of authentication shall each be substantially in the form of Exhibits B-1 and B-2 hereto, which are hereby incorporated in and expressly made a part of this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule, agreements to which the Issuer or any Note Guarantor is subject, if any, or usage (*provided* that any such notation, legend or endorsement is in a form acceptable to the Issuer). Each Note shall be dated the date of its authentication. The Notes shall be issuable only in registered form without interest coupons and in denominations of $2,000 and any integral multiples of $1,000 (rounded to the nearest $1 in the case of any PIK Notes).

SECTION 2.03. Execution and Authentication. The Trustee shall authenticate and make available for delivery upon a written order of the Issuer signed by one Officer (a) Initial Notes for original issue on the date hereof in an aggregate principal amount of $6,335,000,000, consisting of $4,932,417,000 aggregate principal amount of Cash Pay Notes and $1,402,583,000 aggregate principal amount of Toggle Notes, (b) subject to the terms of this Indenture, Additional Notes in an aggregate principal

amount to be determined at the time of issuance and specified therein, (c) the Exchange Notes for issue in a Registered Exchange Offer pursuant to the Registration Agreement for a like principal amount of Initial Notes exchanged pursuant thereto or otherwise pursuant to an effective registration statement under the Securities Act and (d) any PIK Notes issued in payment of PIK Interest or Partial PIK Interest. Such order shall specify the amount of separate Note certificates to be authenticated, the principal amount of each of the Notes to be authenticated, the date on which the original issue of Notes is to be authenticated, the registered holder of each of the Notes and delivery instructions and whether the Notes are to be Initial Notes or Exchange Notes. Notwithstanding anything to the contrary in this Indenture or Appendix A, any issuance of Additional Notes after the Issue Date shall be in a principal amount of at least $2,000 and integral multiples of $1,000 in excess of $2,000.

One Officer shall sign the Notes for the Issuer by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time the Trustee authenticates the Note, the Note shall be valid nevertheless.

A Note shall not be valid until an authorized signatory of the Trustee manually signs the certificate of authentication on the Note. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee may appoint one or more authenticating agents reasonably acceptable to the Issuer to authenticate the Notes. Any such appointment shall be evidenced by an instrument signed by a Trust Officer, a copy of which shall be furnished to the Issuer. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as any Registrar, Paying Agent or agent for service of notices and demands.

On any Interest Payment Date on which the Issuer pays PIK Interest or Partial PIK Interest with respect to a Note, the Trustee shall increase the principal amount of such Note by an amount equal to the interest payable, rounded up to the nearest $1,000, for the relevant interest period on the principal amount of such Note as of the relevant Record Date for such Interest Payment Date, to the credit of the holders on such Record Date, pro rata in accordance with their interests, and an adjustment shall be made on the books and records of the Trustee (if it is then the Note Custodian for such Global Note) with respect to such Global Note, by the Trustee or the Note Custodian, to reflect such increase. On any Interest Payment Date on which the Issuer pays PIK Interest or Partial PIK Interest by issuing definitive PIK Notes, the principal amount of any such PIK Notes issued to any holder, for the relevant interest period as of the relevant Record Date for such Interest Payment Date, shall be rounded up to the nearest $1.00.

SECTION 2.04. Registrar and Paying Agent.

(a) The Issuer shall maintain (i) an office or agency where Notes may be presented for registration of transfer or for exchange (the "Registrar") and (ii) an office or agency where Notes may be presented for payment (the "Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Issuer may have one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrars. The term "Paying Agent" includes the Paying Agent and any additional paying agents. The Issuer initially appoints the Trustee as Registrar, Paying Agent and the Notes Custodian with respect to the Global Notes.

(b) The Issuer may enter into an appropriate agency agreement with any Registrar or Paying Agent not a party to this Indenture, which shall incorporate the terms of the TIA. The agreement shall implement the provisions of this Indenture that relate to such agent. The Issuer shall notify the Trustee in writing of the name and address of any such agent. If the Issuer fails to maintain a Registrar or Paying Agent, the Trustee shall act as such and shall be entitled to appropriate compensation therefor pursuant to Section 7.07. The Issuer or any of its domestically organized Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

(c) The Issuer may remove any Registrar or Paying Agent upon written notice to such Registrar or Paying Agent and to the Trustee; *provided*, *however*, that no such removal shall become effective until (i) if applicable, acceptance of an appointment by a successor as evidenced by an appropriate agreement entered into by the Issuer and such successor Registrar or Paying Agent, as the case may be, and delivered to the Trustee or (ii) notification to the Trustee that the Trustee shall serve as Registrar or Paying Agent until the appointment of a successor in accordance with clause (i) above. The Registrar or Paying Agent may resign at any time upon written notice to the Issuer and the Trustee; *provided*, *however*, that the Trustee may resign as Paying Agent or Registrar only if the Trustee also resigns as Trustee in accordance with Section 7.08.

SECTION 2.05. Paying Agent to Hold Money in Trust. Prior to each due date of the principal of and interest on any Note, the Issuer shall deposit with each Paying Agent (or if the Issuer or a Wholly Owned Subsidiary is acting as Paying Agent, segregate and hold in trust for the benefit of the Persons entitled thereto) a sum sufficient to pay such principal and interest when so becoming due. The Issuer shall require each Paying Agent (other than the Trustee) to agree in writing that a Paying Agent shall hold in trust for the benefit of holders or the Trustee all money held by a Paying Agent for the payment of principal of and interest on the Notes, and shall notify the Trustee of any default by the Issuer in making any such payment. If the Issuer or a Wholly Owned Subsidiary of the Issuer acts as Paying Agent, it shall segregate the money held by it as Paying Agent and hold it in trust for the benefit of the Persons entitled thereto. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee and to account for any funds disbursed by such Paying Agent. Upon complying with this Section, a Paying Agent shall have no further liability for the money delivered to the Trustee.

SECTION 2.06. Holder Lists. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of holders. If the Trustee is not the Registrar, the Issuer shall furnish, or cause the Registrar to furnish, to the Trustee, in writing at least five Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of holders.

SECTION 2.07. Transfer and Exchange. The Notes shall be issued in registered form and shall be transferable only upon the surrender of a Note for registration of transfer and in compliance with Appendix A. When a Note is presented to the Registrar with a request to register a transfer, the Registrar shall register the transfer as requested if its requirements therefor are met. When Notes are presented to the Registrar with a request to exchange them for an equal principal amount of Notes of other denominations, the Registrar shall make the exchange as requested if the same requirements are met. To permit registration of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Notes at the Registrar's request. The Issuer may require payment of a sum sufficient to pay all taxes, assessments or other governmental charges in connection with any transfer or exchange pursuant to this Section. The Issuer shall not be required to make, and the Registrar need not register, transfers or exchanges of Notes selected for redemption (except, in the case of Notes to be redeemed in part, the portion thereof not to be redeemed) or of any Notes for a period of 15 days before a selection of Notes to be redeemed.

Prior to the due presentation for registration of transfer of any Note, the Issuer, the Note Guarantors, the Trustee, the Paying Agent and the Registrar may deem and treat the Person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest, if any, on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, any Note Guarantor, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

Any holder of a beneficial interest in a Global Note shall, by acceptance of such beneficial interest, agree that transfers of beneficial interests in such Global Note may be effected only through a book-entry system maintained by (a) the holder of such Global Note (or its agent) or (b) any holder of a beneficial interest in such Global Note, and that ownership of a beneficial interest in such Global Note shall be required to be reflected in a book entry.

All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

SECTION 2.08. Replacement Notes. If a mutilated Note is surrendered to the Registrar or if the holder of a Note claims that the Note has been lost, destroyed or wrongfully taken, the Issuer shall issue and the Trustee shall authenticate a replacement Note if the requirements of Section 8-405 of the Uniform Commercial Code are met, such that the holder (a) satisfies the Issuer or the Trustee within a reasonable time after such holder has notice of such loss, destruction or wrongful taking and the Registrar does not register a transfer prior to receiving such notification, (b) makes such request to the Issuer or the Trustee prior to the Note being acquired by a protected purchaser as defined in Section 8-303 of the Uniform Commercial Code (a "protected purchaser") and (c) satisfies any other reasonable requirements of the Trustee. If required by the Trustee or the Issuer, such holder shall furnish an indemnity bond sufficient in the judgment of the Trustee and the Issuer to protect the Issuer, the Trustee, a Paying Agent and the Registrar from any loss or liability that any of them may suffer if a Note is replaced and subsequently presented or claimed for payment. The Issuer and the Trustee may charge the holder for their expenses in replacing a Note (including without limitation, attorneys' fees and disbursements in replacing such Note). In the event any such mutilated, lost, destroyed or wrongfully taken Note has become or is about to become due and payable, the Issuer in its discretion may pay such Note instead of issuing a new Note in replacement thereof.

Every replacement Note is an additional obligation of the Issuer.

The provisions of this Section 2.08 are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, lost, destroyed or wrongfully taken Notes.

SECTION 2.09. Outstanding Notes. Notes outstanding at any time are all Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation and those described in this Section as not outstanding. Subject to Section 13.06, a Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note.

If a Note is replaced pursuant to Section 2.08 (other than a mutilated Note surrendered for replacement), it ceases to be outstanding unless the Trustee and the Issuer receive proof satisfactory to them that the replaced Note is held by a protected purchaser. A mutilated Note ceases to be outstanding upon surrender of such Note and replacement thereof pursuant to Section 2.08.

If a Paying Agent segregates and holds in trust, in accordance with this Indenture, on a redemption date or maturity date money sufficient to pay all principal and interest payable on that date with respect to the Notes (or portions thereof) to be redeemed or maturing, as the case may be, and no Paying Agent is prohibited from paying such money to the holders on that date pursuant to the terms of this Indenture, then on and after that date such Notes (or portions thereof) cease to be outstanding and interest on them ceases to accrue.

SECTION 2.10. Temporary Notes. In the event that Definitive Notes are to be issued under the terms of this Indenture, until such Definitive Notes are ready for delivery, the Issuer may prepare and the Trustee shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of Definitive Notes but may have variations that the Issuer considers appropriate for temporary Notes. Without unreasonable delay, the Issuer shall prepare and the Trustee shall authenticate Definitive Notes and make them available for delivery in exchange for temporary Notes upon surrender of such temporary Notes at the office or agency of the Issuer, without charge to the holder. Until such exchange, temporary Notes shall be entitled to the same rights, benefits and privileges as Definitive Notes.

SECTION 2.11. Cancellation. The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and each Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment or cancellation and shall dispose of canceled Notes in accordance with its customary procedures. The Issuer may not issue new Notes to replace Notes it has redeemed, paid or delivered to the Trustee for cancellation. The Trustee shall not authenticate Notes in place of canceled Notes other than pursuant to the terms of this Indenture.

SECTION 2.12. Defaulted Interest. If the Issuer defaults in a payment of interest on the Notes, the Issuer shall pay the defaulted interest then borne by the Notes (plus interest on such defaulted interest to the extent lawful) in any lawful manner. The Issuer may pay the defaulted interest to the Persons who are holders on a subsequent special record date. The Issuer shall fix or cause to be fixed any such special record date and payment date to the reasonable satisfaction of the Trustee and shall promptly mail or cause to be mailed to each affected holder a notice that states the special record date, the payment date and the amount of defaulted interest to be paid.

SECTION 2.13. CUSIP Numbers, ISINs, Etc. The Issuer in issuing the Notes may use CUSIP numbers, ISINs and "Common Code" numbers (if then generally in use) and, if so, the Trustee shall use CUSIP numbers, ISINs and "Common Code" numbers in notices of redemption as a convenience to holders; *provided*, *however*, that any such notice may state that no representation is made as to the correctness of such numbers, either as printed on the Notes or as contained in any notice of a redemption that reliance may be placed only on the other identification numbers printed on the Notes and that any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer shall advise the Trustee of any change in the CUSIP numbers, ISINs and "Common Code" numbers.

SECTION 2.14. Calculation of Principal Amount of Notes. The aggregate principal amount of the Notes, at any date of determination, shall be the principal amount of the Notes at such date of determination. With respect to any matter requiring consent, waiver, approval or other action of the

holders of a specified percentage of the principal amount of all the Notes, such percentage shall be calculated, on the relevant date of determination, by dividing (a) the principal amount, as of such date of determination, of Notes, the holders of which have so consented, by (b) the aggregate principal amount, as of such date of determination, of the Notes then outstanding, in each case, as determined in accordance with the preceding sentence, Section 2.09 and Section 13.06 of this Indenture. Any such calculation made pursuant to this Section 2.14 shall be made by the Issuer and delivered to the Trustee pursuant to an Officers' Certificate.

SECTION 2.15. Mandatory Disposition Pursuant to Gaming Laws. Each person that holds or acquires beneficial ownership of any of the Notes shall be deemed to have agreed, by accepting such Notes, that if any Gaming Authority requires such person to be approved, licensed, qualified or found suitable under applicable Gaming Laws, such holder or beneficial owner, as the case may be, shall apply for a license, qualification or finding of suitability within the required time period.

If a person required to apply or become licensed or qualified or be found suitable fails to do so (a "Disqualified Holder"), the Issuer shall have the right, at its election, (1) to require such person to dispose of its Notes or beneficial interest therein within 30 days of receipt of notice of such election or such earlier date as may be required by such Gaming Authority or (2) to redeem such Notes at a redemption price that, unless otherwise directed by such Gaming Authority, shall be at a redemption price that is equal to the lesser of:

(a) such person's cost, or

(b) 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the earlier of (i) the redemption date or (ii) the date such person became a Disqualified Holder.

The Issuer shall notify the Trustee and applicable Gaming Authority in writing of any such redemption as soon as practicable. The Issuer shall not be responsible for any costs or expenses any such holder may Incur in connection with its application for a license, qualification or finding of suitability.

ARTICLE 3

REDEMPTION

SECTION 3.01. Redemption. The Notes may be redeemed, in whole, or from time to time in part, subject to the conditions and at the redemption prices set forth in Paragraph 5 of the forms of Note set forth in Exhibits A-1 and A-2 and Exhibits B-1 and B-2 hereto, which are hereby incorporated by reference and made a part of this Indenture, together with accrued and unpaid interest to the redemption date.

SECTION 3.02. Applicability of Article. Redemption of Notes at the election of the Issuer or otherwise, as permitted or required by any provision of this Indenture, shall be made in accordance with such provision and this Article.

SECTION 3.03. Notices to Trustee. If the Issuer elects to redeem Notes pursuant to the optional redemption provisions of Paragraph 5 of the Note, it shall notify the Trustee in writing of (i) the Section of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price. The Issuer shall give notice to the Trustee provided for in this paragraph at least 30 days but not more than 60 days before a redemption

date if the redemption is pursuant to Paragraph 5 of the Note, unless a shorter period is acceptable to the Trustee. Such notice shall be accompanied by an Officers' Certificate and Opinion of Counsel from the Issuer to the effect that such redemption will comply with the conditions herein, as well as such notice required to be delivered under Section 3.05 below. If fewer than all the Notes are to be redeemed, the record date relating to such redemption shall be selected by the Issuer and given to the Trustee, which record date shall be not fewer than 15 days after the date of notice to the Trustee. Any such notice may be canceled at any time prior to notice of such redemption being mailed to any holder and shall thereby be void and of no effect.

SECTION 3.04. Selection of Notes to Be Redeemed. In the case of any partial redemption, selection of the Notes for redemption will be made by the Trustee on a pro rata basis to the extent practicable; *provided* that no Notes of $2,000 or less shall be redeemed in part. The Trustee shall make the selection from outstanding Notes not previously called for redemption. The Trustee may select for redemption portions of the principal of Notes that have denominations larger than $2,000. Notes and portions of them the Trustee selects shall be in amounts of $2,000 or any integral multiple of $1,000. Provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption. The Trustee shall notify the Issuer promptly of the Notes or portions of Notes to be redeemed.

SECTION 3.05. Notice of Optional Redemption.

(a) At least 30 days but not more than 60 days before a redemption date pursuant to Paragraph 5 of the Note, the Issuer shall mail or cause to be mailed by first-class mail a notice of redemption to each holder whose Notes are to be redeemed.

Any such notice shall identify the Notes to be redeemed and shall state:

(i) the redemption date;

(ii) the redemption price and the amount of accrued interest to the redemption date;

(iii) the name and address of the Paying Agent;

(iv) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price, plus accrued interest;

(v) if fewer than all the outstanding Notes are to be redeemed, the certificate numbers and principal amounts of the particular Notes to be redeemed, the aggregate principal amount of Notes to be redeemed and the aggregate principal amount of Notes to be outstanding after such partial redemption;

(vi) that, unless the Issuer defaults in making such redemption payment or the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture, interest on Notes (or portion thereof) called for redemption ceases to accrue on and after the redemption date;

(vii) the CUSIP number, ISIN and/or "Common Code" number, if any, printed on the Notes being redeemed; and

(viii) that no representation is made as to the correctness or accuracy of the CUSIP number or ISIN and/or "Common Code" number, if any, listed in such notice or printed on the Notes.

(b) At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's name and at the Issuer's expense. In such event, the Issuer shall provide the Trustee with the information required by this Section at least one Business Day prior to the date such notice is to be provided to holders in the final form such notice is to be delivered to holders and such notice may not be canceled.

SECTION 3.06. Effect of Notice of Redemption. Once notice of redemption is mailed in accordance with Section 3.05, Notes called for redemption become due and payable on the redemption date and at the redemption price stated in the notice, except as provided in the final sentence of paragraph 5 of the Notes. Upon surrender to the Paying Agent, such Notes shall be paid at the redemption price stated in the notice, plus accrued interest, to, but not including, the redemption date; *provided*, *however*, that if the redemption date is after a regular record date and on or prior to the interest payment date, the accrued interest shall be payable to the holder of the redeemed Notes registered on the relevant record date. Failure to give notice or any defect in the notice to any holder shall not affect the validity of the notice to any other holder.

SECTION 3.07. Deposit of Redemption Price. With respect to any Notes, prior to 10:00 a.m., New York City time, on the redemption date, the Issuer shall deposit with the Paying Agent (or, if the Issuer or a Wholly Owned Subsidiary is the Paying Agent, shall segregate and hold in trust) money sufficient to pay the redemption price of and accrued interest on all Notes or portions thereof to be redeemed on that date other than Notes or portions of Notes called for redemption that have been delivered by the Issuer to the Trustee for cancellation. On and after the redemption date, interest shall cease to accrue on Notes or portions thereof called for redemption so long as the Issuer has deposited with the Paying Agent funds sufficient to pay the principal of, plus accrued and unpaid interest on, the Notes to be redeemed, unless the Paying Agent is prohibited from making such payment pursuant to the terms of this Indenture.

SECTION 3.08. Notes Redeemed in Part. Upon surrender of a Note that is redeemed in part, the Issuer shall execute and the Trustee shall authenticate for the holder (at the Issuer's expense) a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

ARTICLE 4

COVENANTS

SECTION 4.01. Payment of Notes. The Issuer shall promptly pay the principal of and interest on the Notes on the dates and in the manner provided in the Notes and in this Indenture. An installment of principal of or interest shall be considered paid on the date due if on such date the Trustee or the Paying Agent holds as of 12:00 p.m. Eastern time money sufficient to pay all principal and interest then due and the Trustee or the Paying Agent, as the case may be, is not prohibited from paying such money to the holders on that date pursuant to the terms of this Indenture.

The Issuer shall pay interest on overdue principal at the rate specified therefor in the Notes, and it shall pay interest on overdue installments of interest at the same rate borne by the Notes to the extent lawful.

SECTION 4.02. Reports and Other Information.

(a) Notwithstanding that the Issuer may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, the Issuer shall file with the SEC (and provide the Trustee and holders with copies thereof, without cost to each holder, within 15 days after it files them with the SEC),

(i) within the time period specified in the SEC's rules and regulations for non-accelerated filers, annual reports on Form 10-K (or any successor or comparable form) containing the information required to be contained therein (or required in such successor or comparable form),

(ii) within the time period specified in the SEC's rules and regulations for non-accelerated filers, reports on Form 10-Q (or any successor or comparable form) containing the information required to be contained therein (or required in such successor or comparable form),

(iii) promptly from time to time after the occurrence of an event required to be therein reported (and in any event within the time period specified in the SEC's rules and regulations), such other reports on Form 8-K (or any successor or comparable form), and

(iv) any other information, documents and other reports which the Issuer would be required to file with the SEC if it were subject to Section 13 or 15(d) of the Exchange Act;

provided, *however*, that the Issuer shall not be so obligated to file such reports with the SEC if the SEC does not permit such filing, in which event the Issuer will make available such information to prospective purchasers of Notes in addition to providing such information to the Trustee and the holders, in each case within 15 days after the time the Issuer would be required to file such information with the SEC if it were subject to Section 13 or 15(d) of the Exchange Act, subject, in the case of any such information, certificates or reports provided prior to the effectiveness of the Exchange Offer Registration Statement or Shelf Registration Statement, to exceptions consistent with the presentation of financial information in the Offering Memorandum.

Notwithstanding the foregoing, the Issuer shall not be required to furnish any information, certificates or reports required by Items 307 or 308 of Regulation S-K prior to the effectiveness of the Exchange Offer Registration Statement or Shelf Registration Statement.

(b) In the event that:

(i) the rules and regulations of the SEC permit the Issuer and any direct or indirect parent of the Issuer to report at such parent entity's level on a consolidated basis and such parent entity is not engaged in any business in any material respect other than incidental to its ownership, directly or indirectly, of the capital stock of the Issuer, or

(ii) any direct or indirect parent of the Issuer is or becomes a Note Guarantor of the Notes,

consolidating reporting at the parent entity's level in a manner consistent with that described in this Section 4.02 and furnishing financial information relating to such direct or indirect parent for the Issuer will satisfy this Section 4.02; *provided* that such financial information is accompanied by consolidating information

that explains in reasonable detail the differences between the information relating to such direct or indirect parent and any of its Subsidiaries other than the Issuer and its Subsidiaries, on the one hand, and the information relating to the Issuer, the Note Guarantors and the other Subsidiaries of the Issuer on a standalone basis, on the other hand.

(c) The Issuer will make such information available to prospective investors upon request. In addition, the Issuer has agreed that, for so long as any Notes remain outstanding during any period when it is not subject to Section 13 or 15(d) of the Exchange Act, or otherwise permitted to furnish the SEC with certain information pursuant to Rule 12g3-2(b) of the Exchange Act, it will furnish to the holders of the Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Notwithstanding the foregoing, the Issuer will be deemed to have furnished such reports referred to above to the Trustee and the holders if the Issuer has filed such reports with the SEC via the EDGAR filing system and such reports are publicly available. In addition, the requirements of this Section 4.02 shall be deemed satisfied prior to the commencement of the exchange offer contemplated by the Registration Rights Agreement relating to the Notes or the effectiveness of the Shelf Registration Statement by (1) the filing with the SEC of the Exchange Offer Registration Statement and/or Shelf Registration Statement in accordance with the provisions of such Registration Rights Agreement, and any amendments thereto, if such registration statement and/or amendments thereto are filed at times that otherwise satisfy the time requirements set forth in Section 4.02(a) and/or (2) the posting of reports that would be required to be provided to the Trustee and the holders on the Issuer's website (or that of any of its parent companies).

SECTION 4.03. Limitation on Incurrence of Indebtedness and Issuance of Disqualified Stock and Preferred Stock.

(a) (i) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, Incur any Indebtedness (including Acquired Indebtedness) or issue any shares of Disqualified Stock; and (ii) the Issuer shall not permit any of its Restricted Subsidiaries (other than a Note Guarantor) to issue any shares of Preferred Stock; *provided*, *however*, that the Issuer and any Note Guarantor may Incur Indebtedness (including Acquired Indebtedness) or issue shares of Disqualified Stock, and, subject to Section 4.03(c), any Restricted Subsidiary of the Issuer that is not a Note Guarantor may Incur Indebtedness (including Acquired Indebtedness), issue shares of Disqualified Stock or issue shares of Preferred Stock, in each case if the Fixed Charge Coverage Ratio of the Issuer for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is Incurred or such Disqualified Stock or Preferred Stock is issued would have been at least 2.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been Incurred, or the Disqualified Stock or Preferred Stock had been issued, as the case may be, and the application of proceeds therefrom had occurred at the beginning of such four-quarter period.

(b) The limitations set forth in Section 4.03(a) shall not apply to:

(i) the Incurrence by the Issuer or its Restricted Subsidiaries of Indebtedness under the Credit Agreement and the issuance and creation of letters of credit and bankers' acceptances thereunder up to an aggregate principal amount of $11,000 million;

(ii) the Incurrence by the Issuer and the Note Guarantors of Indebtedness represented by the Notes (not including any Additional Notes, but including any PIK Notes issued as interest from time to time) and the Note Guarantees (including Exchange Notes and related guarantees thereof) and any loans under the Senior Interim Loan Facility (including any PIK interest thereon) outstanding on the Issue Date (other than any loans repaid with the proceeds of the Notes on the Issue Date);

(iii) Indebtedness existing on the Issue Date (other than Indebtedness described in clauses (i) and (ii) of this Section 4.03(b));

(iv) Indebtedness (including Capitalized Lease Obligations) Incurred by the Issuer or any of its Restricted Subsidiaries, Disqualified Stock issued by the Issuer or any of its Restricted Subsidiaries and Preferred Stock issued by any Restricted Subsidiaries of the Issuer to finance (whether prior to or within 270 days after) the acquisition, lease, construction, repair, replacement or improvement of property (real or personal) or equipment (whether through the direct purchase of assets or the Capital Stock of any Person owning such assets);

(v) Indebtedness Incurred by the Issuer or any of its Restricted Subsidiaries constituting reimbursement obligations with respect to letters of credit and bank guarantees issued in the ordinary course of business, including without limitation letters of credit in respect of workers' compensation claims, health, disability or other benefits to employees or former employees or their families or property, casualty or liability insurance or self-insurance, and letters of credit in connection with the maintenance of, or pursuant to the requirements of, environmental or other permits or licenses from governmental authorities, or other Indebtedness with respect to reimbursement type obligations regarding workers' compensation claims;

(vi) Indebtedness arising from agreements of the Issuer or a Restricted Subsidiary providing for indemnification, adjustment of purchase price or similar obligations, in each case, Incurred in connection with the Transactions or any other acquisition or disposition of any business, assets or a Subsidiary of the Issuer in accordance with the terms of this Indenture, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Subsidiary for the purpose of financing such acquisition;

(vii) Indebtedness of the Issuer to a Restricted Subsidiary; *provided* that (except in respect of intercompany current liabilities Incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Subsidiaries) any such Indebtedness owed to a Restricted Subsidiary that is not a Note Guarantor is subordinated in right of payment to the obligations of the Issuer under the Notes; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (vii);

(viii) shares of Preferred Stock of a Restricted Subsidiary issued to the Issuer or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary that holds such shares of Preferred Stock of another Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such shares of Preferred Stock (except to the Issuer or another Restricted Subsidiary) shall be deemed, in each case, to be an issuance of shares of Preferred Stock not permitted by this clause (viii);

(ix) Indebtedness of a Restricted Subsidiary to the Issuer or another Restricted Subsidiary; *provided* that if a Note Guarantor Incurs such Indebtedness to a Restricted Subsidiary that is not a Note Guarantor (except in respect of intercompany current liabilities Incurred in the ordinary course of business in connection with the cash management operations of the Issuer and its Subsidiaries), such Indebtedness is subordinated in right of payment to the Note Guarantee of such Note Guarantor; *provided*, *further*, that any subsequent issuance or transfer of any Capital Stock or any other event which results in any Restricted Subsidiary holding such Indebtedness ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such Indebtedness (except to the Issuer or another Restricted Subsidiary or any pledge of such Indebtedness constituting a Permitted Lien) shall be deemed, in each case, to be an Incurrence of such Indebtedness not permitted by this clause (ix);

(x) (A) Hedging Obligations entered into in connection with the Transactions and (B) Hedging Obligations that are not Incurred for speculative purposes but (1) for the purpose of fixing or hedging interest rate risk with respect to any Indebtedness that is permitted by the terms of this Indenture to be outstanding; (2) for the purpose of fixing or hedging currency exchange rate risk with respect to any currency exchanges; or (3) for the purpose of fixing or hedging commodity price risk with respect to any commodity purchases or sales;

(xi) obligations (including reimbursement obligations with respect to letters of credit and bank guarantees) in respect of performance, bid, appeal and surety bonds and completion guarantees provided by the Issuer or any Restricted Subsidiary in the ordinary course of business or consistent with past practice or industry practice;

(xii) Indebtedness or Disqualified Stock of the Issuer or, subject to Section 4.03(c), Indebtedness, Disqualified Stock or Preferred Stock of any Restricted Subsidiary of the Issuer not otherwise permitted hereunder in an aggregate principal amount or liquidation preference which, when aggregated with the principal amount or liquidation preference of all other Indebtedness, Disqualified Stock and Preferred Stock then outstanding and Incurred pursuant to this clause (xii), does not exceed the greater of $1,100 million and 5.0% of Total Assets at the time of Incurrence (it being understood that any Indebtedness Incurred pursuant to this clause (xii) shall cease to be deemed Incurred or outstanding for purposes of this clause (xii) but shall be deemed Incurred for purposes of Section 4.03(a) from and after the first date on which the Issuer, or the Restricted Subsidiary, as the case may be, could have Incurred such Indebtedness under Section 4.03(a) without reliance upon this clause (xii));

(xiii) Indebtedness or Disqualified Stock of the Issuer or any Restricted Subsidiary of the Issuer and Preferred Stock of any Restricted Subsidiary of the Issuer not otherwise permitted hereunder in an aggregate principal amount or liquidation preference not greater than 200.0% of the net cash proceeds received by the Issuer and its Restricted Subsidiaries since immediately after the Issue Date from the issue or sale of Equity Interests of the Issuer or any direct or indirect parent entity of the Issuer (which proceeds are contributed to the Issuer or its Restricted Subsidiary) or cash contributed to the capital of the Issuer (in each case other than proceeds of Disqualified Stock or sales of Equity Interests to, or contributions received from, the Issuer or any of its Subsidiaries) as determined in accordance with clauses (B) and (C) of the definition of "Cumulative Credit" to the extent such net cash proceeds or cash has not been applied pursuant to such

clauses to make Restricted Payments or to make other Investments, payments or exchanges pursuant to Section 4.04(b) or to make Permitted Investments (other than Permitted Investments specified in clauses (1) and (3) of the definition thereof);

(xiv) any guarantee by the Issuer or any Restricted Subsidiary of the Issuer of Indebtedness or other obligations of the Issuer or any of its Restricted Subsidiaries so long as the Incurrence of such Indebtedness Incurred by the Issuer or such Restricted Subsidiary is permitted under the terms of this Indenture; *provided* that (i) if such Indebtedness is by its express terms subordinated in right of payment to the Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, any such guarantee of such Note Guarantor with respect to such Indebtedness shall be subordinated in right of payment to such Note Guarantor's Note Guarantee with respect to the Notes substantially to the same extent as such Indebtedness is subordinated to the Notes or the Note Guarantee of such Restricted Subsidiary, as applicable and (ii) if such guarantee is of Indebtedness of the Issuer, such guarantee is Incurred in accordance with Section 4.11 solely to the extent such Section is applicable;

(xv) the Incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary of the Issuer which serves to refund, refinance or defease any Indebtedness Incurred or Disqualified Stock or Preferred Stock issued as permitted under Section 4.03(a) and clauses (ii), (iii), (iv), (xii), (xiii), (xv), (xvi), (xx) and (xxiv) of this Section 4.03(b) or any Indebtedness, Disqualified Stock or Preferred Stock Incurred to so refund or refinance such Indebtedness, Disqualified Stock or Preferred Stock, including any additional Indebtedness, Disqualified Stock or Preferred Stock Incurred to pay premiums (including tender premiums), expenses, defeasance costs and fees in connection therewith (subject to the following proviso, "Refinancing Indebtedness") prior to its respective maturity; *provided*, *however*, that such Refinancing Indebtedness:

(1) has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is Incurred which is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Indebtedness, Disqualified Stock or Preferred Stock being refunded, refinanced or defeased and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Indebtedness, Disqualified Stock and Preferred Stock being refunded or refinanced that were due on or after the date that is one year following the last maturity date of any Notes then outstanding were instead due on such date;

(2) to the extent such Refinancing Indebtedness refinances (a) Indebtedness junior to the Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, such Refinancing Indebtedness is junior to the Notes or the Note Guarantee of such Restricted Subsidiary, as applicable, or (b) Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Disqualified Stock or Preferred Stock; and

(3) shall not include (x) Indebtedness of a Restricted Subsidiary of the Issuer that is not a Note Guarantor that refinances Indebtedness of the Issuer or a Note Guarantor, or (y) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary.

provided, *further*, that subclause (1) of this clause (xv) will not apply to any refunding or refinancing of any Secured Indebtedness and subclauses (1) and (2) of this clause (xv) will not apply to any refunding or refinancing of any of the Retained Notes;

(xvi) Indebtedness, Disqualified Stock or Preferred Stock of (x) the Issuer or, subject to Section 4.03(b), any of its Restricted Subsidiaries Incurred to finance an acquisition or (y) Persons that are acquired by the Issuer or any of its Restricted Subsidiaries or merged, consolidated or amalgamated with or into the Issuer or any of its Restricted Subsidiaries in accordance with the terms of this Indenture; *provided* that after giving effect to such acquisition or merger, consolidation or amalgamation, either:

(1) the Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.03(a); or

(2) the Fixed Charge Coverage Ratio of the Issuer would be greater than immediately prior to such acquisition or merger, consolidation or amalgamation;

(xvii) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing that is not recourse to the Issuer or any Restricted Subsidiary other than a Receivables Subsidiary (except for Standard Securitization Undertakings);

(xviii) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of its Incurrence;

(xix) Indebtedness of the Issuer or any Restricted Subsidiary supported by a letter of credit or bank guarantee issued pursuant to the Credit Agreement, in a principal amount not in excess of the stated amount of such letter of credit;

(xx) Indebtedness of Foreign Subsidiaries; *provided, however*, that the aggregate principal amount of Indebtedness Incurred under this clause (xx), when aggregated with the principal amount of all other Indebtedness then outstanding and Incurred pursuant to this clause (xx), does not exceed the greater of $250.0 million and 7.5% of Total Assets of the Foreign Subsidiaries at any one time outstanding (it being understood that any Indebtedness Incurred pursuant to this clause (xx) shall cease to be deemed Incurred or outstanding for purposes of this clause (xx) but shall be deemed Incurred for the purposes of Section 4.03(a) from and after the first date on which such Foreign Subsidiary could have Incurred such Indebtedness under Section 4.03(a) without reliance upon this clause (xx));

(xxi) Indebtedness of the Issuer or any Restricted Subsidiary consisting of (1) the financing of insurance premiums or (2) take-or-pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(xxii) Indebtedness consisting of Indebtedness issued by the Issuer or a Restricted Subsidiary of the Issuer to current or former officers, directors and employees thereof or any direct or indirect parent thereof, their respective estates, spouses or former spouses, in each case to finance the purchase or redemption of Equity Interests of the Issuer or any of its direct or indirect parent companies to the extent described in Section 4.04(b)(iv);

(xxiii) Indebtedness Incurred in connection with any Project Financing;

(xxiv) Indebtedness Incurred on behalf of, or representing guarantees of Indebtedness of, joint ventures of the Issuer or any Restricted Subsidiary not in excess, at any one time outstanding, of $300.0 million; and

(xxv) Indebtedness of any Persons that are acquired by the Issuer or any of its Restricted Subsidiaries or merged, consolidated or amalgamated with or into the Issuer or any of its Restricted Subsidiaries in connection with the Post-Closing CMBS Transaction.

(c) Restricted Subsidiaries that are not Note Guarantors may not Incur Indebtedness or issue Disqualified Stock or Preferred Stock under Section 4.03(a) or clause (xii), (xvi) or (xxiv) of Section 4.03(b) if, after giving pro forma effect to such Incurrence or issuance (including a pro forma application of the net proceeds therefrom), the aggregate amount of Indebtedness and Disqualified Stock and Preferred Stock of Restricted Subsidiaries that are not Note Guarantors Incurred or issued pursuant to Section 4.03(a) and clauses (xii), (xvi) and (xxiv) of Section 4.03(b), collectively, would exceed the greater of $2,000 million and 5.0% of Total Assets.

(d) For purposes of determining compliance with this Section 4.03:

(i) in the event that an item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) meets the criteria of more than one of the categories of permitted Indebtedness described in clauses (i) through (xxv) above or is entitled to be Incurred pursuant to Section 4.03(a), the Issuer shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify, such item of Indebtedness, Disqualified Stock or Preferred Stock (or any portion thereof) in any manner that complies with this Section 4.03; and

(ii) at the time of Incurrence, the Issuer will be entitled to divide and classify an item of Indebtedness in more than one of the types of Indebtedness described in Section 4.03(a) and (b) without giving pro forma effect to the Indebtedness Incurred pursuant to Section 4.03(b) when calculating the amount of Indebtedness that may be Incurred pursuant to Section 4.03(a).

Accrual of interest, the accretion of accreted value, the payment of interest or dividends in the form of additional Indebtedness, Disqualified Stock or Preferred Stock, as applicable, amortization of original issue discount, the accretion of liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies will not be deemed to be an Incurrence of Indebtedness, Disqualified Stock or Preferred Stock for purposes of this Section 4.03. Guarantees of, or obligations in respect of letters of credit relating to, Indebtedness which is otherwise included in the determination of a particular amount of Indebtedness shall not be included in the determination of such amount of Indebtedness; *provided* that the Incurrence of the Indebtedness represented by such guarantee or letter of credit, as the case may be, was in compliance with this Section 4.03.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term debt, or first committed or first Incurred (whichever yields the lower U.S. dollar equivalent), in the case of revolving credit debt; *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced.

(e) Notwithstanding any other provision of this Section 4.03, the maximum amount of Indebtedness that the Issuer and its Restricted Subsidiaries may Incur pursuant to this Section 4.03 shall not be deemed to be exceeded, with respect to any outstanding Indebtedness, solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

SECTION 4.04. Limitation on Restricted Payments.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly:

(i) declare or pay any dividend or make any distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests, including any payment made in connection with any merger, amalgamation or consolidation involving the Issuer (other than (A) dividends or distributions by the Issuer payable solely in Equity Interests (other than Disqualified Stock) of the Issuer; or (B) dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on or in respect of any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, the Issuer or a Restricted Subsidiary receives at least its pro rata share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities);

(ii) purchase or otherwise acquire or retire for value any Equity Interests of the Issuer or any direct or indirect parent of the Issuer;

(iii) make any principal payment on, or redeem, repurchase, defease or otherwise acquire or retire for value, in each case prior to any scheduled repayment or scheduled maturity, any Subordinated Indebtedness or Long-Term Retained Notes of the Issuer or any of its Restricted Subsidiaries (other than the payment, redemption, repurchase, defeasance, acquisition or retirement of (A) Subordinated Indebtedness or Long-Term Retained Notes in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of such payment, redemption, repurchase, defeasance, acquisition or retirement and (B) Indebtedness permitted under clauses (vii) and (ix) of Section 4.03(b)); or

(iv) make any Restricted Investment

(all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "Restricted Payments"), unless, at the time of such Restricted Payment:

(1) no Default shall have occurred and be continuing or would occur as a consequence thereof;

(2) immediately after giving effect to such transaction on a pro forma basis, the Issuer could Incur $1.00 of additional Indebtedness under Section 4.03(a); and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Issue Date (including Restricted Payments permitted by clauses (i), (ii) (with respect to the payment of dividends on Refunding Capital Stock (as defined below) pursuant to clause (C) thereof), (vi)(C), (viii), (xiii)(B) and (xx) of Section 4.04(b), but excluding all other Restricted Payments permitted by Section 4.04(b)), is less than the amount equal to the Cumulative Credit.

(b) The provisions of Section 4.04(a) shall not prohibit:

(i) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of this Indenture;

(ii) (A) the redemption, repurchase, retirement or other acquisition of any Equity Interests ("Retired Capital Stock") or Subordinated Indebtedness of the Issuer, any direct or indirect parent of the Issuer or any Note Guarantor in exchange for, or out of the proceeds of, the substantially concurrent sale of, Equity Interests of the Issuer or any direct or indirect parent of the Issuer or contributions to the equity capital of the Issuer (other than any Disqualified Stock or any Equity Interests sold to a Subsidiary of the Issuer) (collectively, including any such contributions, "Refunding Capital Stock"),

(B) the declaration and payment of dividends on the Retired Capital Stock out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of Refunding Capital Stock, and

(C) if immediately prior to the retirement of Retired Capital Stock, the declaration and payment of dividends thereon was permitted under clause (vi) of this Section 4.04(b) and not made pursuant to clause (ii)(B), the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Equity Interests of any direct or indirect parent of the Issuer) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Retired Capital Stock immediately prior to such retirement;

(iii) the redemption, repurchase, defeasance, or other acquisition or retirement of Subordinated Indebtedness of the Issuer or any Note Guarantor made by exchange for, or out of the proceeds of the substantially concurrent sale of, new Indebtedness of the Issuer or a Note Guarantor which is Incurred in accordance with Section 4.03 so long as

(A) the principal amount (or accreted value, if applicable) of such new Indebtedness does not exceed the principal amount (or accreted value, if applicable), plus any accrued and unpaid interest, of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired for value (plus the amount of any premium required to be paid under the terms of the instrument governing the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired, any tender premiums, plus any defeasance costs, fees and expenses Incurred in connection therewith),

(B) such Indebtedness is subordinated to the Notes or the related Note Guarantee, as the case may be, at least to the same extent as such Subordinated Indebtedness so purchased, exchanged, redeemed, repurchased, defeased, acquired or retired for value,

(C) such Indebtedness has a final scheduled maturity date equal to or later than the earlier of (x) the final scheduled maturity date of the Subordinated Indebtedness being so redeemed, repurchased, acquired or retired and (y) 91 days following the last maturity date of any Notes then outstanding, and

(D) such Indebtedness has a Weighted Average Life to Maturity at the time Incurred which is not less than the shorter of (x) the remaining Weighted Average Life to Maturity of the Subordinated Indebtedness being so redeemed, repurchased, defeased, acquired or retired and (y) the Weighted Average Life to Maturity that would result if all payments of principal on the Subordinated Indebtedness being redeemed, repurchased, defeased, acquired or retired that were due on or after the date that is one year following the last maturity date of any Notes then outstanding were instead due on such date;

(iv) a Restricted Payment to pay for the repurchase, retirement or other acquisition for value of Equity Interests of the Issuer or any direct or indirect parent of the Issuer held by any future, present or former employee, director or consultant of the Issuer or any direct or indirect parent of the Issuer or any Subsidiary of the Issuer pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; *provided*, *however*, that the aggregate Restricted Payments made under this clause (iv) do not exceed $50.0 million in any calendar year (with unused amounts in any calendar year being permitted to be carried over to succeeding calendar years subject to a maximum (without giving effect to the following proviso) of $100.0 million in any calendar year (which shall increase to $150.0 million subsequent to the consummation of an underwritten public Equity Offering of common stock); *provided*, *further*, *however*, that such amount in any calendar year may be increased by an amount not to exceed:

(A) the cash proceeds received by the Issuer or any of its Restricted Subsidiaries from the sale of Equity Interests (other than Disqualified Stock) of the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) to members of management, directors or consultants of the Issuer and its Restricted Subsidiaries or any direct or indirect parent of the Issuer that occurs after the Issue Date (*provided* that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under Section 4.04(a)(iii)), *plus*

(B) the cash proceeds of key man life insurance policies received by the Issuer or any direct or indirect parent of the Issuer (to the extent contributed to the Issuer) or the Issuer's Restricted Subsidiaries after the Issue Date, *plus*

(C) the amount of any cash bonuses otherwise payable to members of management, directors or consultants of the Issuer and its Restricted Subsidiaries or any direct or indirect parent of the Issuer in connection with the Transactions that are forgone in return for the receipt of Equity Interests;

provided that the Issuer may elect to apply all or any portion of the aggregate increase contemplated by clauses (A), (B) and (C) above in any calendar year; and *provided, further*, that cancellation of Indebtedness owing to the Issuer or any Restricted Subsidiary from any present or former employees, directors, officers or consultants of the Issuer, any of its Restricted Subsidiaries or its direct or indirect parents in connection with a repurchase of Equity Interests of the Issuer or any of its direct or indirect parents will not be deemed to constitute a Restricted Payment for purposes of this Section 4.04 or any other provision of this Indenture;

(v) the declaration and payment of dividends or distributions to holders of any class or series of Disqualified Stock of the Issuer or any of its Restricted Subsidiaries issued or Incurred in accordance with Section 4.03 to the extent such dividends are included in the definition of "Fixed Charges";

(vi) (A) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Issue Date;

(B) a Restricted Payment to any direct or indirect parent of the Issuer, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) of any direct or indirect parent of the Issuer issued after the Issue Date; *provided* that the aggregate amount of dividends declared and paid pursuant to this clause (B) does not exceed the net cash proceeds actually received by the Issuer from any such sale of Designated Preferred Stock (other than Disqualified Stock) issued after the Issue Date; and

(C) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock in excess of the dividends declarable and payable thereon pursuant to Section 4.04(b)(ii);

provided, *however*, in the case of each of (A) and (C) above of this clause (vi), that for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date of issuance of such Designated Preferred Stock, after giving effect to such issuance (and the payment of dividends or distributions) on a pro forma basis, the Issuer would have had a Fixed Charge Coverage Ratio of at least 2.00 to 1.00;

(vii) Investments in Unrestricted Subsidiaries having an aggregate Fair Market Value (as determined in good faith by the Issuer), taken together with all other Investments made pursuant to this clause (vii) that are at that time outstanding, not to exceed $250.0 million at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(viii) the payment of dividends on the Issuer's common stock (or a Restricted Payment to any direct or indirect parent of the Issuer to fund the payment by such direct or indirect parent of the Issuer of dividends on such entity's common stock) of up to 6% per annum of the net proceeds received by the Issuer from any public offering of common stock of the Issuer or any direct or indirect parent of the Issuer, other than public offerings with respect to the Issuer's (or such direct or indirect parent's) common stock registered on Form S-4 or Form S-8 and other than any public sale constituting an Excluded Contribution;

(ix) Restricted Payments that are made with Excluded Contributions;

(x) other Restricted Payments in an aggregate amount not to exceed the greater of $500.0 million and 2.5% of Total Assets at the time made;

(xi) the distribution, as a dividend or otherwise, of shares of Capital Stock of, or Indebtedness owed to the Issuer or a Restricted Subsidiary of the Issuer by, Unrestricted Subsidiaries;

(xii) the payment of dividends or other distributions to any direct or indirect parent of the Issuer that files a consolidated tax return that includes the Issuer and its subsidiaries (including, without limitation, by virtue of such parent being the common parent of a consolidated or combined tax group of which the Issuer and/or its Restricted Subsidiaries are members) in an amount not to exceed the amount that the Issuer and its Restricted Subsidiaries would have been required to pay in respect of federal, state or local taxes (as the case may be) if the Issuer and its Restricted Subsidiaries paid such taxes as a stand-alone taxpayer (or stand-alone group);

(xiii) the payment of Restricted Payment, if applicable:

(A) in amounts required for any direct or indirect parent of the Issuer to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of any direct or indirect parent of the Issuer and general corporate operating and overhead expenses of any direct or indirect parent of the Issuer in each case to the extent such fees and expenses are attributable to the ownership or operation of the Issuer, if applicable, and its Subsidiaries;

(B) in amounts required for any direct or indirect parent of the Issuer, if applicable, to pay interest and/or principal on Indebtedness the proceeds of which have been contributed to the Issuer or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer Incurred in accordance with Section 4.03; and

(C) in amounts required for any direct or indirect parent of the Issuer to pay fees and expenses, other than to Affiliates of the Issuer, related to any unsuccessful equity or debt offering of such parent;

(xiv) any Restricted Payment used to fund the Transactions and the payment of fees and expenses Incurred in connection with the Transactions or owed by the Issuer or any direct or indirect parent of the Issuer or Restricted Subsidiaries of the Issuer to Affiliates, and any other payments made, including any such payments made to any direct or indirect parent of the Issuer to enable it to make payments, in connection with the consummation of the Transactions or as contemplated by the Acquisition Documents, whether payable on the Issue Date or thereafter, in each case to the extent permitted by Section 4.07;

(xv) any Restricted Payment of Real Estate Assets that is made for the purpose of transferring such assets to a Real Estate Subsidiary on the Issue Date;

(xvi) any Restricted Payment made under the Operations Management Agreement and any Restricted Payment made in connection with the Post-Closing CMBS Transaction;

(xvii) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(xviii) purchases of receivables pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing and the payment or distribution of Receivables Fees;

(xix) Restricted Payments by the Issuer or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon the exercise of options or warrants or upon the conversion or exchange of Capital Stock of any such Person;

(xx) the repurchase, redemption or other acquisition or retirement for value of any Subordinated Indebtedness pursuant to the provisions similar to those described under Sections 4.06 and 4.08; *provided* that all Notes tendered by holders of the Notes in connection with a Change of Control Offer or Asset Sale Offer, as applicable, have been repurchased, redeemed or acquired for value;

(xxi) payments or distributions to dissenting stockholders pursuant to applicable law, pursuant to or in connection with a consolidation, amalgamation, merger or transfer of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, that complies with Section 5.01; *provided* that as a result of such consolidation, amalgamation, merger or transfer of assets, the Issuer shall have made a Change of Control Offer (if required by this Indenture) and that all Notes tendered by holders in connection with such Change of Control Offer have been repurchased, redeemed or acquired for value;

(xxii) payments made to repay, defease, discharge or otherwise refinance Retained Notes or to service Retained Notes; and

(xxiii) Restricted Payments made in connection with the Incurrence of Indebtedness under the revolving portion of the Credit Agreement for the account or benefit of the Subsidiaries of Harrah's Entertainment other than the Issuer or any of its Subsidiaries (including the distribution of the proceeds of any such Indebtedness and with respect to the issuance of, or payments in respect of drawings under, letters of credit), in each case for general corporate purposes of such Subsidiaries (including, without limitation, for business acquisitions and project development and, in the case of letters of credit, for the back-up or replacement of existing letters of credit) in an aggregate amount not to exceed $250.0 million at any time outstanding, so long as such proceeds are not distributed to the stockholders of Harrah's Entertainment;

provided, *however*, that at the time of, and after giving effect to, any Restricted Payment permitted under clauses (vi)(B), (vii), (x), (xi) and (xiii)(B) of this Section 4.04(b), no Default shall have occurred and be continuing or would occur as a consequence thereof.

(c) As of the Issue Date, all of the Issuer's Subsidiaries will be Restricted Subsidiaries. The Issuer will not permit any Unrestricted Subsidiary to become a Restricted Subsidiary except pursuant to the definition of "Unrestricted Subsidiary." For purposes of designating any Restricted Subsidiary as an Unrestricted Subsidiary, all outstanding Investments by the Issuer and its Restricted Subsidiaries (except to the extent repaid) in the Subsidiary so designated will be deemed to be Restricted Payments in an amount determined as set forth in the last sentence of the definition of "Investments." Such designation will only be permitted if a Restricted Payment or Permitted Investment in such amount would be permitted at such time and if such Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Notwithstanding the foregoing provisions of this Section 4.04, the Issuer will not, and will not permit any of its Restricted Subsidiaries to, pay any cash dividend or make any cash distribution on, or in respect of, the Issuer's Capital Stock or purchase for cash or otherwise acquire for cash any Capital Stock of the Issuer or any direct or indirect parent of the Issuer for the purpose of paying any cash dividend or making any cash distribution to, or acquiring Capital Stock of any direct or indirect parent of the Issuer for cash from, the Investors, or guarantee any Indebtedness of any Affiliate of the Issuer for the purpose of paying such dividend, making such distribution or so acquiring such Capital Stock to or from the Investors, in each case by means of utilization of the cumulative Restricted Payment credit provided by Section 4.04(a), or the exceptions provided by clause (i), (vii) or (x) of Section 4.04(b) or clause (9), (10), (15) or (20) of the definition of "Permitted Investments," if (x) at the time and after giving effect to such payment, the Consolidated Leverage Ratio of the Issuer would be greater than 7.25 to 1.00; (y) prior to or at the time of such payment the Issuer has made an election to pay PIK Interest and has not made a subsequent payment of Cash Interest; or (z) such payment is not otherwise in compliance with this Section 4.04.

SECTION 4.05. Dividend and Other Payment Restrictions Affecting Subsidiaries. The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

(a) (i) pay dividends or make any other distributions to the Issuer or any of its Restricted Subsidiaries (1) on its Capital Stock; or (2) with respect to any other interest or participation in, or measured by, its profits; or (ii) pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries;

(b) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or

(c) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries;

except in each case for such encumbrances or restrictions existing under or by reason of:

(1) contractual encumbrances or restrictions in effect on the Issue Date, including pursuant to the Credit Agreement and the other Credit Agreement Documents;

(2) this Indenture, the Notes (and any Exchange Notes and guarantees thereof);

(3) applicable law or any applicable rule, regulation or order;

(4) any agreement or other instrument of a Person acquired by the Issuer or any Restricted Subsidiary which was in existence at the time of such acquisition (but not created in contemplation thereof or to provide all or any portion of the funds or credit support utilized to consummate such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person and its Subsidiaries, or the property or assets of the Person and its Subsidiaries, so acquired, and any agreement or other instrument existing on the date of the Post-Closing CMBS Transaction with respect to properties and assets that are subject to the Post-Closing CMBS Transaction;

(5) contracts or agreements for the sale of assets, including any restriction with respect to a Restricted Subsidiary imposed pursuant to an agreement entered into for the sale or disposition of the Capital Stock or assets of such Restricted Subsidiary;

(6) Secured Indebtedness otherwise permitted to be Incurred pursuant to Sections 4.03 and 4.12 that limit the right of the debtor to dispose of the assets securing such Indebtedness;

(7) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(8) customary provisions in joint venture agreements and other similar agreements entered into in the ordinary course of business;

(9) purchase money obligations for property acquired and Capitalized Lease Obligations in the ordinary course of business;

(10) customary provisions contained in leases, licenses and other similar agreements entered into in the ordinary course of business;

(11) any encumbrance or restriction of a Receivables Subsidiary effected in connection with a Qualified Receivables Financing; *provided*, *however*, that such restrictions apply only to such Receivables Subsidiary;

(12) other Indebtedness, Disqualified Stock or Preferred Stock (a) of any Restricted Subsidiary of the Issuer that is a Note Guarantor or a Foreign Subsidiary, (b) of any Restricted Subsidiary that is not a Note Guarantor or a Foreign Subsidiary so long as such encumbrances and restrictions contained in any agreement or instrument will not materially affect the Issuer's ability to make anticipated principal or interest payments on the Notes (as determined in good faith by the Issuer) or (c) of any Restricted Subsidiary Incurred in connection with any Project Financing, *provided* that in the case of each of clauses (a) and (b), such Indebtedness, Disqualified Stock or Preferred Stock is permitted to be Incurred subsequent to the Issue Date pursuant to Section 4.03;

(13) any Restricted Investment not prohibited by Section 4.04 and any Permitted Investment; or

(14) any encumbrances or restrictions of the type referred to in clauses (a), (b) and (c) above imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (13) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer, no more restrictive with respect to such dividend and other payment restrictions than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

For purposes of determining compliance with this Section 4.05, (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock shall not be deemed a restriction on the ability to make distributions on Capital Stock and (ii) the subordination of loans or advances made to the Issuer or a Restricted Subsidiary of the Issuer to other Indebtedness Incurred by the Issuer or any such Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances.

SECTION 4.06. Asset Sales.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, cause or make an Asset Sale, unless (x) the Issuer or any of its Restricted Subsidiaries, as the case may be, receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (as determined in good faith by the Issuer) of the assets sold or otherwise disposed of, and (y) at least 75% of the consideration therefor received by the Issuer or such Restricted Subsidiary, as the case may be, is in the form of Cash Equivalents; *provided* that the amount of:

(i) any liabilities (as shown on the Issuer's or such Restricted Subsidiary's most recent balance sheet or in the Notes thereto) of the Issuer or any Restricted Subsidiary of the Issuer (other than liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets,

(ii) any notes or other obligations or other securities or assets received by the Issuer or such Restricted Subsidiary of the Issuer from such transferee that are converted by the Issuer or such Restricted Subsidiary of the Issuer into cash within 180 days of the receipt thereof (to the extent of the cash received), and

(iii) any Designated Non-cash Consideration received by the Issuer or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value (as determined in good faith by the Issuer), taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of 5.0% of Total Assets and $850.0 million at the time of the receipt of such Designated Non-cash Consideration (with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value)

shall be deemed to be Cash Equivalents for the purposes of this Section 4.06(a).

(b) Within 15 months after the Issuer's or any Restricted Subsidiary of the Issuer's receipt of the Net Proceeds of any Asset Sale, the Issuer or such Restricted Subsidiary of the Issuer may apply the Net Proceeds from such Asset Sale, at its option:

(i) to repay (A) Indebtedness constituting Bank Indebtedness and other Pari Passu Indebtedness that is secured by a Lien permitted under this Indenture (and, if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto), (B) Indebtedness of a Restricted Subsidiary that is not a Note Guarantor, (C) Obligations under the Notes or (D) other Pari Passu Indebtedness (*provided* that if the Issuer or any Note Guarantor shall so reduce Obligations under unsecured Pari Passu Indebtedness, the Issuer will equally and ratably reduce Obligations under the Notes pursuant to Section 3.01 through open-market purchases (*provided* that such purchases are at or above 100% of the principal amount thereof) or by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all holders to purchase at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, the pro rata principal amount of Notes), in each case other than Indebtedness owed to the Issuer or an Affiliate of the Issuer; or

(ii) to make an Investment in any one or more businesses (provided that if such Investment is in the form of the acquisition of Capital Stock of a Person, such acquisition results in

such Person becoming a Restricted Subsidiary of the Issuer), assets, or property or capital expenditures, in each case (a) used or useful in a Similar Business or (b) that replace the properties and assets that are the subject of such Asset Sale.

In the case of Section 4.06(b)(ii), a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment; *provided* that in the event such binding commitment is later canceled or terminated for any reason before such Net Proceeds are so applied, the Issuer or such Restricted Subsidiary enters into another binding commitment (a "Second Commitment") within six months of such cancellation or termination of the prior binding commitment; *provided*, *further* that the Issuer or such Restricted Subsidiary may only enter into a Second Commitment under the foregoing provision one time with respect to each Asset Sale and to the extent such Second Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds shall constitute Excess Proceeds.

Pending the final application of any such Net Proceeds, the Issuer or such Restricted Subsidiary of the Issuer may temporarily reduce Indebtedness under a revolving credit facility, if any, or otherwise invest such Net Proceeds in any manner not prohibited by this Indenture. Any Net Proceeds from any Asset Sale that are not applied as provided and within the time period set forth in the first sentence of this Section 4.06(b) (it being understood that any portion of such Net Proceeds used to make an offer to purchase Notes, as described in clause (i) of this Section 4.06(b), shall be deemed to have been invested whether or not such offer is accepted) will be deemed to constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds $200.0 million, the Issuer shall make an offer to all holders of Notes (and, at the option of the Issuer, to holders of any Pari Passu Indebtedness) (an "Asset Sale Offer") to purchase the maximum principal amount of Notes (and such Pari Passu Indebtedness), that is at least $2,000 and an integral multiple of $1,000 in excess thereof that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof (or, in the event such Pari Passu Indebtedness was issued with significant original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest and Additional Interest, if any (or, in respect of such Pari Passu Indebtedness, such lesser price, if any, as may be provided for by the terms of such Pari Passu Indebtedness), to the date fixed for the closing of such offer, in accordance with the procedures set forth in this Section 4.06. The Issuer will commence an Asset Sale Offer with respect to Excess Proceeds within ten (10) Business Days after the date that Excess Proceeds exceed $200.0 million by mailing the notice required pursuant to the terms of Section 4.06(f), with a copy to the Trustee. To the extent that the aggregate amount of Notes (and such Pari Passu Indebtedness) tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for any purpose that is not prohibited by this Indenture. If the aggregate principal amount of Notes (and such Pari Passu Indebtedness) surrendered by holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased in the manner described in Section 4.06(e). Upon completion of any such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

(c) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws or regulations are applicable in connection with the repurchase of the Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the provisions of this Indenture, the Issuer shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in this Indenture by virtue thereof.

(d) Not later than the date upon which written notice of an Asset Sale Offer is delivered to the Trustee as provided above, the Issuer shall deliver to the Trustee an Officer's Certificate as to

(i) the amount of the Excess Proceeds, (ii) the allocation of the Net Proceeds from the Asset Sales pursuant to which such Asset Sale Offer is being made and (iii) the compliance of such allocation with the provisions of Section 4.06(b). On such date, the Issuer shall also irrevocably deposit with the Trustee or with a paying agent (or, if the Issuer or a Wholly Owned Restricted Subsidiary is acting as the Paying Agent, segregate and hold in trust) an amount equal to the Excess Proceeds to be invested in Cash Equivalents, as directed in writing by the Issuer, and to be held for payment in accordance with the provisions of this Section 4.06. Upon the expiration of the period for which the Asset Sale Offer remains open (the "Offer Period"), the Issuer shall deliver to the Trustee for cancellation the Notes or portions thereof that have been properly tendered to and are to be accepted by the Issuer. The Trustee (or the Paying Agent, if not the Trustee) shall, on the date of purchase, mail or deliver payment to each tendering holder in the amount of the purchase price. In the event that the Excess Proceeds delivered by the Issuer to the Trustee are greater than the purchase price of the Notes tendered, the Trustee shall deliver the excess to the Issuer immediately after the expiration of the Offer Period for application in accordance with Section 4.06.

(e) Holders electing to have a Note purchased shall be required to surrender the Note, with an appropriate form duly completed, to the Issuer at the address specified in the notice at least three Business Days prior to the purchase date. Holders shall be entitled to withdraw their election if the Trustee or the Issuer receives not later than one Business Day prior to the purchase date, a telegram, telex, facsimile transmission or letter setting forth the name of the holder, the principal amount of the Note which was delivered by the holder for purchase and a statement that such holder is withdrawing his election to have such Note purchased. If at the end of the Offer Period more Notes (and such Pari Passu Indebtedness) are tendered pursuant to an Asset Sale Offer than the Issuer is required to purchase, selection of such Notes for purchase shall be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which such Notes are listed, or if such Notes are not so listed, on a pro rata basis, by lot or by such other method as the Trustee shall deem fair and appropriate (and in such manner as complies with applicable legal requirements); *provided* that no Notes of $2,000 or less shall be purchased in part. Selection of such Pari Passu Indebtedness shall be made pursuant to the terms of such Pari Passu Indebtedness.

(f) Notices of an Asset Sale Offer shall be mailed by first class mail, postage prepaid, at least 30 but not more than 60 days before the purchase date to each holder of Notes at such holder's registered address. If any Note is to be purchased in part only, any notice of purchase that relates to such Note shall state the portion of the principal amount thereof that has been or is to be purchased.

SECTION 4.07. Transactions with Affiliates.

(a) The Issuer shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of transactions, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each of the foregoing, an "Affiliate Transaction") involving aggregate consideration in excess of $25.0 million, unless:

(i) such Affiliate Transaction is on terms that are not materially less favorable to the Issuer or the relevant Restricted Subsidiary than those that could have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $75.0 million, the Issuer delivers to the Trustee

a resolution adopted in good faith by the majority of the Board of Directors of the Issuer, approving such Affiliate Transaction and set forth in an Officer's Certificate certifying that such Affiliate Transaction complies with clause (a) above.

(b) The provisions of Section 4.07(a) shall not apply to the following:

(i) transactions between or among the Issuer and/or any of its Restricted Subsidiaries (or an entity that becomes a Restricted Subsidiary as a result of such transaction) and any merger, consolidation or amalgamation of the Issuer and any direct parent of the Issuer; *provided* that such parent shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Issuer and such merger, consolidation or amalgamation is otherwise in compliance with the terms of this Indenture and effected for a bona fide business purpose;

(ii) Restricted Payments permitted by Section 4.04 and Permitted Investments;

(iii) (x) the entering into of any agreement (and any amendment or modification of any such agreement so long as, in the good faith judgment of the Board of Directors of the Issuer, any such amendment is not disadvantageous to the holders when taken as a whole, as compared to such agreement as in effect on the Issue Date) to pay, and the payment of, management, consulting, monitoring and advisory fees to the Sponsors in an aggregate amount in any fiscal year not to exceed the greater of (A) $30.0 million and (B) 1.0% of EBITDA of the Issuer and its Restricted Subsidiaries for the immediately preceding fiscal year, *plus* out-of-pocket expense reimbursement; *provided, however*, that any payment not made in any fiscal year may be carried forward and paid in the following two fiscal years and (y) the payment of the present value of all amounts payable pursuant to any agreement described in clause (iii)(x) of Section 4.07(b) in connection with the termination of such agreement;

(iv) the payment of reasonable and customary fees and reimbursement of expenses paid to, and indemnity provided on behalf of, officers, directors, employees or consultants of the Issuer or any Restricted Subsidiary, any direct or indirect parent of the Issuer;

(v) payments by the Issuer or any of its Restricted Subsidiaries to the Sponsors made for any financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including, without limitation, in connection with acquisitions or divestitures, which payments are (x) made pursuant to the agreements with the Sponsors described in the Offering Memorandum or (y) approved by a majority of the Board of Directors of the Issuer in good faith;

(vi) transactions in which the Issuer or any of its Restricted Subsidiaries, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Issuer or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (i) of Section 4.07(a);

(vii) payments or loans (or cancellation of loans) to officers, directors, employees or consultants which are approved by a majority of the Board of Directors of the Issuer in good faith;

(viii) any agreement as in effect as of the Issue Date or any amendment thereto (so long as any such agreement together with all amendments thereto, taken as a whole, is not more

disadvantageous to the holders of the Notes in any material respect than the original agreement as in effect on the Issue Date) or any transaction contemplated thereby as determined in good faith by the Issuer;

(ix) the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under the terms of, Acquisition Documents, any stockholders agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date, and any transaction, agreement or arrangement described in the Offering Memorandum and, in each case, any amendment thereto or similar transactions, agreements or arrangements which it may enter into thereafter; *provided*, *however*, that the existence of, or the performance by the Issuer or any of its Restricted Subsidiaries of its obligations under, any future amendment to any such existing transaction, agreement or arrangement or under any similar transaction, agreement or arrangement entered into after the Issue Date shall only be permitted by this clause (ix) to the extent that the terms of any such existing transaction, agreement or arrangement together with all amendments thereto, taken as a whole, or new transaction, agreement or arrangement are not otherwise more disadvantageous to the holders of the Notes in any material respect than the original transaction, agreement or arrangement as in effect on the Issue Date;

(x) the execution of the Transactions and the Post-Closing CMBS Transaction, and the payment of all fees and expenses related to the Transactions and the Post-Closing CMBS Transaction, including fees to the Sponsors, which are described in the Offering Memorandum or contemplated by the Acquisition Documents;

(xi) any transfer of Real Estate Assets to a Real Estate Subsidiary on the Issue Date, any transactions made pursuant to any Operations Management Agreement and any transactions in connection with the use of the revolving credit facility under the Credit Agreement for the account or benefit of the Subsidiaries of Harrah's Entertainment other than the Issuer and its Subsidiaries (including the distribution of the proceeds of any such revolving credit Indebtedness and with respect to the issuance of, or payments in respect of drawings under, letters of credit);

(xii) (A) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, or transactions otherwise relating to the purchase or sale of goods or services, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture, which are fair to the Issuer and its Restricted Subsidiaries in the reasonable determination of the Board of Directors or the senior management of the Issuer, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party or (B) transactions with joint ventures or Unrestricted Subsidiaries entered into in the ordinary course of business and consistent with past practice or industry norm;

(xiii) any transaction effected as part of a Qualified Receivables Financing;

(xiv) the issuance of Equity Interests (other than Disqualified Stock) of the Issuer to any Person;

(xv) the issuances of securities or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, stock option and stock ownership plans or similar employee benefit plans approved by the Board of Directors of the Issuer or any direct or indirect parent of the Issuer or of a Restricted Subsidiary of the Issuer, as appropriate, in good faith;

(xvi) the entering into of any tax sharing agreement or arrangement that complies with Section 4.04(b)(xii);

(xvii) any contribution to the capital of the Issuer;

(xviii) transactions permitted by, and complying with, Section 5.01;

(xix) transactions between the Issuer or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Issuer or any direct or indirect parent of the Issuer; *provided*, *however*, that such director abstains from voting as a director of the Issuer or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(xx) pledges of Equity Interests of Unrestricted Subsidiaries;

(xxi) the formation and maintenance of any consolidated group or subgroup for tax, accounting or cash pooling or management purposes in the ordinary course of business;

(xxii) any employment agreements entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business; and

(xxiii) transactions undertaken in good faith (as certified by a responsible financial or accounting officer of the Issuer in an Officer's Certificate) for the purpose of improving the consolidated tax efficiency of the Issuer and its Subsidiaries and not for the purpose of circumventing any provision set forth in this Indenture.

SECTION 4.08. Change of Control.

(a) Upon a Change of Control, each holder shall have the right to require the Issuer to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of the holders of record on the relevant record date to receive interest due on the relevant interest payment date), in accordance with the terms contemplated in this Section 4.08; *provided*, *however*, that notwithstanding the occurrence of a Change of Control, the Issuer shall not be obligated to purchase any Notes pursuant to this Section 4.08 in the event that it has exercised its right to redeem such Notes in accordance with Article 3 of this Indenture. In the event that at the time of such Change of Control the terms of the Bank Indebtedness restrict or prohibit the repurchase of Notes pursuant to this Section 4.08, then prior to the mailing of the notice to the holders provided for in Section 4.08(b) but in any event within 30 days following any Change of Control, the Issuer shall (i) repay in full all Bank Indebtedness or, if doing so will allow the purchase of Notes, offer to repay in full all Bank Indebtedness and repay the Bank Indebtedness of each lender and/or noteholder who has accepted such offer, or (ii) obtain the requisite consent under the agreements governing the Bank Indebtedness to permit the repurchase of the Notes as provided for in Section 4.08(b).

(b) Within 30 days following any Change of Control, except to the extent that the Issuer has exercised its right to redeem the Notes in accordance with Article 3 of this Indenture, the Issuer shall mail a notice (a "Change of Control Offer") to each holder with a copy to the Trustee stating:

(i) that a Change of Control has occurred and that such holder has the right to require the Issuer to repurchase such holder's Notes at a repurchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Interest, if any, to the date of repurchase (subject to the right of the holders of record on the relevant record date to receive interest on the relevant interest payment date);

(ii) the circumstances and relevant facts and financial information regarding such Change of Control;

(iii) the repurchase date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is mailed); and

(iv) the instructions determined by the Issuer, consistent with this Section 4.08, that a holder must follow in order to have its Notes purchased.

(c) holders electing to have a Note purchased shall be required to surrender the Note, with an appropriate form duly completed, to the Issuer at the address specified in the notice at least three Business Days prior to the purchase date. The holders shall be entitled to withdraw their election if the Trustee or the Issuer receives not later than one Business Day prior to the purchase date a telegram, telex, facsimile transmission or letter setting forth the name of the holder, the principal amount of the Note which was delivered for purchase by the holder and a statement that such holder is withdrawing his election to have such Note purchased. holders whose Notes are purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered.

(d) On the purchase date, all Notes purchased by the Issuer under this Section shall be delivered to the Trustee for cancellation, and the Issuer shall pay the purchase price plus accrued and unpaid interest to the holders entitled thereto.

(e) A Change of Control Offer may be made in advance of a Change of Control, and conditioned upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

(f) Notwithstanding the foregoing provisions of this Section, the Issuer shall not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in Section 4.08 applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

(g) Notes repurchased by the Issuer pursuant to a Change of Control Offer will have the status of Notes issued but not outstanding or will be retired and canceled at the option of the Issuer. Notes purchased by a third party pursuant to the preceding clause (f) will have the status of Notes issued and outstanding.

(h) At the time the Issuer delivers Notes to the Trustee which are to be accepted for purchase, the Issuer shall also deliver an Officers' Certificate stating that such Notes are to be accepted by the Issuer pursuant to and in accordance with the terms of this Section 4.08. A Note shall be deemed to have been accepted for purchase at the time the Trustee, directly or through an agent, mails or delivers payment therefor to the surrendering holder.

(i) Prior to any Change of Control Offer, the Issuer shall deliver to the Trustee an Officers' Certificate stating that all conditions precedent contained herein to the right of the Issuer to make such offer have been complied with.

(j) The Issuer shall comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this Section. To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 4.08, the Issuer shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under this Section by virtue thereof.

SECTION 4.09. Compliance Certificate. The Issuer shall deliver to the Trustee within 120 days after the end of each fiscal year of the Issuer, beginning with the fiscal year end on March 31, 2007, an Officer's Certificate stating that in the course of the performance by the signer of his or her duties as an Officer of the Issuer he or she would normally have knowledge of any Default and whether or not the signer knows of any Default that occurred during such period. If he or she does, the certificate shall describe the Default, its status and what action the Issuer is taking or proposes to take with respect thereto. The Issuer also shall comply with Section 314(a)(4) of the TIA. Except with respect to receipt of payments of principal and interest on the Notes and any Default or Event of Default information contained in the Officer's Certificate delivered to it pursuant to this Section 4.09, the Trustee shall have no duty to review, ascertain or confirm the Issuer's compliance with or the breach of any representation, warranty or covenant made in this Indenture.

SECTION 4.10. Further Instruments and Acts. Upon request of the Trustee, the Issuer shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 4.11. Future Note Guarantors. The Issuer shall cause each Wholly Owned Restricted Subsidiary that is a Domestic Subsidiary (unless such Subsidiary is a Receivables Subsidiary or a Domestic Subsidiary that is wholly owned by one or more Foreign Subsidiaries and created to enhance the tax efficiency of the Issuer and its Subsidiaries) and that guarantees any Indebtedness of the Issuer or any of the Note Guarantors, to execute and deliver to the Trustee a supplemental indenture substantially in the form of Exhibit D pursuant to which such Subsidiary shall guarantee the Issuer's Obligations under the Notes and this Indenture and a joinder to the Intercreditor Agreement.

SECTION 4.12. Liens. The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, Incur or suffer to exist any Lien (except Permitted Liens) on any asset or property of the Issuer or such Restricted Subsidiary securing Indebtedness of the Issuer or a Restricted Subsidiary unless the Notes are equally and ratably secured with (or on a senior basis to, in the case of obligations subordinated in right of payment to the Notes) the obligations so secured until such time as such obligations are no longer secured by a Lien. Any Lien which is granted to secure the Notes or such Note Guarantee under this Section 4.12 shall be automatically released and discharged at the same time as the release of the Lien that gave rise to the obligation to secure the Notes or such Note Guarantee under this Section 4.12.

SECTION 4.13. [Reserved].

SECTION 4.14. Maintenance of Office or Agency.

(a) The Issuer shall maintain an office or agency (which may be an office of the Trustee or an affiliate of the Trustee or Registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the corporate trust office of the Trustee as set forth in Section 13.02.

(b) The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided*, *however*, that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain an office or agency for such purposes. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

(c) The Issuer hereby designates the corporate trust office of the Trustee or its agent as such office or agency of the Issuer in accordance with Section 2.04.

SECTION 4.15. Covenant Suspension. If on any date following the Issue Date, (i) the Notes have Investment Grade Ratings from both Rating Agencies, and (ii) no Default has occurred and is continuing under this Indenture, then, beginning on that day and continuing at all times thereafter regardless of any subsequent changes in the rating of the Notes (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a "Covenant Suspension Event"), and subject to the provisions of the following paragraph, the Issuer and the Restricted Subsidiaries shall not be subject to Sections 4.03, 4.04, 4.05, 4.06, 4.07 and 5.01(a)(iv) (collectively the "Suspended Covenants").

If and while the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants, the Notes will be entitled to substantially less covenant protection. In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants under this Indenture for any period of time as a result of the foregoing, and on any subsequent date (the "Reversion Date") one or both of the Rating Agencies withdraw their Investment Grade Rating or downgrade the rating assigned to the Notes below an Investment Grade Rating, then the Issuer and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants under this Indenture with respect to future events.

On each Reversion Date, all Indebtedness Incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified as having been Incurred or issued pursuant to Section 4.03(a) or 4.03(b) (to the extent such Indebtedness or Disqualified Stock or Preferred Stock would be permitted to be Incurred or issued thereunder as of the Reversion Date and after giving effect to Indebtedness Incurred or issued prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness or Disqualified Stock or Preferred Stock would not be so permitted to be Incurred or issued pursuant to Section 4.03 such Indebtedness or Disqualified Stock or Preferred Stock will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under Section 4.03(b)(iii). Calculations made after the Reversion Date of the amount available to be made as Restricted Payments under Section 4.04 will be made as though Section 4.04 had been in effect since the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section

4.04(a). As described above, however, no Default or Event of Default will be deemed to have occurred on the Reversion Date as a result of any actions taken by the Issuer or its Restricted Subsidiaries during the Suspension Period.

For purposes of Section 4.06, on the Reversion Date, the unutilized Excess Proceeds amount will be reset to zero.

ARTICLE 5

SUCCESSOR COMPANY

SECTION 5.01. When Issuer May Merge or Transfer Assets.

(a) The Issuer shall not, directly or indirectly, consolidate, amalgamate or merge with or into or wind up or convert into (whether or not the Issuer is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to any Person unless:

(i) the Issuer is the surviving person or the Person formed by or surviving any such consolidation, amalgamation, merger, winding up or conversion (if other than the Issuer) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (the Issuer or such Person, as the case may be, being herein called the "Successor Issuer"); *provided* that in the case where the surviving Person is not a corporation, a co-obligor of the Notes is a corporation;

(ii) the Successor Issuer (if other than the Issuer) expressly assumes all the obligations of the Issuer under this Indenture and the Notes pursuant to supplemental indentures or other documents or instruments in form reasonably satisfactory to the Trustee;

(iii) immediately after giving effect to such transaction (and treating any Indebtedness which becomes an obligation of the Successor Issuer or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Issuer or such Restricted Subsidiary at the time of such transaction) no Default shall have occurred and be continuing;

(iv) immediately after giving pro forma effect to such transaction, as if such transaction had occurred at the beginning of the applicable four-quarter period (and treating any Indebtedness which becomes an obligation of the Successor Issuer or any of its Restricted Subsidiaries as a result of such transaction as having been Incurred by the Successor Issuer or such Restricted Subsidiary at the time of such transaction), either

(A) the Successor Issuer would be permitted to Incur at least $1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 4.03(a); or

(B) the Fixed Charge Coverage Ratio for the Successor Issuer and its Restricted Subsidiaries would be greater than such ratio for the Issuer and its Restricted Subsidiaries immediately prior to such transaction;

(v) if the Issuer is not the Successor Issuer, each Note Guarantor, unless it is the other party to the transactions described above, shall have by supplemental indenture confirmed that its Note Guarantee shall apply to such Person's obligations under this Indenture and the Notes; and

(vi) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation or transfer and such supplemental indentures (if any) comply with this Indenture.

The Successor Issuer (if other than the Issuer) will succeed to, and be substituted for, the Issuer under this Indenture and the Notes, and in such event the Issuer will automatically be released and discharged from its obligations under this Indenture and the Notes. Notwithstanding the foregoing clauses (iii) and (iv) of this Section 5.01, (a) any Restricted Subsidiary may merge, consolidate or amalgamate with or transfer all or part of its properties and assets to the Issuer or to another Restricted Subsidiary, and (b) the Issuer may merge, consolidate or amalgamate with an Affiliate incorporated solely for the purpose of reincorporating the Issuer in another state of the United States, the District of Columbia or any territory of the United States or may convert into a limited liability company, so long as the amount of Indebtedness of the Issuer and its Restricted Subsidiaries is not increased thereby. This Article 5 will not apply to a sale, assignment, transfer, conveyance or other disposition of assets between or among the Issuer and its Restricted Subsidiaries.

(b) Subject to the provisions of Section 11.02(b) (which govern the release of a Note Guarantee upon the sale or disposition of a Restricted Subsidiary of the Issuer that is a Note Guarantor), no Subsidiary Note Guarantor shall, and the Issuer shall not permit any Subsidiary Note Guarantor to, consolidate, amalgamate or merge with or into or wind up into (whether or not such Subsidiary Note Guarantor is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person (other than any such sale, assignment, transfer, lease, conveyance or disposition in connection with the Transactions or the Post-Closing CMBS Transaction described in the Offering Memorandum) unless:

(i) either (A) such Subsidiary Note Guarantor is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than such Subsidiary Note Guarantor) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is a corporation, partnership or limited liability company organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (such Subsidiary Note Guarantor or such Person, as the case may be, being herein called the "Successor Note Guarantor") and the Successor Subsidiary Note Guarantor (if other than such Subsidiary Note Guarantor) expressly assumes all the obligations of such Subsidiary Note Guarantor under this Indenture and such Subsidiary Note Guarantors' Note Guarantee pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee, or (b) such sale or disposition or consolidation, amalgamation or merger is not in violation of Section 4.06; and

(ii) the Successor Subsidiary Note Guarantor (if other than such Subsidiary Note Guarantor) shall have delivered or caused to be delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indenture (if any) comply with this Indenture.

Except as otherwise provided in this Indenture, the Successor Subsidiary Note Guarantor (if other than such Subsidiary Note Guarantor) will succeed to, and be substituted for, such Subsidiary Note Guarantor under this Indenture and such Subsidiary Note Guarantor's Note Guarantee, and such Subsidiary Note Guarantor will automatically be released and discharged from its obligations under this Indenture and such Subsidiary Note Guarantor's Note Guarantee. Notwithstanding the foregoing, (1) a Subsidiary Note Guarantor may merge, amalgamate or consolidate with an Affiliate incorporated solely for the purpose of reincorporating such Subsidiary Note Guarantor in another state of the United States, the District of Columbia or any territory of the United States so long as the amount of Indebtedness of the Subsidiary Note Guarantor is not increased thereby and (2) a Subsidiary Note Guarantor may merge, amalgamate or consolidate with another Subsidiary Note Guarantor or the Issuer.

In addition, notwithstanding the foregoing, any Subsidiary Note Guarantor may consolidate, amalgamate or merge with or into or wind up into, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets (collectively, a "Transfer") to the Issuer or any Subsidiary Note Guarantor.

Except as otherwise provided in this Indenture, Harrah's Entertainment will not consolidate, amalgamate or merge with or into or wind up into (whether or not Harrah's Entertainment is the surviving Person), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, any Person (other than any such sale, assignment, transfer, lease, conveyance or disposition in connection with the Transactions described in the Offering Memorandum) unless:

(1) either Harrah's Entertainment or the Issuer (*provided* that if the Issuer is to be the surviving Person, then such transaction shall comply with Section 5.01(a) or 5.01(b)) is the surviving Person or the Person formed by or surviving any such consolidation, amalgamation or merger (if other than Harrah's Entertainment) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made is a corporation, partnership or limited liability company organized or existing under the laws of the United States, any state thereof, the District of Columbia, or any territory thereof (Harrah's Entertainment or such Person, as the case may be, being herein called the "Successor Parent Note Guarantor") and the Successor Parent Note Guarantor (if other than Harrah's Entertainment) expressly assumes all the obligations of Harrah's Entertainment under this Indenture and Harrah's Entertainment's Note Guarantee pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee; and

(2) the Successor Parent Note Guarantor (if other than Harrah's Entertainment) shall have delivered or caused to be delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that such consolidation, amalgamation, merger or transfer and such supplemental indenture (if any) comply with this Indenture.

Except as otherwise provided in this Indenture, the Successor Parent Note Guarantor (if other than Harrah's Entertainment) will succeed to, and be substituted for, Harrah's Entertainment under this Indenture, Harrah's Entertainment's Note Guarantee, and Harrah's Entertainment will automatically be released and discharged from its obligations under this Indenture and such Note Guarantee.

ARTICLE 6

DEFAULTS AND REMEDIES

SECTION 6.01. Events of Default. An "Event of Default" occurs with respect to a series of Notes if:

(a) there is a default in any payment of interest (including any additional interest) on any Note of such series when the same becomes due and payable, and such default continues for a period of 30 days,

(b) there is a default in the payment of principal or premium, if any, of any Note of such series when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise,

(c) the failure by the Issuer or any Restricted Subsidiary to comply for 60 days after notice with its other agreements contained in the Notes of such series or this Indenture,

(d) the failure by the Issuer or any Significant Subsidiary (or any group of Subsidiaries that together would constitute a Significant Subsidiary) to pay any Indebtedness (other than Indebtedness owing to the Issuer or a Restricted Subsidiary) within any applicable grace period after final maturity or the acceleration of any such Indebtedness by the holders thereof because of a default, in each case, if the total amount of such Indebtedness unpaid or accelerated exceeds $150.0 million or its foreign currency equivalent (the "cross-acceleration provision"),

(e) either the Issuer or any Significant Subsidiary of the Issuer pursuant to or within the meaning of any Bankruptcy Law:

(i) commences a voluntary case;

(ii) consents to the entry of an order for relief against it in an involuntary case;

(iii) consents to the appointment of a Custodian of it or for any substantial part of its property; or

(iv) makes a general assignment for the benefit of its creditors or takes any comparable action under any foreign laws relating to insolvency,

(f) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against either the Issuer or any Significant Subsidiary of the Issuer in an involuntary case;

(ii) appoints a Custodian of either the Issuer or any Significant Subsidiary of the Issuer or for any substantial part of its property; or

(iii) orders the winding up or liquidation of either the Issuer or any Significant Subsidiary of the Issuer;

or any similar relief is granted under any foreign laws and the order or decree remains unstayed and in effect for 60 days,

(g) failure by the Issuer or any Significant Subsidiary (or any group of Subsidiaries that together would constitute a Significant Subsidiary)to pay final judgments aggregating in excess of $150.0 million or its foreign currency equivalent (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not discharged, waived or stayed for a period of 60 days (the "judgment default provision"), or

(h) any Note Guarantee of the Parent Note Guarantor or a Significant Subsidiary (or any group of Subsidiaries that together would constitute a Significant Subsidiary) with respect to such series of Notes ceases to be in full force and effect (except as contemplated by the terms thereof) or the Parent Note Guarantor or any Note Guarantor that qualifies as a Significant Subsidiary (or any group of Subsidiaries that together would constitute a Significant Subsidiary) denies or disaffirms its obligations under this Indenture or any Note Guarantee with respect to such series of Notes and such Default continues for 10 days.

The foregoing shall constitute Events of Default whatever the reason for any such Event of Default and whether it is voluntary or involuntary or is effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body.

The term "Bankruptcy Law" means Title 11, United States Code, or any similar Federal or state law for the relief of debtors. The term "Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

However, a default under clause (d) above shall not constitute an Event of Default until the Trustee or the holders of 30% in principal amount of outstanding Notes of such series notify the Issuer of the default and the Issuer does not cure such default within the time specified in clause (d) hereof after receipt of such notice. Such notice must specify the Default, demand that it be remedied and state that such notice is a "Notice of Default." The Issuer shall deliver to the Trustee, within five (5) Business Days after the occurrence thereof, written notice in the form of an Officers' Certificate of any event which is, or with the giving of notice or the lapse of time or both would become, an Event of Default, its status and what action the Issuer is taking or propose to take with respect thereto.

SECTION 6.02. Acceleration. If an Event of Default (other than a Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) occurs with respect to a series of Notes and is continuing, the Trustee or the holders of at least 30% in principal amount of outstanding Notes of such series by notice to the Issuer may declare the principal of, premium, if any, and accrued but unpaid interest on all the Notes of such series to be due and payable; *provided*, *however*, that so long as any Bank Indebtedness remains outstanding, no such acceleration shall be effective until the earlier of (1) five Business Days after the giving of written notice to the Issuer and the Representative under the Credit Agreement and (2) the day on which any Bank Indebtedness is accelerated. Upon such a declaration, such principal and interest shall be due and payable immediately. If an Event of Default specified in Section 6.01(e) or (f) with respect to either of the Issuers occurs, the principal of, premium, if any, and interest on all the Notes will become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

In the event of any Event of Default specified in Section 6.01(d) above, such Event of Default and all consequences thereof (excluding, however, any resulting payment default) shall be annulled, waived and rescinded, automatically and without any action by the Trustee or the holders of the Notes, if within 20 days after such Event of Default arose the Issuer delivers an Officer's Certificate to the Trustee stating that (x) the Indebtedness or guarantee that is the basis for such Event of Default has been discharged or (y) the holders thereof have rescinded or waived the acceleration, notice or action (as the case may be) giving rise to such Event of Default or (z) the default that is the basis for such Event of Default has been cured, it being understood that in no event shall an acceleration of the principal amount of the Notes as described above be annulled, waived or rescinded upon the happening of any such events.

SECTION 6.03. Other Remedies. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy at law or in equity to collect the payment of principal of or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. No remedy is exclusive of any other remedy. To the extent required by law, all available remedies are cumulative.

SECTION 6.04. Waiver of Past Defaults. Provided the Notes are not then due and payable by reason of a declaration of acceleration, the holders of a majority in principal amount of the Notes by written notice to the Trustee may waive an existing Default and its consequences except (a) a Default in the payment of the principal of or interest on a Note, (b) a Default arising from the failure to redeem or purchase any Note when required pursuant to the terms of this Indenture or (c) a Default in respect of a provision that under Section 9.02 cannot be amended without the consent of each holder affected. When a Default is waived, it is deemed cured and the Issuer, the Trustee and the holders will be restored to their former positions and rights under this Indenture, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

SECTION 6.05. Control by Majority. The holders of a majority in principal amount of each series of Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture or, if the Trustee, being advised by counsel, determines that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees and/or Responsible Officers shall determine that the action or proceeding so directed would involve the Trustee in personal liability or expense for which it is not adequately indemnified, or subject to Section 7.01, that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under this Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

SECTION 6.06. Limitation on Suits.

(a) Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to this Indenture or the Notes unless:

(i) such holder has previously given the Trustee notice that an Event of Default is continuing,

(ii) holders of at least 30% in principal amount of the outstanding Notes of the applicable series have requested the Trustee to pursue the remedy,

(iii) such holders have offered the Trustee reasonable security or indemnity satisfactory to the Trustee against any loss, liability or expense,

(iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity, and

(v) the holders of a majority in principal amount of the outstanding Notes of the applicable series have not given the Trustee a direction inconsistent with such request within such 60-day period.

(b) A holder may not use this Indenture to prejudice the rights of another holder or to obtain a preference or priority over another holder.

SECTION 6.07. Rights of the holders to Receive Payment. Notwithstanding any other provision of this Indenture, the right of any holder to receive payment of principal of and interest on the Notes held by such holder, on or after the respective due dates expressed or provided for in the Notes, or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

SECTION 6.08. Collection Suit by Trustee. If an Event of Default specified in Section 6.01(a) or (b) occurs and is continuing, the Trustee may recover judgment in its own name and as trustee of an express trust against the Issuer or any other obligor on the Notes for the whole amount then due and owing (together with interest on overdue principal and (to the extent lawful) on any unpaid interest at the rate provided for in the Notes) and the amounts provided for in Section 7.07.

SECTION 6.09. Trustee May File Proofs of Claim. The Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation, expenses disbursements and advances of the Trustee (including counsel, accountants, experts or such other professionals as the Trustee deems necessary, advisable or appropriate)) and the holders allowed in any judicial proceedings relative to the Issuer or any Note Guarantor, their creditors or their property, shall be entitled to participate as a member, voting or otherwise, of any official committee of creditors appointed in such matters and, unless prohibited by law or applicable regulations, may vote on behalf of the holders in any election of a trustee in bankruptcy or other Person performing similar functions, and any Custodian in any such judicial proceeding is hereby authorized by each holder to make payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and its counsel, and any other amounts due the Trustee under Section 7.07.

SECTION 6.10. Priorities. Subject to the terms of the Intercreditor Agreement, any money or property collected by the Trustee pursuant to this Article 6 and any other money or property distributable in respect of the Issuer's or Guarantors' obligations under this Indenture after an Event of Default shall be applied in the following order:

FIRST: to the Trustee for amounts due under Section 7.07;

SECOND: to the holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal and interest, respectively; and

THIRD: to the Issuer or, to the extent the Trustee collects any amount for any Note Guarantor, to such Note Guarantor.

The Trustee may fix a record date and payment date for any payment to the holders pursuant to this Section. At least 15 days before such record date, the Trustee shall mail to each holder and the Issuer a notice that states the record date, the payment date and amount to be paid.

SECTION 6.11. Undertaking for Costs. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a holder pursuant to Section 6.07 or a suit by holders of more than 10% in principal amount of the Notes.

SECTION 6.12. Waiver of Stay or Extension Laws. Neither the Issuer nor any Note Guarantor (to the extent it may lawfully do so) shall at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer and each Note Guarantor (to the extent that it may lawfully do so) hereby expressly waive all benefit or advantage of any such law, and shall not hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE 7

TRUSTEE

SECTION 7.01. Duties of Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default with respect to the Notes and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee (it being agreed that the permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty); and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. The Trustee shall be under no duty to make any investigation as to any statement contained in any such instance, but may accept the same as conclusive evidence of the truth and accuracy of such statement or the correctness of such opinions. However, in the case of certificates or opinions required by any provision hereof to be provided to it, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Trust Officer unless it is proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise Incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

(d) Every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section.

(e) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer.

(f) Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) Every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section and to the provisions of the TIA.

SECTION 7.02. Rights of Trustee.

(a) The Trustee may conclusively rely on any document believed by it to be genuine and to have been signed or presented by the proper person. The Trustee need not investigate any fact or matter stated in the document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on the Officers' Certificate or Opinion of Counsel.

(c) The Trustee may act through agents and shall not be responsible for the misconduct or negligence of any agent appointed with due care.

(d) The Trustee shall not be responsible or liable for any action it takes or omits to take in good faith which it believes to be authorized or within its rights or powers; *provided*, *however*, that the Trustee's conduct does not constitute willful misconduct or negligence.

(e) The Trustee may consult with counsel of its own selection and the advice or opinion of counsel with respect to legal matters relating to this Indenture and the Notes shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in accordance with the advice or opinion of such counsel.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond, debenture, note or other paper or document unless requested in writing to do so by the holders of not less than a majority in principal amount of the Notes at the time outstanding, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney, at the expense of the Issuer and shall Incur no liability of any kind by reason of such inquiry or investigation.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the holders pursuant to this Indenture, unless such holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be Incurred by it in compliance with such request or direction.

(h) The rights, privileges, protections, immunities and benefits given to the Trustee, including its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(i) The Trustee shall not be responsible or liable for any action taken or omitted by it in good faith at the direction of the holders of not less than a majority in principal amount of the Notes as to the time, method and place of conducting any proceedings for any remedy available to the Trustee or the exercising of any power conferred by this Indenture.

(j) Any action taken, or omitted to be taken, by the Trustee in good faith pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding upon future holders of Notes and upon Notes executed and delivered in exchange therefor or in place thereof.

(k) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(l) The Trustee may request that the Issuer deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officer's Certificate may be signed by any Person authorized to sign an Officer's Certificate, including any Person specified as so authorized in any such certificate previously delivered and not superseded.

(m) The Trustee shall not be responsible or liable for special, indirect, or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of actions.

(n) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers under this Indenture.

(o) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunction of utilities, computer (hardware or software) or communication services; accidents; labor disputes; and acts of civil or military authorities and governmental action.

SECTION 7.03. Individual Rights of Trustee. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee. Any Paying Agent or Registrar may do the same with like rights. However, the Trustee must comply with Sections 7.10 and 7.11.

SECTION 7.04. Trustee's Disclaimer. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture, any Note Guarantee or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes, and it shall not be responsible for any statement of the Issuer or any Note Guarantor in this Indenture or in any document issued in connection with the sale of the Notes or in the Notes other than the Trustee's certificate of authentication. The Trustee shall not be charged with knowledge of any Default or Event of Default under Sections 6.01(c), (d), (e), (h), or (i) or of the identity of any Significant Subsidiary unless either (a) a Trust Officer shall have actual knowledge thereof or (b) the Trustee shall have received written notice thereof in accordance with Section 13.02 hereof from the Issuer, any Note Guarantor or any holder. In accepting the trust hereby created, the Trustee acts solely as Trustee for the holders of the Notes and not in its individual capacity and all persons, including without limitation the holders of Notes and the Issuer having any claim against the Trustee arising from this Indenture shall look only to the funds and accounts held by the Trustee hereunder for payment except as otherwise provided herein.

SECTION 7.05. Notice of Defaults. If a Default occurs and is continuing and if it is actually known to the Trustee, the Trustee shall mail to each holder notice of the Default within the earlier of 90 days after it occurs or 30 days after it is actually known to a Trust Officer or written notice of it is received by the Trustee. Except in the case of a Default in the payment of principal of, premium (if any) or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Trust Officers in good faith determines that withholding the notice is in the interests of the holders. The Issuer is required to deliver to the Trustee, annually, a certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Issuer also is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any event which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

SECTION 7.06. Reports by Trustee to the Holders. As promptly as practicable after each June 30 beginning with the June 30 following the date of this Indenture, and in any event prior to June 30 in each year, the Trustee shall mail to each holder a brief report dated as of such June 30 that complies with Section 313(a) of the TIA if and to the extent required thereby. The Trustee shall also comply with Section 313(b) of the TIA.

A copy of each report at the time of its mailing to the holders shall be filed with the SEC and each stock exchange (if any) on which the Notes are listed. The Issuer agrees to notify promptly the Trustee whenever the Notes become listed on any stock exchange and of any delisting thereof.

SECTION 7.07. Compensation and Indemnity. The Issuer shall pay to the Trustee from time to time such compensation, as the Issuer and the Trustee shall from time to time agree in writing, for the Trustee's acceptance of this Indenture and its services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee upon request for all reasonable out-of-pocket expenses Incurred or made by it, including costs of collection, in addition to the compensation for its services. Such expenses shall include the reasonable compensation and expenses, disbursements and advances of the Trustee's agents, counsel, accountants and experts. The Issuer and each Note Guarantor, jointly and severally shall indemnify the Trustee against any and all loss, liability, claim, damage or expense (including reasonable attorneys' fees and expenses) Incurred by or in connection with the acceptance or administration of this trust and the performance of its duties hereunder, including the costs and expenses of enforcing this Indenture or Note Guarantee against the Issuer or a Note Guarantor (including this Section 7.07) and defending itself against or investigating any claim (whether asserted by the Issuer, any Note Guarantor, any holder or any other Person). The obligation to pay such amounts shall survive the payment in full or defeasance of the Notes or the removal or resignation of the Trustee. The Trustee shall notify the Issuer of any claim for which it may seek indemnity promptly upon obtaining actual knowledge thereof; *provided*, *however*, that any failure so to notify the Issuer shall not relieve the Issuer or any Note Guarantor of its indemnity obligations hereunder. The Issuer shall defend the claim and the indemnified party shall provide reasonable cooperation at the Issuer's expense in the defense. Such indemnified parties may have separate counsel and the Issuer and the Note Guarantors, as applicable shall pay the fees and expenses of such counsel; *provided*, *however*, that the Issuer shall not be required to pay such fees and expenses if it assumes such indemnified parties' defense and, in such indemnified parties' reasonable judgment, there is no conflict of interest between the Issuer and the Note Guarantors, as applicable, and such parties in connection with such defense. The Issuer needs not reimburse any expense or indemnify against any loss, liability or expense Incurred by an indemnified party through such party's own willful misconduct, negligence or bad faith.

To secure the Issuer's and the Note Guarantors' payment obligations in this Section, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee other than money or property held in trust to pay principal of and interest on particular Notes.

The Issuer's and the Note Guarantors' payment obligations pursuant to this Section shall survive the satisfaction or discharge of this Indenture, any rejection or termination of this Indenture under any bankruptcy law or the resignation or removal of the Trustee. Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee Incurs expenses after the occurrence of a Default specified in Section 6.01(f) or (g) with respect to the Issuer, the expenses are intended to constitute expenses of administration under the Bankruptcy Law.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise Incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if repayment of such funds or adequate indemnity against such risk or liability is not assured to its satisfaction.

SECTION 7.08. Replacement of Trustee.

(a) The Trustee may resign at any time by so notifying the Issuer. The holders of a majority in principal amount of the Notes may remove the Trustee by so notifying the Trustee and may appoint a successor Trustee. The Issuer shall remove the Trustee if:

(i) the Trustee fails to comply with Section 7.10;

(ii) the Trustee is adjudged bankrupt or insolvent;

(iii) a receiver or other public officer takes charge of the Trustee or its property; or

(iv) the Trustee otherwise becomes incapable of acting.

(b) If the Trustee resigns, is removed by the Issuer or by the holders of a majority in principal amount of the Notes and such holders do not reasonably promptly appoint a successor Trustee, or if a vacancy exists in the office of Trustee for any reason (the Trustee in such event being referred to herein as the retiring Trustee), the Issuer shall promptly appoint a successor Trustee.

(c) A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to the holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, subject to the Lien provided for in Section 7.07.

(d) If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee or the holders of 10% in principal amount of the Notes may petition at the expense of the Issuer any court of competent jurisdiction for the appointment of a successor Trustee.

(e) If the Trustee fails to comply with Section 7.10, unless the Trustee's duty to resign is stayed as provided in Section 310(b) of the TIA, any holder who has been a bona fide holder of a Note for at least six months may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(f) Notwithstanding the replacement of the Trustee pursuant to this Section, the Issuer's obligations under Section 7.07 shall continue for the benefit of the retiring Trustee.

SECTION 7.09. Successor Trustee by Merger. If the Trustee consolidates with, merges or converts into, or transfers all or substantially all its corporate trust business or assets to, another corporation or banking association, the resulting, surviving or transferee corporation without any further act shall be the successor Trustee.

In case at the time such successor or successors by merger, conversion or consolidation to the Trustee shall succeed to the trusts created by this Indenture any of the Notes shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor trustee, and deliver such Notes so authenticated; and in case at that time any of the Notes shall not have been authenticated, any successor to the Trustee may authenticate such Notes either in the name of any predecessor hereunder or in the name of the successor to the Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Notes or in this Indenture provided that the certificate of the Trustee shall have.

SECTION 7.10. Eligibility; Disqualification. The Trustee shall at all times satisfy the requirements of Section 310(a) of the TIA. The Trustee shall have a combined capital and surplus of at least $100 million as set forth in its most recent published annual report of condition. The Trustee shall comply with Section 310(b) of the TIA, subject to its right to apply for a stay of its duty to resign under the penultimate paragraph of Section 310(b) of the TIA; *provided*, *however*, that there shall be excluded from the operation of Section 310(b)(1) of the TIA any series of securities issued under this Indenture and any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Issuer are outstanding if the requirements for such exclusion set forth in Section 310(b)(1) of the TIA are met.

SECTION 7.11. Preferential Collection of Claims Against the Issuer. The Trustee shall comply with Section 311(a) of the TIA, excluding any creditor relationship listed in Section 311(b) of the TIA. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the TIA to the extent indicated.

ARTICLE 8

DISCHARGE OF INDENTURE; DEFEASANCE

SECTION 8.01. Discharge of Liability on Notes; Defeasance.

(a) This Indenture shall be discharged and shall cease to be of further effect (except as to surviving rights of registration of transfer or exchange of Notes, as expressly provided for in this Indenture) as to all outstanding Notes when:

(i) either (a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation or (b) all of the Notes (1) have become due and payable, (2) will become due and payable at their stated maturity within one year or (3) if redeemable at the option of the Issuer, are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(ii) the Issuer and/or the Note Guarantors have paid all other sums payable under this Indenture; and

(iii) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

Subject to Sections 8.01(c) and 8.02, the Issuer at any time may terminate (i) all of its obligations under the Notes and this Indenture (with respect to the holders of the Notes) ("legal defeasance option") or (ii) its obligations under Sections 4.02, 4.03, 4.04, 4.05, 4.06, 4.07, 4.08, 4.09, 4.11, 4.12 and 4.13 and the operation of Section 5.01 and Sections 6.01(c), 6.01(d), 6.01(e), 6.01(f) (with respect to Significant Subsidiaries of the Issuer only), 6.01(g) (with respect to Significant Subsidiaries of the Issuer only), 6.01(h) and 6.01(i) ("covenant defeasance option"). The Issuer may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. In the event that the Issuer terminates all of its obligations under the Notes and this Indenture (with respect to such Notes) by exercising its legal defeasance option or its covenant defeasance option, the obligations of each Note Guarantor under its Note Guarantee shall be terminated simultaneously with the termination of such obligations.

If the Issuer exercises its legal defeasance option, payment of the Notes so defeased may not be accelerated because of an Event of Default. If the Issuer exercises its covenant defeasance option, payment of the Notes so defeased may not be accelerated because of an Event of Default specified in Section 6.01(c), 6.01(d), 6.01(e), 6.01(f) (with respect to Significant Subsidiaries of the Issuer only), 6.01(g) (with respect to Significant Subsidiaries of the Issuer only), 6.01(h) or 6.01(i) or because of the failure of the Issuer to comply with Section 5.01.

Upon satisfaction of the conditions set forth herein and upon request of the Issuer, the Trustee shall acknowledge in writing the discharge of those obligations that the Issuer terminates.

(b) Notwithstanding clauses (a) and (b) above, the Issuer's obligations in Sections 2.04, 2.05, 2.06, 2.07, 2.08, 2.09, 7.07, 7.08 and in this Article 8 shall survive until the Notes have been paid in full. Thereafter, the Issuer's obligations in Sections 7.07, 8.05 and 8.06 shall survive such satisfaction and discharge.

SECTION 8.02. Conditions to Defeasance.

(a) The Issuer may exercise its legal defeasance option or its covenant defeasance option only if:

(i) the Issuer irrevocably deposits in trust with the Trustee cash in U.S. Dollars, U.S. Government Obligations or a combination thereof in an amount sufficient or U.S. Government Obligations, the principal of and the interest on which will be sufficient, or a combination thereof sufficient, to pay the principal of and premium (if any) and interest on the Notes when due at maturity or redemption, as the case may be, including interest thereon to maturity or such redemption date;

(ii) the Issuer delivers to the Trustee a certificate from a nationally recognized firm of independent accountants expressing their opinion that the payments of principal and interest when due and without reinvestment on the deposited U.S. Government Obligations plus any deposited money without investment will provide cash at such times and in such amounts as will be sufficient to pay principal, premium, if any, and interest when due on all the Notes to maturity or redemption, as the case may be;

(iii) 123 days pass after the deposit is made and during the 123-day period no Default specified in Section 6.01(f) or (g) with respect to the Issuer occurs which is continuing at the end of the period;

(iv) the deposit does not constitute a default under any other agreement binding on the Issuer and is not prohibited by Article 10;

(v) in the case of the legal defeasance option, the Issuer shall have delivered to the Trustee an Opinion of Counsel stating that (1) the Issuer have received from, or there has been published by, the Internal Revenue Service a ruling, or (2) since the date of this Indenture there has been a change in the applicable Federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the holders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred. Notwithstanding the foregoing, the Opinion of Counsel required by the immediately preceding sentence with respect to a legal defeasance need not be delivered if all of the Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable at their Stated Maturity within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer;

(vi) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder's Notes on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such holder's Notes;

(vii) in the case of the covenant defeasance option, the Issuer shall have delivered to the Trustee an Opinion of Counsel to the effect that the holders will not recognize income, gain or loss for Federal income tax purposes as a result of such deposit and defeasance and will be subject to Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred; and

(viii) the Issuer delivers to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes to be so defeased and discharged as contemplated by this Article 8 have been complied with.

(b) Before or after a deposit, the Issuer may make arrangements satisfactory to the Trustee for the redemption of such Notes at a future date in accordance with Article 3.

SECTION 8.03. Application of Trust Money. The Trustee shall hold in trust money or U.S. Government Obligations (including proceeds thereof) deposited with it pursuant to this Article 8. It shall apply the deposited money and the money from U.S. Government Obligations through each Paying Agent and in accordance with this Indenture to the payment of principal of and interest on the Notes so discharged or defeased. Money and securities so held in trust are not subject to Article 10 or 12.

SECTION 8.04. Repayment to Issuer. Each of the Trustee and each Paying Agent shall promptly turn over to the Issuer upon request any money or U.S. Government Obligations held by it as provided in this Article which, in the written opinion of nationally recognized firm of independent public accountants delivered to the Trustee (which delivery shall only be required if U.S. Government Obligations have been so deposited), are in excess of the amount thereof which would then be required to be deposited to effect an equivalent discharge or defeasance in accordance with this Article.

Subject to any applicable abandoned property law, the Trustee and each Paying Agent shall pay to the Issuer upon written request any money held by them for the payment of principal or interest

that remains unclaimed for two years, and, thereafter, holders entitled to the money must look to the Issuer for payment as general creditors, and the Trustee and each Paying Agent shall have no further liability with respect to such monies.

SECTION 8.05. Indemnity for U.S. Government Obligations. The Issuer shall pay and shall indemnify the Trustee against any tax, fee or other charge imposed on or assessed against deposited U.S. Government Obligations or the principal and interest received on such U.S. Government Obligations.

SECTION 8.06. Reinstatement. If the Trustee or any Paying Agent is unable to apply any money or U.S. Government Obligations in accordance with this Article 8 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's obligations under this Indenture and the Notes so discharged or defeased shall be revived and reinstated as though no deposit had occurred pursuant to this Article 8 until such time as the Trustee or any Paying Agent is permitted to apply all such money or U.S. Government Obligations in accordance with this Article 8; *provided*, *however*, that, if the Issuer has made any payment of principal of, or interest on, any such Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the holders of such Notes to receive such payment from the money or U.S. Government Obligations held by the Trustee or any Paying Agent.

ARTICLE 9

AMENDMENTS AND WAIVERS

SECTION 9.01. Without Consent of the Holders.

(a) The Issuer and the Trustee may amend this Indenture, the Intercreditor Agreement or the Notes without notice to or consent of any holder:

(i) to cure any ambiguity, omission, defect or inconsistency;

(ii) to provide for the assumption by a Successor Issuer of the obligations of the Issuer under this Indenture and the Notes;

(iii) to provide for the assumption by a Successor Note Guarantor of the obligations of a Note Guarantor under this Indenture and its Note Guarantee;

(iv) [reserved];

(v) to provide for uncertificated Notes in addition to or in place of certificated Notes; *provided*, *however*, that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code;

(vi) to conform the text of this Indenture, the Note Guarantees, the Notes or the Intercreditor Agreement, to any provision of the "Description of Notes" in the Offering Memorandum to the extent that such provision in the "Description of Notes" was intended to be a verbatim recitation of a provision of this Indenture, the Note Guarantees, the Notes or the Intercreditor Agreement;

(vii) to add a Note Guarantee with respect to the Notes or to secure the Notes;

(viii) to add to the covenants of the Issuer for the benefit of the holders or to surrender any right or power herein conferred upon the Issuer;

(ix) to comply with any requirement of the SEC in connection with qualifying or maintaining the qualification of, this Indenture under the TIA;

(x) to make any change that does not adversely affect the rights of any holder; or

(xi) to provide for the issuance of the Exchange Notes or Additional Notes, which shall have terms substantially identical in all material respects to the Initial Notes, and which shall be treated, together with any outstanding Initial Notes, as a single issue of securities;

provided that in the case of any amendment or supplement under clause (i), (ii), (iii), (vi), (vii), (viii) or (x) or, unless such change would be inapplicable to the Senior Interim Loan Facility as a result of its status as a credit agreement, the Issuer shall provide an Officer's Certificate to the Trustee to the effect that the Issuer is concurrently making a corresponding change to the Senior Interim Loan Facility to the extent necessary so that Holders of Notes and holders of loans under the Senior Interim Loan Facility are treated similarly.

(b) After an amendment under this Section 9.01 becomes effective, the Issuer shall mail to the holders a notice briefly describing such amendment. The failure to give such notice to all holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.01.

SECTION 9.02. With Consent of the Holders.

(a) The Issuer and the Trustee may, with respect to each series of Notes, amend this Indenture or the Notes of such series with the written consent of the holders of at least a majority in principal amount of the Notes of such series and loans under the Senior Interim Loan Facility then outstanding voting as a single class (including consents obtained in connection with a tender offer or exchange for the Notes). However, without the consent of each holder of an outstanding Note affected, an amendment may not:

(1) reduce the amount of Notes whose holders must consent to an amendment,

(2) reduce the rate of or extend the time for payment of interest on any Note,

(3) reduce the principal of or change the Stated Maturity of any Note,

(4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed in accordance with Article 3,

(5) make any Note payable in money other than that stated in such Note,

(6) expressly subordinate the Notes or any Note Guarantee to any other Indebtedness of the Issuer or any Note Guarantor;

(7) impair the right of any holder to receive payment of principal of, premium, if any, and interest on such holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any payment on or with respect to such holder's Notes, or

(8) make any change in the amendment provisions which require each holder's consent or in the waiver provisions or

(9) except as expressly permitted by this Indenture, modify or release the Note Guarantee of any Significant Subsidiary in any manner adverse to the holders of the Notes.

In addition, without the consent of at least 75% in aggregate principal amount of Notes and loans under the Senior Interim Loan Facility then outstanding, an amendment, supplement or waiver may not

(1) modify any provisions of this Indenture or Intercreditor Agreement dealing with the application of trust moneys in any manner materially adverse to the holders other than in accordance with this Indenture and the Intercreditor Agreement; or

(2) modify the Intercreditor Agreement in any manner materially adverse to the holders other than in accordance with this Indenture and the Intercreditor Agreement.

It shall not be necessary for the consent of the holders under this Section 9.02 to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof.

After an amendment under this Section 9.02 becomes effective, the Issuer shall mail to the holders a notice briefly describing such amendment. The failure to give such notice to all holders, or any defect therein, shall not impair or affect the validity of an amendment under this Section 9.02.

SECTION 9.03. Compliance with Trust Indenture Act. From the date on which this Indenture is qualified under the TIA, every amendment, waiver or supplement to this Indenture or the Notes shall comply with the TIA as then in effect.

SECTION 9.04. Revocation and Effect of Consents and Waivers.

(a) A consent to an amendment or a waiver by a holder of a Note shall bind the holder and every subsequent holder of that Note or portion of the Note that evidences the same debt as the consenting holder's Note, even if notation of the consent or waiver is not made on the Note. However, any such holder or subsequent holder may revoke the consent or waiver as to such holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officers' Certificate from the Issuer certifying that the requisite principal amount of Notes have consented. After an amendment or waiver becomes effective, it shall bind every holder. An amendment or waiver becomes effective upon the (i) receipt by the Issuer or the Trustee of consents by the holders of the requisite principal amount of securities, (ii) satisfaction of conditions to effectiveness as set forth in this Indenture and any indenture supplemental hereto containing such amendment or waiver and (iii) execution of such amendment or waiver (or supplemental indenture) by the Issuer and the Trustee.

(b) The Issuer may, but shall not be obligated to, fix a record date for the purpose of determining the holders entitled to give their consent or take any other action described above or required or permitted to be taken pursuant to this Indenture. If a record date is fixed, then notwithstanding the

immediately preceding paragraph, those Persons who were holders at such record date (or their duly designated proxies), and only those Persons, shall be entitled to give such consent or to revoke any consent previously given or to take any such action, whether or not such Persons continue to be holders after such record date. No such consent shall be valid or effective for more than 120 days after such record date.

SECTION 9.05. Notation on or Exchange of Notes. If an amendment, supplement or waiver changes the terms of a Note, the Issuer may require the holder of the Note to deliver it to the Trustee. The Trustee may place an appropriate notation on the Note regarding the changed terms and return it to the holder. Alternatively, if the Issuer or the Trustee so determines, the Issuer in exchange for the Note shall issue and the Trustee shall authenticate a new Note that reflects the changed terms. Failure to make the appropriate notation or to issue a new Note shall not affect the validity of such amendment, supplement or waiver.

SECTION 9.06. Trustee to Sign Amendments. The Trustee shall sign any amendment, supplement or waiver authorized pursuant to this Article 9 if the amendment does not adversely affect the rights, duties, liabilities or immunities of the Trustee. If it does, the Trustee may but need not sign it. In signing such amendment, the Trustee shall be entitled to receive indemnity reasonably satisfactory to it and shall be provided with, and (subject to Section 7.01) shall be fully protected in relying upon, an Officers' Certificate and an Opinion of Counsel stating that such amendment, supplement or waiver is authorized or permitted by this Indenture and that such amendment, supplement or waiver is the legal, valid and binding obligation of the Issuer and the Note Guarantors, enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof (including Section 9.03).

SECTION 9.07. Payment for Consent. Neither the Issuer nor any Affiliate of the Issuer shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid to all holders that so consent, waive or agree to amend in the time frame set forth in solicitation documents relating to such consent, waiver or agreement.

SECTION 9.08. Additional Voting Terms; Calculation of Principal Amount. All Notes issued under this Indenture shall vote and consent together on all matters (as to which any of such Notes may vote) as one class and no series of Notes will have the right to vote or consent as a separate class on any matter. Holders of loans under the Senior Interim Loan Facility shall vote and consent together with the Holders of Notes under the Indenture on all matters as a single class. Determinations as to whether holders of the requisite aggregate principal amount of Notes and loans under the Senior Interim Loan Facility have concurred in any direction, waiver or consent shall be made in accordance with this Article 9 and Section 2.14.

ARTICLE 10

[RESERVED]

ARTICLE 11

GUARANTEES

SECTION 11.01. Guarantees.

(a) Each Note Guarantor hereby jointly and severally, irrevocably and unconditionally guarantees on a unsecured senior basis, as a primary obligor and not merely as a surety, to each holder and to the Trustee and its successors and assigns (i) the full and punctual payment when due, whether at Stated Maturity, by acceleration, by redemption or otherwise, of all obligations of the Issuer under this Indenture (including obligations to the Trustee) and the Notes, whether for payment of principal of, premium, if any, or interest on in respect of the Notes and all other monetary obligations of the Issuer under this Indenture and the Notes and (ii) the full and punctual performance within applicable grace periods of all other obligations of the Issuer whether for fees, expenses, indemnification or otherwise under this Indenture and the Notes (all the foregoing being hereinafter collectively called the "Guaranteed Obligations"). Each Note Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice or further assent from each such Note Guarantor, and that each such Note Guarantor shall remain bound under this Article 11 notwithstanding any extension or renewal of any Guaranteed Obligation.

(b) Each Note Guarantor waives presentation to, demand of payment from and protest to the Issuer of any of the Guaranteed Obligations and also waives notice of protest for nonpayment. Each Note Guarantor waives notice of any default under the Notes or the Guaranteed Obligations. The obligations of each Note Guarantor hereunder shall not be affected by (i) the failure of any holder or the Trustee to assert any claim or demand or to enforce any right or remedy against the Issuer or any other Person under this Indenture, the Notes or any other agreement or otherwise; (ii) any extension or renewal of this Indenture, the Notes or any other agreement; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Indenture, the Notes or any other agreement; (iv) the release of any security held by any holder or the Trustee for the Guaranteed Obligations or any Note Guarantor; (v) the failure of any holder or Trustee to exercise any right or remedy against any other guarantor of the Guaranteed Obligations; or (vi) any change in the ownership of such Note Guarantor, except as provided in Section 11.02(b).

(c) Each Note Guarantor hereby waives any right to which it may be entitled to have its obligations hereunder divided among the Note Guarantors, such that such Note Guarantor's obligations would be less than the full amount claimed. Each Note Guarantor hereby waives any right to which it may be entitled to have the assets of the Issuer first be used and depleted as payment of the Issuer's or such Note Guarantor's obligations hereunder prior to any amounts being claimed from or paid by such Note Guarantor hereunder. Each Note Guarantor hereby waives any right to which it may be entitled to require that the Issuer be sued prior to an action being initiated against such Note Guarantor.

(d) Each Note Guarantor further agrees that its Note Guarantee herein constitutes a guarantee of payment, performance and compliance when due (and not a guarantee of collection) and waives any right to require that any resort be had by any holder or the Trustee to any security held for payment of the Guaranteed Obligations.

(e) The Note Guarantee of each Note Guarantor is, to the extent and in the manner set forth in Article 12, equal in right of payment to all existing and future Pari Passu Indebtedness, senior in right of payment to all existing and future Subordinated Indebtedness of the Issuer and subordinated and subject in right of payment to the prior payment in full of the principal of and premium, if any, and interest on all Secured Indebtedness of the relevant Note Guarantor and is made subject to such provisions of this Indenture.

(f) Except as expressly set forth in Sections 8.01(b), 11.02 and 11.06, the obligations of each Note Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense of setoff, counterclaim, recoupment or termination whatsoever or by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Note Guarantor herein shall not be discharged or impaired or otherwise affected by the failure of any holder or the Trustee to assert any claim or demand or to enforce any remedy under this Indenture, the Notes or any other agreement, by any waiver or modification of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the obligations, or by any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of any Note Guarantor or would otherwise operate as a discharge of any Note Guarantor as a matter of law or equity.

(g) Each Note Guarantor agrees that its Note Guarantee shall remain in full force and effect until payment in full of all the Guaranteed Obligations. Each Note Guarantor further agrees that its Note Guarantee herein shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Guaranteed Obligation is rescinded or must otherwise be restored by any holder or the Trustee upon the bankruptcy or reorganization of the Issuer or otherwise.

(h) In furtherance of the foregoing and not in limitation of any other right which any holder or the Trustee has at law or in equity against any Note Guarantor by virtue hereof, upon the failure of the Issuer to pay the principal of or interest on any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, by redemption or otherwise, or to perform or comply with any other Guaranteed Obligation, each Note Guarantor hereby promises to and shall, upon receipt of written demand by the Trustee, forthwith pay, or cause to be paid, in cash, to the holders or the Trustee an amount equal to the sum of (i) the unpaid principal amount of such Guaranteed Obligations, (ii) accrued and unpaid interest on such Guaranteed Obligations (but only to the extent not prohibited by applicable law) and (iii) all other monetary obligations of the Issuer to the holders and the Trustee.

(i) Each Note Guarantor agrees that it shall not be entitled to any right of subrogation in relation to the holders in respect of any Guaranteed Obligations guaranteed hereby until payment in full of all Guaranteed Obligations and all obligations to which the Guaranteed Obligations are subordinated as provided in Article 12. Each Note Guarantor further agrees that, as between it, on the one hand, and the holders and the Trustee, on the other hand, (i) the maturity of the Guaranteed Obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of any Note Guarantee herein, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Guaranteed Obligations guaranteed hereby, and (ii) in the event of any declaration of acceleration of such Guaranteed Obligations as provided in Article 6, such Guaranteed Obligations (whether or not due and payable) shall forthwith become due and payable by such Note Guarantor for the purposes of this Section 11.01.

(j) Each Note Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees and expenses) Incurred by the Trustee or any holder in enforcing any rights under this Section 11.01.

(k) Upon request of the Trustee, each Note Guarantor shall execute and deliver such further instruments and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Indenture.

SECTION 11.02. Limitation on Liability.

(a) Any term or provision of this Indenture to the contrary notwithstanding, the maximum aggregate amount of the Guaranteed Obligations guaranteed hereunder by any Note Guarantor shall not exceed the maximum amount that can be hereby guaranteed without rendering this Indenture, as it relates to such Note Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

(b) A Note Guarantee as to any Subsidiary Note Guarantor shall terminate and be of no further force or effect and such Note Guarantor shall be deemed to be released from all obligations under this Article 11 upon:

(i) the sale, disposition, exchange or other transfer (including through merger, consolidation, amalgamation or otherwise) of the Capital Stock (including any sale, disposition or other transfer following which the applicable Subsidiary Note Guarantor is no longer a Restricted Subsidiary), of the applicable Subsidiary Note Guarantor if such sale, disposition, exchange or other transfer is made in a manner not in violation of this Indenture;

(ii) the sale, disposition, exchange or other transfer (including through merger, consolidation, amalgamation or otherwise) of the Capital Stock of the applicable Subsidiary Note Guarantor in connection with the Post-Closing CMBS Transaction;

(iii) the Issuer designating such Subsidiary Note Guarantor to be an Unrestricted Subsidiary in accordance with the provisions of Section 4.04 and the definition of "Unrestricted Subsidiary";

(iv) the release or discharge of the pledge by such Subsidiary Note Guarantor of the Credit Agreement or other Indebtedness or the guarantee of any other Indebtedness which resulted in the obligation to guarantee the Notes; and

(v) the Issuer's exercise of its legal defeasance option or covenant defeasance option under Article 8 or if the Issuer's obligations under this Indenture are discharged in accordance with the terms of this Indenture.

A Subsidiary Note Guarantee also will be automatically released upon the applicable Subsidiary ceasing to be a Subsidiary as a result of any foreclosure of any pledge or security interest securing Bank Indebtedness or other exercise of remedies in respect thereof.

(c) A Note Guarantee as to any Parent Note Guarantor shall terminate and be of no further force or effect and such Note Guarantor shall be deemed to be released from all obligations under this Article 11 upon:

(i) the Issuer ceasing to be a Wholly Owned Subsidiary of Harrah's Entertainment;

(ii) the Issuer's transfer of all or substantially all of its assets to, or merger with, an entity that is not a Wholly Owned Subsidiary of Harrah's Entertainment in accordance with Section 5.01 and such transferee entity assumes the Issuer's obligations under this Indenture; and

(iii) the Issuer's exercise of its legal defeasance option or covenant defeasance option under Article 8 or if the Issuer's obligations under this Indenture are discharged in accordance with the terms of this Indenture.

In addition, the Parent Note Guarantee will be automatically released upon the election of the Issuer and Notice to the Trustee if the guarantee by Harrah's Entertainment of the Credit Agreement, the Retained Notes or any Indebtedness which resulted in the obligation to guarantee the Notes has been released or discharged.

SECTION 11.03. Successors and Assigns. This Article 11 shall be binding upon each Note Guarantor and its successors and assigns and shall inure to the benefit of the successors and assigns of the Trustee and the holders and, in the event of any transfer or assignment of rights by any holder or the Trustee, the rights and privileges conferred upon that party in this Indenture and in the Notes shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions of this Indenture.

SECTION 11.04. No Waiver. Neither a failure nor a delay on the part of either the Trustee or the holders in exercising any right, power or privilege under this Article 11 shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise of any right, power or privilege. The rights, remedies and benefits of the Trustee and the holders herein expressly specified are cumulative and not exclusive of any other rights, remedies or benefits which either may have under this Article 11 at law, in equity, by statute or otherwise.

SECTION 11.05. Modification. No modification, amendment or waiver of any provision of this Article 11, nor the consent to any departure by any Note Guarantor therefrom, shall in any event be effective unless the same shall be in writing and signed by the Trustee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on any Note Guarantor in any case shall entitle such Note Guarantor to any other or further notice or demand in the same, similar or other circumstances.

SECTION 11.06. Execution of Supplemental Indenture for Future Note Guarantors. Each Subsidiary and other Person which is required to become a Guarantor pursuant to Section 4.11 shall promptly execute and deliver to the Trustee a joinder to the Intercreditor Agreement and a supplemental indenture in the form of Exhibit D hereto pursuant to which such Subsidiary or other Person shall become a Guarantor under this Article 11 and shall guarantee the Notes. Concurrently with the execution and delivery of such supplemental indenture, the Issuers shall deliver to the Trustee an Opinion of Counsel and an Officer's Certificate to the effect that such supplemental indenture has been duly authorized, executed and delivered by such Subsidiary or other Person and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to creditors' rights

generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Note Guarantee of such Note Guarantor is a valid and binding obligation of such Note Guarantor, enforceable against such Note Guarantor in accordance with its terms and/or to such other matters as the Trustee may reasonably request.

SECTION 11.07. Non-Impairment. The failure to endorse a Note Guarantee on any Note shall not affect or impair the validity thereof.

ARTICLE 12

[RESERVED]

ARTICLE 13

MISCELLANEOUS

SECTION 13.01. Trust Indenture Act Controls. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with the duties imposed by, or with another provision (an "incorporated provision") included in this Indenture by operation of, Sections 310 to 318 of the TIA, inclusive, such imposed duties or incorporated provision shall control.

SECTION 13.02. Notices.

(a) Any notice or communication required or permitted hereunder shall be in writing and delivered in person, via facsimile or mailed by first-class mail addressed as follows:

if to the Issuer or a Note Guarantor:

Harrah's Operating Company, Inc.
One Caesar's Palace Drive
Las Vegas, Nevada 89101-8969
Telephone: (702) 407-6000
Facsimile: (702) 407-6418
Attn: General Counsel

if to the Trustee:

U.S. Bank National Association
60 Livingston Avenue
St. Paul, Minnesota 55107-1419
Telephone: (651) 495-3909
Facsimile: (651) 495-8097
Attn: Corporate Trust Services, Raymond S. Haverstock

The Issuer or the Trustee by notice to the other may designate additional or different addresses for subsequent notices or communications.

(b) Any notice or communication mailed to a holder shall be mailed, first class mail, to the holder at the holder's address as it appears on the registration books of the Registrar and shall be sufficiently given if so mailed within the time prescribed.

(c) Failure to mail a notice or communication to a holder or any defect in it shall not affect its sufficiency with respect to other holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it, except that notices to the Trustee are effective only if received.

SECTION 13.03. Communication by the Holders with Other Holders. The holders may communicate pursuant to Section 312(b) of the TIA with other holders with respect to their rights under this Indenture or the Notes. The Issuer, the Trustee, the Registrar and other Persons shall have the protection of Section 312(c) of the TIA.

SECTION 13.04. Certificate and Opinion as to Conditions Precedent. Upon any request or application by the Issuer to the Trustee to take or refrain from taking any action under this Indenture, the Issuer shall furnish to the Trustee at the request of the Trustee:

(a) an Officers' Certificate in form reasonably satisfactory to the Trustee stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with; and

(b) an Opinion of Counsel in form reasonably satisfactory to the Trustee stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

SECTION 13.05. Statements Required in Certificate or Opinion. Each certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture (other than pursuant to Section 4.09) shall include:

(a) a statement that the individual making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether or not, in the opinion of such individual, such covenant or condition has been complied with; *provided*, *however*, that with respect to matters of fact an Opinion of Counsel may rely on an Officers' Certificate or certificates of public officials.

SECTION 13.06. When Notes Disregarded. In determining whether the holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer, any Note Guarantor or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer or any Note Guarantor shall be disregarded and deemed not to be outstanding, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes which the Trustee knows are so owned shall be so disregarded. Subject to the foregoing, only Notes outstanding at the time shall be considered in any such determination.

SECTION 13.07. Rules by Trustee, Paying Agent and Registrar. The Trustee may make reasonable rules for action by or a meeting of the holders. The Registrar and a Paying Agent may make reasonable rules for their functions.

SECTION 13.08. Legal Holidays. If a payment date is not a Business Day, payment shall be made on the next succeeding day that is a Business Day, and no interest shall accrue on any amount that would have been otherwise payable on such payment date if it were a Business Day for the intervening period. If a regular record date is not a Business Day, the record date shall not be affected.

SECTION 13.09. **GOVERNING LAW. THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.**

SECTION 13.10. No Recourse Against Others. No director, officer, employee, manager, incorporator or holder of any Equity Interests in the Issuer or of any Note Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuer or the Note Guarantors under the Notes or this Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 13.11. Successors. All agreements of the Issuer and each Note Guarantor in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

SECTION 13.12. Multiple Originals. The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. One signed copy is enough to prove this Indenture.

SECTION 13.13. Table of Contents; Headings. The table of contents, cross-reference sheet and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not intended to be considered a part hereof and shall not modify or restrict any of the terms or provisions hereof.

SECTION 13.14. Indenture Controls. If and to the extent that any provision of the Notes limits, qualifies or conflicts with a provision of this Indenture, such provision of this Indenture shall control.

SECTION 13.15. Severability. In case any provision in this Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

SECTION 13.16. Intercreditor Agreement. The terms of this Indenture are subject to the terms of the Intercreditor Agreement, dated as of January 28, 2008, by and many Bank of America, N.A., U.S. Bank National Association, Citibank N.A., and other parties thereto from time to time.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

Harrah's Operating Company, Inc.

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Harrah's Entertainment, Inc.

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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B I Gaming Corporation
Bally's Midwest Casino, Inc.
Bally's Operator, Inc.
Bally's Park Place, Inc.
Bally's Tunica, Inc.
Benco, Inc.
BL Development Corp.
Boardwalk Regency Corporation
Caesars Entertainment Golf, Inc.
Caesars Entertainment Akwesasne Consulting Corp.
Caesars Entertainment Canada Holding, Inc.
Caesars Entertainment Finance Corp.
Caesars Entertainment Retail, Inc.
Caesars New Jersey, Inc.
Caesars Palace Corporation
Caesars Palace Realty Corp.
Caesars Palace Sports Promotions, Inc.
Caesars United Kingdom, Inc.
Caesars World, Inc.
Caesars World Marketing Corporation
Caesars World Merchandising, Inc.
California Clearing Corporation
Casino Computer Programming, Inc.
CEI-Sullivan County Development Company
Consolidated Supplies, Services and Systems
Dusty Corporation
East Beach Development Corporation
FHR Corporation
Flamingo-Laughlin, Inc.
GCA Acquisition Subsidiary, Inc.
GNOC, Corp.
Grand Casinos, Inc.
Grand Media Buying, Inc.
Harrah's Alabama Corporation
Harrah's Arizona Corporation
Harrah's Illinois Corporation
Harrah's Interactive Investment Company
Harrah's Investments, Inc.
Harrah's Kansas Casino Corporation
Harrah's Management Company
Harrah's Marketing Services Corporation
Harrah's Maryland Heights Operating Company
Harrah's New Orleans Management Company
Harrah's Pittsburgh Management Company
Harrah's Reno Holding Company, Inc.
Harrah's Southwest Michigan Casino Corporation
Harrah's Travel, Inc.
Harrah's Tunica Corporation
Harrah's Vicksburg Corporation
Harveys BR Management Company, Inc.
Harveys C.C. Management Company, Inc.

Harveys Iowa Management Company, Inc.
HBR Realty Company, Inc.
HCR Services Company, Inc.
HEI Holding Company One, Inc.
HEI Holding Company Two, Inc.
LVH Corporation
Martial Development Corporation
Players Bluegrass Downs, Inc.
Players Development, Inc.
Players Resources, Inc.
Players Services, Inc.
Reno Projects, Inc.
Rio Development Company, Inc.
Robinson Property Group Corp.
Roman Entertainment Corporation of Indiana
Roman Holding Corporation of Indiana
Sheraton Tunica Corporation
Southern Illinois Riverboat/Casino Cruises, Inc.
Tele/Info, Inc.
Trigger Real Estate Corporation

By: /s/ Charles L. Atwood
Name: Charles L. Atwood
Title: Senior Vice President or Vice President

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Desert Palace, Inc.
Harrah's Imperial Palace Corp.
Harrah's International Holding Company, Inc.
Harrah's Laughlin, Inc.
Las Vegas Resort Development, Inc.
Parball Corporation

By: /s/ Michael D. Cohen
Name: Michael D. Cohen
Title: Secretary

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190 Flamingo, LLC
AJP Parent, LLC
Chester Facility Holding Company, LLC
Corner Investment Company, LLC
DCH Exchange, LLC
Desert Club, LLC
Harrah's Bossier City Management Company, LLC
Harrah's Chester Downs Investment Company, LLC
Harrah's Chester Downs Management Company, LLC
Harrah's License Company, LLC
Harrah's MH Project, LLC
Harrah's North Kansas City, LLC
Harrah's Operating Company Memphis, LLC
Harrah's Shreveport Investment Company, LLC
Harrah's Shreveport Management Company, LLC
Harrah's Shreveport/Bossier City Holding Company, LLC
Harrah's Sumner Investment Company, LLC
Harrah's Sumner Management Company, LLC
Harrah's West Warwick Gaming Company, LLC
H-BAY, LLC
HCAL, LLC
HHLV Management Company, LLC
Hole In The Wall, LLC
Horseshoe Gaming Holding, LLC
JCC Holding Company II LLC
Koval Holdings Company, LLC
Nevada Marketing, LLC
Players International, LLC
Reno Crossroads, LLC
Roman Empire Development, LLC
TRB Flamingo, LLC
Winnick Parent, LLC

By: Harrah's Operating Company, Inc.
its Sole Member or Manager

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Las Vegas Golf Management, LLC

By: /s/ Michael D. Cohen
Name: Michael D. Cohen
Title: Manager

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AJP Holdings, LLC

By: AJP Parent, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Biloxi Hammond, LLC
Biloxi Village Walk Development, LLC
Village Walk Construction, LLC

By: Grand Casinos of Biloxi, LLC
its Sole Member

By: Grand Casinos, Inc.
its Sole Member

By: /s/ Charles L. Atwood
Name: Charles L. Atwood
Title: Senior Vice President and Treasurer

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Harrah's Maryland Heights LLC

By: Harrah's Maryland Heights Operating Company
its Managing Member

By: /s/ Charles L. Atwood
Name: Charles L. Atwood
Title: Senior Vice President & Treasurer

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Harrah's Shreveport/Bossier City Investment Company, LLC

By: Harrah's Shreveport/Bossier City Holding Company, LLC
its Managing Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Winnick Holdings, LLC

By: Winnick Parent, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Bally's Olympia Limited Partnership

By: Bally's Operator, Inc.
its General Partner

By: /s/ Charles L. Atwood
Name: Charles L. Atwood
Title: Senior Vice President & Treasurer

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Caesars Riverboat Casino, LLC

By: Roman Holding Corporation of Indiana
its Managing Member

By: /s/ Charles L. Atwood
Name: Charles L. Atwood
Title: Senior Vice President & Treasurer
As Agent of Caesars Riverboat Casino, LLC

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Horseshoe GP, LLC
Horseshoe Hammond, LLC

By: Horseshoe Gaming Holding, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Harrah's Bossier City Investment Company, L.L.C.

By: Harrah's Shreveport/Bossier City Investment Company, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Horseshoe Shreveport, L.L.C.

By: Horseshoe Gaming Holding, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Jazz Casino Company, LLC
JCC Fulton Development, LLC

By: JCC Holding Company II LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Players Riverboat II, LLC

By: Players Riverboat Management, LLC
its Member

By: Players Holding, LLC
its Sole Member

By: Players International, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

By: Players Riverboat, LLC
its Member

By: Players Holding, LLC
its Sole Member

By: Players International, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Horseshoe Entertainment

By: New Gaming Capital Partnership
its General Partner

By: Horseshoe GP, LLC
its General Partner

By: Horseshoe Gaming Holding, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Grand Casinos of Biloxi, LLC
Grand Casinos of Mississippi, LLC - Gulfport

By: Grand Casinos, Inc.
its Sole Member

By: /s/ Charles L. Atwood
Name: Charles L. Atwood
Title: Senior Vice President & Treasurer

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Caesars India Sponsor Company, LLC

By: California Clearing Corporation
its Sole Member

By: /s/ Charles L. Atwood
Name: Charles L. Atwood
Title: Senior Vice President & Treasurer

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Koval Investment Company, LLC

By: Koval Holding Company, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Players Holding, LLC

By: Players International, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Players LC, LLC
Players Maryland Heights Nevada, LLC
Players Riverboat Management, LLC
Players Riverboat, LLC

By: Players Holding, LLC
its Sole Member

By: Players International, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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New Gaming Capital Partnership

By: Horseshoe GP, LLC
its General Partner

By: Horseshoe Gaming Holding, LLC
its Sole Member

By: Harrah's Operating Company, Inc.
its Sole Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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Atlantic City Country Club 1, LLC

By: Bally's Park Place, Inc.
its Sole Member

By: /s/ Charles L. Atwood
Name: Charles L. Atwood
Title: Senior Vice President & Treasurer

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Harrah's NC Casino Company, LLC

By: Harrah's Operating Company, Inc.
its Managing Member

By: /s/ Stephen H. Brammell
Name: Stephen H. Brammell
Title: Senior Vice President & General Counsel

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U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: /s/ Raymond S. Haverstock
Name: Raymond S. Haverstock
Title: Vice President

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APPENDIX A

PROVISIONS RELATING TO INITIAL SECURITIES, ADDITIONAL SECURITIES AND EXCHANGE SECURITIES

1. Definitions.

1.1 Definitions.

For the purposes of this Appendix A the following terms shall have the meanings indicated below:

"Additional Interest" has the meaning set forth in the Registration Rights Agreement.

"Definitive Note" means a certificated Initial Note or Exchange Note (bearing the Restricted Notes Legend if the transfer of such Note is restricted by applicable law) that does not include the Global Notes Legend.

"Depository" means The Depository Trust Issuer, its nominees and their respective successors.

"Global Notes Legend" means the legend set forth under that caption in the applicable Exhibit to this Indenture.

"IAI" means an institutional "accredited investor" as described in Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Initial Purchasers" means Citigroup Global Markets Inc., Banc of America Securities LLC, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., J.P. Morgan Securities Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Bear, Stearns & Co., Inc., Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, and such other initial purchasers party to the Purchase Agreement entered into in connection with the offer and sale of the Notes.

"Purchase Agreement" means (a) the Purchase Agreement dated January 25, 2008, among the Issuer and the Initial Purchasers and (b) any other similar Purchase Agreement relating to Additional Notes.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Registered Exchange Offer" means the offer by the Issuer, pursuant to the Registration Agreement, to certain holders of Initial Notes, to issue and deliver to such holders, in exchange for their Initial Notes, a like aggregate principal amount of Exchange Notes registered under the Securities Act.

"Registration Rights Agreement" means (a) the Registration Rights Agreement dated as of February 1, 2008 among the Issuer, the Note Guarantors and the representatives of the Initial Purchasers relating to the Notes and (b) any other similar Registration Rights Agreement relating to Additional Notes.

"Regulation S" means Regulation S under the Securities Act.

"Regulation S Notes" means all Initial Notes offered and sold outside the United States in reliance on Regulation S.

"Restricted Period," with respect to any Notes, means the period of 40 consecutive days beginning on and including the later of (a) the day on which such Notes are first offered to persons other than distributors (as defined in Regulation S under the Securities Act) in reliance on Regulation S, notice of which day shall be promptly given by the Issuer to the Trustee, and (b) the Issue Date, and with respect to any Additional Notes that are Transfer Restricted Notes, it means the comparable period of 40 consecutive days.

"Restricted Notes Legend" means the legend set forth in Section 2.2(f)(i) herein.

"Rule 501" means Rule 501(a)(1), (2), (3) or (7) under the Securities Act.

"Rule 144A" means Rule 144A under the Securities Act.

"Rule 144A Notes" means all Initial Notes offered and sold to QIBs in reliance on Rule 144A.

"Notes Custodian" means the custodian with respect to a Global Note (as appointed by the Depository) or any successor person thereto, who shall initially be the Trustee.

"Shelf Registration Statement" means a registration statement filed by the Issuer in connection with the offer and sale of Initial Notes pursuant to the Registration Agreement.

"Transfer Restricted Notes" means Definitive Notes and any other Notes that bear or are required to bear or are subject to the Restricted Notes Legend.

"Unrestricted Definitive Note" means Definitive Notes and any other Notes that are not required to bear, or are not subject to, the Restricted Notes Legend.

1.2 Other Definitions.

Term:	Defined in Section:
Agent Members	2.1(b)
Global Notes	2.1(b)
Regulation S Global Notes	2.1(b)
Rule 144A Global Notes	2.1(b)
Regulation S Permanent Global Note	2.1(b)
Regulation S Temporary Global Note	2.1(b)

2. The Notes.

2.1 Form and Dating; Global Notes.

(a) The Initial Notes issued on the date hereof will be (i) offered and sold by the Issuer pursuant to the Purchase Agreement and (ii) resold, initially only to (1) QIBs in reliance on Rule 144A and (2) Persons other than U.S. Persons (as defined in Regulation S) in reliance on Regulation S. Such Initial Notes may thereafter be transferred to, among others, QIBs, purchasers in reliance on Regulation S

and, except as set forth below, IAIs in accordance with Rule 501. Additional Notes offered after the date hereof may be offered and sold by the Issuer from time to time pursuant to one or more Purchase Agreements in accordance with applicable law.

(b) Global Notes. (i) Rule 144A Notes initially shall be represented by one or more Notes in definitive, fully registered, global form without interest coupons (collectively, the "Rule 144A Global Notes").

Regulation S Notes initially shall be represented by one or more Notes in fully registered, global form without interest coupons (collectively, the "Regulation S Temporary Global Note" and, together with the Regulation S Permanent Global Note (defined below), the "Regulation S Global Notes"), which shall be registered in the name of the Depository or the nominee of the Depository for the accounts of designated agents holding on behalf of Euroclear or Clearstream.

The Restricted Period shall be terminated upon the receipt by the Trustee of: (1) a written certificate from the Depository, together with copies of certificates from Euroclear and Clearstream certifying that they have received certification of non-United States beneficial ownership of 100% of the aggregate principal amount of the Regulation S Temporary Global Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Restricted Period pursuant to another exemption from registration under the Securities Act and who shall take delivery of a beneficial ownership interest in a 144A Global Note bearing a Private Placement Legend, all as contemplated by this Appendix A); and (2) an Officers' Certificate from the Issuer.

Following the termination of the Restricted Period, beneficial interests in the Regulation S Temporary Global Note shall be exchanged for beneficial interests in a permanent Global Note (the "Regulation S Permanent Global Note") pursuant to the applicable procedures of the Depository. Simultaneously with the authentication of the Regulation S Permanent Global Note, the Trustee shall cancel the Regulation S Temporary Global Note. The aggregate principal amount of the Regulation S Temporary Global Note and the Regulation S Permanent Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depository or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream shall be applicable to transfers of beneficial interests in the Regulation S Temporary Global Note and the Regulation S Permanent Global Note that are held by Participants through Euroclear or Clearstream.

The term "Global Notes" means the Rule 144A Global Notes and the Regulation S Global Notes. The Global Notes shall bear the Global Note Legend. The Global Notes initially shall (i) be registered in the name of the Depository or the nominee of such Depository, in each case for credit to an account of an Agent Member, (ii) be delivered to the Trustee as custodian for such Depository and (iii) bear the Restricted Notes Legend.

Members of, or direct or indirect participants in, the Depository shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depository, or the Trustee as its custodian, or under the Global Notes. The Depository may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner of the Global Notes for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee or any agent of

the Issuer or the Trustee from giving effect to any written certification, proxy or other authorization furnished by the Depository, or impair, as between the Depository and its Agent Members, the operation of customary practices governing the exercise of the rights of a holder of any Note.

(ii) Transfers of Global Notes shall be limited to transfer in whole, but not in part, to the Depository, its successors or their respective nominees. Interests of beneficial owners in the Global Notes may be transferred or exchanged for Definitive Notes only in accordance with the applicable rules and procedures of the Depository and the provisions of Section 2.2. In addition, a Global Note shall be exchangeable for Definitive Notes if (x) the Depository (1) notifies the Issuer that it is unwilling or unable to continue as depository for such Global Note and the Issuer thereupon fails to appoint a successor depository or (2) has ceased to be a clearing agency registered under the Exchange Act or (y) there shall have occurred and be continuing an Event of Default with respect to such Global Note; *provided* that in no event shall the Regulation S Temporary Global Note be exchanged by the Issuer for Definitive Notes prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act. In all cases, Definitive Notes delivered in exchange for any Global Note or beneficial interests therein shall be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depository in accordance with its customary procedures.

(iii) In connection with the transfer of a Global Note as an entirety to beneficial owners pursuant to subsection (i) of this Section 2.1(b), such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and the Trustee shall authenticate and make available for delivery, to each beneficial owner identified by the Depository in writing in exchange for its beneficial interest in such Global Note, an equal aggregate principal amount of Definitive Notes of authorized denominations.

(iv) Any Transfer Restricted Note delivered in exchange for an interest in a Global Note pursuant to Section 2.2 shall, except as otherwise provided in Section 2.2, bear the Restricted Notes Legend.

(v) Notwithstanding the foregoing, through the Restricted Period, a beneficial interest in such Regulation S Global Note may be held only through Euroclear or Clearstream unless delivery is made in accordance with the applicable provisions of Section 2.2.

(vi) The holder of any Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold interests through Agent Members, to take any action which a holder is entitled to take under this Indenture or the Notes.

2.2 Transfer and Exchange.

(a) Transfer and Exchange of Global Notes. A Global Note may not be transferred as a whole except as set forth in Section 2.1(b). Global Notes will not be exchanged by the Issuer for Definitive Notes except under the circumstances described in Section in Section 2.1(b)(ii). Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.08 and 2.10 of this Indenture. Beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.2(b) or 2.2(g).

(b) Transfer and Exchange of Beneficial Interests in Global Notes. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depository, in accordance with the provisions of this Indenture and the applicable rules and procedures of the Depository. Beneficial interests in Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Beneficial interests in Global Notes

shall be transferred or exchanged only for beneficial interests in Global Notes. Transfers and exchanges of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) Transfer of Beneficial Interests in the Same Global Note. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Restricted Notes Legend; *provided*, *however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in a Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). A beneficial interest in an Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.2(b)(i).

(ii) All Other Transfers and Exchanges of Beneficial Interests in Global Notes. In connection with all transfers and exchanges of beneficial interests in any Global Note that is not subject to Section 2.2(b)(i), the transferor of such beneficial interest must deliver to the Registrar (1) a written order from an Agent Member given to the Depository in accordance with the applicable rules and procedures of the Depository directing the Depository to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the applicable rules and procedures of the Depository containing information regarding the Agent Member account to be credited with such increase. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note pursuant to Section 2.2(g).

(iii) Transfer of Beneficial Interests to Another Restricted Global Note. A beneficial interest in a Transfer Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Transfer Restricted Global Note if the transfer complies with the requirements of Section 2.2(b)(ii) above and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in a Rule 144A Global Note, then the transferor must deliver a certificate in the form attached to the applicable Note; and

(B) if the transferee will take delivery in the form of a beneficial interest in a Regulation S Global Note, then the transferor must deliver a certificate in the form attached to the applicable Note.

(iv) Transfer and Exchange of Beneficial Interests in a Transfer Restricted Global Note for Beneficial Interests in an Unrestricted Global Note. A beneficial interest in a Transfer Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.2(b)(ii) above and the Registrar receives the following:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form attached to the applicable Note; or

(B) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form attached to the applicable Note,

and, in each such case, if the Issuer or the Registrar so requests or if the applicable rules and procedures of the Depository so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act. If any such transfer or exchange is effected pursuant to this subparagraph (iv) at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an written order of the Issuer in the form of an Officers' Certificate in accordance with Section 2.01, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred or exchanged pursuant to this subparagraph (iv).

(v) Transfer and Exchange of Beneficial Interests in an Unrestricted Global Note for Beneficial Interests in a Restricted Global Note. Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) Transfer and Exchange of Beneficial Interests in Global Notes for Definitive Notes. A beneficial interest in a Global Note may not be exchanged for a Definitive Note except under the circumstances described in Section 2.1(b)(ii). A beneficial interest in a Global Note may not be transferred to a Person who takes delivery thereof in the form of a Definitive Note except under the circumstances described in Section 2.1(b)(ii). In any case, beneficial interests in Global Notes shall be transferred or exchanged only for Definitive Notes.

(d) Transfer and Exchange of Definitive Notes for Beneficial Interests in Global Notes. Transfers and exchanges of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i), (ii) or (ii) below, as applicable:

(i) Transfer Restricted Notes to Beneficial Interests in Restricted Global Notes. If any holder of a Transfer Restricted Note proposes to exchange such Transfer Restricted Note for a beneficial interest in a Restricted Global Note or to transfer such Transfer Restricted Note to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the holder of such Transfer Restricted Note proposes to exchange such Transfer Restricted Note for a beneficial interest in a Restricted Global Note, a certificate from such holder in the form attached to the applicable Note;

(B) if such Transfer Restricted Note is being transferred to a Qualified Institutional Buyer in accordance with Rule 144A under the Securities Act, a certificate from such holder in the form attached to the applicable Note;

(C) if such Transfer Restricted Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate from such holder in the form attached to the applicable Note;

(D) if such Transfer Restricted Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate from such holder in the form attached to the applicable Note;

(E) if such Transfer Restricted Note is being transferred to an Institutional Accredited Investor in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (B) through (D) above, a certificate from such holder in the form attached to the applicable Note, including the certifications, certificates and Opinion of Counsel, if applicable; or

(F) if such Transfer Restricted Note is being transferred to the Issuer or a Subsidiary thereof, a certificate from such holder in the form attached to the applicable Note;

the Trustee shall cancel the Transfer Restricted Note, and increase or cause to be increased the aggregate principal amount of the appropriate Restricted Global Note.

(ii) Transfer Restricted Notes to Beneficial Interests in Unrestricted Global Notes. A holder of a Transfer Restricted Note may exchange such Transfer Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note or transfer such Transfer Restricted Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(A) if the holder of such Transfer Restricted Note proposes to exchange such Transfer Restricted Note for a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form attached to the applicable Note; or

(B) if the holder of such Transfer Restricted Notes proposes to transfer such Transfer Restricted Note to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form attached to the applicable Note,

and, in each such case, if the Issuer or the Registrar so requests or if the applicable rules and procedures of the Depository so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act. Upon satisfaction of the conditions of this subparagraph (ii), the Trustee shall cancel the Transfer Restricted Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note. If any such transfer or exchange is effected pursuant to this subparagraph (ii) at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an written order of the Issuer in the form of an Officers' Certificate, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of Transfer Restricted Notes transferred or exchanged pursuant to this subparagraph (ii).

(iii) Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes. A holder of an Unrestricted Definitive Note may exchange such Unrestricted Definitive Note for a beneficial interest in an Unrestricted Global Note or transfer such Unrestricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the

Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes. If any such transfer or exchange is effected pursuant to this subparagraph (iii) at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an written order of the Issuer in the form of an Officers' Certificate, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of Unrestricted Definitive Notes transferred or exchanged pursuant to this subparagraph (iii).

(iv) Unrestricted Definitive Notes to Beneficial Interests in Restricted Global Notes. An Unrestricted Definitive Note cannot be exchanged for, or transferred to a Person who takes delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(e) Transfer and Exchange of Definitive Notes for Definitive Notes. Upon request by a holder of Definitive Notes and such holder's compliance with the provisions of this Section 2.2(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such holder or by its attorney, duly authorized in writing. In addition, the requesting holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.2(e).

(i) Transfer Restricted Notes to Transfer Restricted Notes. A Transfer Restricted Note may be transferred to and registered in the name of a Person who takes delivery thereof in the form of a Transfer Restricted Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form attached to the applicable Note;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904 under the Securities Act, then the transferor must deliver a certificate in the form attached to the applicable Note;

(C) if the transfer will be made pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate in the form attached to the applicable Note;

(D) if the transfer will be made to an IAI in reliance on an exemption from the registration requirements of the Securities Act other than those listed in subparagraphs (A) through (D) above, a certificate in the form attached to the applicable Note; and

(E) if such transfer will be made to the Issuer or a Subsidiary thereof, a certificate in the form attached to the applicable Note.

(ii) Transfer Restricted Notes to Unrestricted Definitive Notes. Any Transfer Restricted Note may be exchanged by the holder thereof for an Unrestricted Definitive Note or transferred to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

(1) if the holder of such Transfer Restricted Note proposes to exchange such Transfer Restricted Note for an Unrestricted Definitive Note, a certificate from such holder in the form attached to the applicable Note; or

(2) if the holder of such Transfer Restricted Note proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder in the form attached to the applicable Note,

and, in each such case, if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Issuer to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Restricted Notes Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) Unrestricted Definitive Notes to Unrestricted Definitive Notes. A holder of an Unrestricted Definitive Note may transfer such Unrestricted Definitive Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note at any time. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the holder thereof.

(iv) Unrestricted Definitive Notes to Transfer Restricted Notes. An Unrestricted Definitive Note cannot be exchanged for, or transferred to a Person who takes delivery thereof in the form of, a Transfer Restricted Note.

At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

(f) Legend.

(i) Except as permitted by the following paragraph (ii), (iii) or (iv), each Note certificate evidencing the Global Notes and the Definitive Notes (and all Notes issued in exchange therefor or in substitution thereof) shall bear a legend in substantially the following form (each defined term in the legend being defined as such for purposes of the legend only):

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE

WITH RULE 904 UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT WITHIN ONE YEAR AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY (OR SUCH SHORTER PERIOD THEN REQUIRED UNDER RULE 144 OR ITS SUCCESSOR RULE) RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT (IF AVAILABLE), (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE ISSUER SO REQUESTS), OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

Each Definitive Note shall bear the following additional legends:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

"THE TERMS OF THIS SECURITY ARE SUBJECT TO THE TERMS OF THE INTERCREDITOR AGREEMENT, DATED JANUARY 28, 2008, BY AND AMONG BANK OF AMERICA, N.A., U.S. BANK NATIONAL ASSOCIATION, CITIBANK, N.A. AND THE OTHER PARTIES THERETO FROM TIME TO TIME."

(ii) Upon any sale or transfer of a Transfer Restricted Note that is a Definitive Note, the Registrar shall permit the holder thereof to exchange such Transfer Restricted Note for a Definitive Note that does not bear the legends set forth above and rescind any restriction on the transfer of such Transfer Restricted Note if the holder certifies in writing to the Registrar that its request for such exchange was made in reliance on Rule 144 (such certification to be in the form set forth on the reverse of the Initial Note).

(iii) After a transfer of any Initial Notes during the period of the effectiveness of a Shelf Registration Statement with respect to such Initial Notes, all requirements pertaining to the Restricted Notes Legend on such Initial Notes shall cease to apply and the requirements that any such Initial Notes be issued in global form shall continue to apply.

(iv) Upon the consummation of a Registered Exchange Offer with respect to the Initial Notes pursuant to which holders of such Initial Notes are offered Exchange Notes in exchange for their Initial Notes, all requirements pertaining to Initial Notes that Initial Notes be issued in global form shall continue to apply, and Exchange Notes in global form without the Restricted Notes Legend shall be available to holders that exchange such Initial Notes in such Registered Exchange Offer.

(v) Upon a sale or transfer after the expiration of the Restricted Period of any Initial Note acquired pursuant to Regulation S, all requirements that such Initial Note bear the Restricted Notes Legend shall cease to apply and the requirements requiring any such Initial Note be issued in global form shall continue to apply.

(vi) Any Additional Notes sold in a registered offering shall not be required to bear the Restricted Notes Legend.

(g) Cancellation or Adjustment of Global Note. At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11 of this Indenture. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depository at the direction of the Trustee to reflect such increase.

(h) Obligations with Respect to Transfers and Exchanges of Notes.

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate, Definitive Notes and Global Notes at the Registrar's request.

(ii) No service charge shall be made for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any transfer tax, assessments, or similar governmental charge payable in connection therewith (other than any such transfer taxes, assessments or similar governmental charge payable upon exchanges pursuant to Sections 3.06, 4.06, 4.08 and 9.05 of this Indenture).

(iii) Prior to the due presentation for registration of transfer of any Note, the Issuer, the Trustee, a Paying Agent or the Registrar may deem and treat the person in whose name a Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Note and for all other purposes whatsoever, whether or not such Note is overdue, and none of the Issuer, the Trustee, the Paying Agent or the Registrar shall be affected by notice to the contrary.

(iv) All Notes issued upon any transfer or exchange pursuant to the terms of this Indenture shall evidence the same debt and shall be entitled to the same benefits under this Indenture as the Notes surrendered upon such transfer or exchange.

(i) No Obligation of the Trustee.

(i) The Trustee shall have no responsibility or obligation to any beneficial owner of a Global Note, a member of, or a participant in the Depository or any other Person with respect to the accuracy of the records of the Depository or its nominee or of any participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery to any participant, member, beneficial owner or other Person (other than the Depository) of any notice (including any notice of redemption or repurchase) or the payment of any amount, under or with respect to such Notes. All notices and communications to be given to the holders and all payments to be made to the holders under the Notes shall be given or made only to the registered holders (which shall be the Depository or its nominee

in the case of a Global Note). The rights of beneficial owners in any Global Note shall be exercised only through the Depository subject to the applicable rules and procedures of the Depository. The Trustee may rely and shall be fully protected in relying upon information furnished by the Depository with respect to its members, participants and any beneficial owners.

(ii) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depository participants, members or beneficial owners in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by, the terms of this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

EXHIBIT A-1

[FORM OF FACE OF INITIAL CASH PAY NOTE]

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[Restricted Notes Legend]

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT WITHIN ONE YEAR AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY (OR SUCH SHORTER PERIOD THEN REQUIRED UNDER RULE 144 OR ITS SUCCESSOR RULE) RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT (IF AVAILABLE), (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE ISSUER SO REQUESTS), OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT

UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

Each Definitive Note shall bear the following additional legend:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

"THE TERMS OF THIS SECURITY ARE SUBJECT TO THE TERMS OF THE INTERCREDITOR AGREEMENT, DATED JANUARY 28, 2008, BY AND AMONG BANK OF AMERICA, N.A., U.S. BANK NATIONAL ASSOCIATION, CITIBANK, N.A. AND THE OTHER PARTIES THERETO FROM TIME TO TIME."

[FORM OF INITIAL CASH PAY NOTE]

No. $_____

10.75% Senior Cash Pay Note due 2016

144A CUSIP No. 413627AY6
144A ISIN No. US 413627AY65

REG S CUSIP No. U24658 AJ2
REG S ISIN No. USU24658AJ23

HARRAH'S OPERATING COMPANY, INC., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum of [_____] Dollars on February 1, 2016.

Interest Payment Dates: February 1 and August 1

Record Dates: January 15 and July 15

Additional provisions of this Note are set forth on the other side of this Note.

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IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

HARRAH'S OPERATING COMPANY, INC.

By: _____
Name:
Title:

Dated: February 1, 2008

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

U.S. BANK NATIONAL ASSOCIATION
as Trustee, certifies that this is one of the Notes referred to in the Indenture.

By: _____
Authorized Signatory

*/ If the Note is to be issued in global form, add the Global Notes Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL SECURITIES – SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY."

[FORM OF REVERSE SIDE OF INITIAL CASH PAY NOTE]

10.75% Senior Cash Pay Note Due 2016

1. Interest

HARRAH'S OPERATING COMPANY, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Issuer"), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Issuer shall pay interest semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing August 1, 2008. Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from February 1, until the principal hereof is due. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Issuer shall pay interest on overdue principal at the rate borne by the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

2. Method of Payment

The Issuer shall pay interest on the Notes (except defaulted interest) to the Persons who are registered holders at the close of business on January 15 or July 15 (each a "Record Date") next preceding the interest payment date even if Notes are canceled after the record date and on or before the interest payment date (whether or not a Business Day). Holders must surrender Notes to the Paying Agent to collect principal payments. The Issuer shall pay principal, premium, if any, and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium, if any, and interest) shall be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Issuer or any successor depositary. The Issuer shall make all payments in respect of a certificated Note (including principal, premium, if any, and interest) at the office of the Paying Agent, except that, at the option of the Issuer, payment of interest may be made by mailing a check to the registered address of each holder thereof; *provided*, *however*, that payments on the Notes may also be made, in the case of a holder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such holder elects payment by wire transfer by giving written notice to the Trustee or Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank National Association (the "Trustee"), will act as Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent or Registrar without notice. The Issuer or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture dated as of February 1, 2008 (the "Indenture"), among the Issuer, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and the holders (as defined in the Indenture) are referred to the Indenture and the TIA for a statement of such terms and provisions

The Notes are senior unsecured obligations of the Issuer. This Note is one of the Initial Notes referred to in the Indenture. The Notes include the Initial Notes, any Additional Notes and any Exchange Notes issued in exchange for the Initial Notes or any Additional Notes pursuant to the Indenture. The Initial Notes, any Additional Notes and any Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, Incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of the Issuer and such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or Incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Issuer and each Note Guarantor to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its property.

To guarantee the due and punctual payment of the principal and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have, jointly and severally, unconditionally guaranteed the Guaranteed Obligations on a senior unsecured basis pursuant to the terms of the Indenture.

5. Optional Redemption

On or after February 1, 2012, the Issuer may redeem the Cash Pay Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on February 1 of the years set forth below:

Period	Redemption Price
2012	105.375%
2013	102.688%
2014 and thereafter	100.000%

In addition, prior to February 1, 2012 the Issuer may redeem the Cash Pay Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the Cash Pay Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and additional interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notwithstanding the foregoing, at any time and from time to time on or prior to February 1, 2011, the Issuer may redeem in the aggregate up to 35% of the original aggregate principal amount of the Cash Pay Notes (calculated after giving effect to any issuance of additional Cash Pay Notes) with the

net cash proceeds of one or more Equity Offerings (1) by the Issuer or (2) by any direct or indirect parent of the Issuer to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of principal amount thereof) of 110.75%, plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 50% of the original aggregate principal amount of the Cash Pay Notes (calculated after giving effect to any issuance of additional Cash Pay Notes) must remain outstanding after each such redemption; *provided*, *further*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days' notice mailed to each holder of Cash Pay Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

6. Mandatory Redemption

The Notes are not subject to any mandatory redemption or sinking fund payments.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed at his, her or its registered address. Notes in denominations larger than $2,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes (or portions thereof) to be redeemed on the redemption date is deposited with a Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date, interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

8. Repurchase of Notes at the Option of the holders upon Change of Control and Asset Sales

Upon the occurrence of a Change of Control, each holder shall have the right, subject to certain conditions specified in the Indenture, to cause the Issuer to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of the holders of record on the relevant record date to receive interest due on the relevant interest payment date), as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.06 of the Indenture, the Issuer will be required to offer to purchase Notes upon the occurrence of certain events.

9. [Reserved]

10. Denominations; Transfer; Exchange

The Notes are in registered form, without coupons, in denominations of $2,000 and any integral multiple of $1,000. A holder shall register the transfer of or exchange of Notes in accordance with the Indenture. Upon any registration of transfer or exchange, the Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements or transfer documents and to pay

any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or to transfer or exchange any Notes for a period of 15 days prior to a selection of Notes to be redeemed.

11. Persons Deemed Owners

The registered holder of this Note shall be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee and a Paying Agent shall pay the money back to the Issuer at their written request unless an abandoned property law designates another Person. After any such payment, the holders entitled to the money must look to the Issuer for payment as general creditors and the Trustee and a Paying Agent shall have no further liability with respect to such monies.

13. Discharge and Defeasance

Subject to certain conditions, the Issuer at any time may terminate some of or all its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

14. Amendment; Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Notes of such series and (ii) any past default or compliance with any provisions may be waived with the written consent of the holders of at least a majority in principal amount of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any holder, the Issuer and the Trustee may amend the Indenture, the Intercreditor Agreement or the Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to provide for the assumption by a Successor Issuer of the obligations of the Issuer under the Indenture and the Notes; (iii) to provide for the assumption by a Successor Note Guarantor of the obligations of a Note Guarantor under the Indenture and its Note Guarantee; (iv) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code); (v) to conform the text of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement, to any provision of the "Description of Notes" in the Offering Memorandum to the extent that such provision in the "Description of Notes" was intended to be a verbatim recitation of a provision of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement; (vi) to add a Note Guarantee with respect to the Notes; (vii) to add additional covenants of the Issuer for the benefit of the holders or to surrender rights and powers conferred on the Issuer; (viii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (ix) to make any change that does not adversely affect the rights of any holder; or (x) to provide for the issuance of the Exchange Notes or Additional Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) and is continuing, the Trustee or the holders of at least 30% in principal amount of the outstanding Notes of such series, in each case, by notice to the Issuer, may declare the principal of, premium, if any, and accrued but unpaid interest on all the Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the Notes shall become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

If an Event of Default occurs and is continuing, the Trustee shall be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense and certain other conditions are complied with. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless (i) such holder has previously given the Trustee notice that an Event of Default is continuing, (ii) the holders of at least 30% in principal amount of the outstanding Notes of the applicable series have requested the Trustee in writing to pursue the remedy, (iii) such holders have offered the Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the holders of a majority in principal amount of the outstanding Notes of the applicable series have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Trustee Dealings with the Issuer

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

No director, officer, employee, incorporator or holder of any equity interests in the Issuer or of any Note Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuer or the Note Guarantors under the Notes, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

21. CUSIP Numbers; ISINs

The Issuer has caused CUSIP numbers and ISINs to be printed on the Notes and has directed the Trustee to use CUSIP numbers and ISINs in notices of redemption as a convenience to the holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuer will furnish to any holder of Notes upon written request and without charge to the holder a copy of the Indenture which has in it the text of this Note.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

(Print or type assignee's name, address and zip code)

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: Your Signature:

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:

Date:

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

Signature of Signature Guarantee

A-1-12

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR
REGISTRATION OF TRANSFER RESTRICTED SECURITIES

This certificate relates to $_____ principal amount of Notes held in (check applicable space) _____ book-entry or _____definitive form by the undersigned.

The undersigned (check one box below):

¨ has requested the Trustee by written order to deliver in exchange for its beneficial interest in the Global Note held by the Depository a Note or Notes in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above);

¨ has requested the Trustee by written order to exchange or register the transfer of a Note or Notes.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) ¨ to the Issuer; or

(2) ¨ to the Registrar for registration in the name of the holder, without transfer; or

(3) ¨ pursuant to an effective registration statement under the Securities Act of 1933; or

(4) ¨ inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(5) ¨ outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933 and such Note shall be held immediately after the transfer through Euroclear or Clearstream until the expiration of the Restricted Period (as defined in the Indenture); or

(6) ¨ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933) that has furnished to the Trustee a signed letter containing certain representations and agreements; or

(7) ¨ pursuant to another available exemption from registration provided by Rule 144 under the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; *provided*, *however*, that if box (5), (6) or (7) is checked, the Issuer or the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Issuer or the Trustee have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

Date: _____ Your Signature: _____

Signature Guarantee:

Date: _____ _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

Signature of Signature Guarantee

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____

_____

NOTICE: To be executed by an executive officer

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Note is $_____. The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Notes Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, check the box:

Asset Sale ¨ Change of Control ¨

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, state the amount ($2,000 or any integral multiple of $1,000):

$

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

EXHIBIT A-2

[FORM OF FACE OF INITIAL TOGGLE NOTE]

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

[Restricted Notes Legend]

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH BELOW. BY ITS ACQUISITION HEREOF, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT WITHIN ONE YEAR AFTER THE ORIGINAL ISSUANCE OF THIS SECURITY (OR SUCH SHORTER PERIOD THEN REQUIRED UNDER RULE 144 OR ITS SUCCESSOR RULE) RESELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (B) INSIDE THE UNITED STATES TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT (IF AVAILABLE), (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE), (E) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL IF THE ISSUER SO REQUESTS), OR (F) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT

UNDER THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANING GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT."

Each Definitive Note shall bear the following additional legend:

"IN CONNECTION WITH ANY TRANSFER, THE HOLDER WILL DELIVER TO THE REGISTRAR AND TRANSFER AGENT SUCH CERTIFICATES AND OTHER INFORMATION AS SUCH TRANSFER AGENT MAY REASONABLY REQUIRE TO CONFIRM THAT THE TRANSFER COMPLIES WITH THE FOREGOING RESTRICTIONS."

"THE TERMS OF THIS SECURITY ARE SUBJECT TO THE TERMS OF THE INTERCREDITOR AGREEMENT, DATED JANUARY 28, 2008, BY AND AMONG BANK OF AMERICA, N.A., U.S. BANK NATIONAL ASSOCIATION, CITIBANK, N.A. AND THE OTHER PARTIES THERETO FROM TIME TO TIME."

"THIS NOTE IS ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR PURPOSES OF SECTION 1271 ET SEQ. OF THE INTERNAL REVENUE CODE. A HOLDER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR SUCH NOTES BY SUBMITTING A REQUEST FOR SUCH INFORMATION TO THE BORROWER AT THE FOLLOWING ADDRESS: HARRAH'S OPERATING COMPANY, INC., ONE CAESAR'S PALACE DRIVE, LAS VEGAS, NEVADA, 89101-8969, ATTENTION: GENERAL COUNSEL."

[FORM OF INITIAL TOGGLE NOTE]

No. $_____

10.75% / 11.5% Senior Toggle Note due 2018

CUSIP No. 413627 AZ3
ISIN No. US413627AZ31

Reg S CUSIP No. U24658 AK9
Reg S ISIN No. USU24658AK95

HARRAH'S OPERATING COMPANY, INC., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum listed on the Schedule of Increases or Decreases in Global Note attached hereto on February 1, 2018.

Interest Payment Dates: February 1 and August 1

Record Dates: January 15 and July 15

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

HARRAH'S OPERATING COMPANY, INC.

By: _____
Name:
Title:

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

U.S. BANK NATIONAL ASSOCIATION
as Trustee, certifies that this is one of the Notes referred to in the Indenture.

By: _____
Authorized Signatory

*/ If the Note is to be issued in global form, add the Global Notes Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL SECURITIES – SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY."

[FORM OF REVERSE SIDE OF INITIAL TOGGLE NOTE]

10.75% / 11.5% Senior Toggle Note Due 2018

1. Interest

(a) HARRAH'S OPERATING COMPANY, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Issuer"), promises to pay interest on the principal amount of this Toggle Note at the rate per annum shown above.

(b) Cash Interest on this Toggle Note will accrue at the rate of 10.75% per annum and be payable in cash. PIK Interest on this Toggle Note will accrue at the rate of 11.5% per annum and be payable (x) with respect to Toggle Notes represented by one or more global notes registered in the name of, or held by, the Depository Trust Company ("DTC") or its nominee on the relevant record date, by increasing the principal amount of the outstanding global Toggle Note by an amount equal to the amount of PIK Interest for the applicable interest period (rounded up to the nearest $1) and (y) with respect to Toggle Notes represented by certificated notes, by issuing PIK Notes in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the period (rounded up to the nearest whole dollar), and the Trustee will, at the request of the Issuer, authenticate and deliver such PIK Notes in certificated form for original issuance to the holders on the relevant record date, as shown by the records of the register of holders. In the event that the Issuer elects to pay Partial PIK Interest for any interest period, each holder will be entitled to receive Cash Interest in respect of 50% of the principal amount of the Toggle Notes held by such holder on the relevant record date and PIK Interest in respect of 50% of the principal amount of the Toggle Notes held by such holder on the relevant record date. Following an increase in the principal amount of the outstanding global Toggle Notes as a result of a PIK Payment, the global Toggle Notes will bear interest on such increased principal amount from and after the date of such PIK Payment. All Toggle Notes issued pursuant to a PIK Payment will mature on February 1, 2018 and will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the Toggle Notes issued on the Issue Date. Any certificated PIK Notes will be issued with the description PIK on the face of such PIK Note.

(c) The Issuer shall pay interest semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing August 1, 2008. Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from February 1, 2008 until the principal hereof is due. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Issuer shall pay interest on overdue principal at the rate borne by the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

2. Method of Payment

For any interest payment period after the initial interest payment period and prior to February 1, 2013, the Issuer may, at its option, elect to pay interest on this Toggle Note:

- entirely in cash ("Cash Interest");
- entirely by increasing the principal amount of the outstanding Toggle Notes or by issuing PIK Notes ("PIK Interest"); or

- on 50% of the outstanding principal amount of the Toggle Notes in cash and on 50% of the principal amount by increasing the principal amount of the outstanding Toggle Notes or by issuing PIK Notes ("Partial PIK Interest").

The Issuer must elect the form of interest payment with respect to each interest period by delivering a notice to the Trustee at least 30 days prior to the beginning of each interest period. The Trustee shall promptly deliver a corresponding notice to the holders. In the absence of such election for any interest period, interest on the Toggle Notes shall be payable according to the election for the previous interest period. Interest for the first interest period commencing on the Issue Date shall be payable entirely in cash. After February 1, 2013, the Issuer will make all interest payments on the Toggle Notes entirely in cash.

The Issuer shall pay interest on the Notes (except defaulted interest) to the Persons who are registered holders at the close of business on January 15 or July 15 (each a "Record Date") next preceding the interest payment date even if Notes are canceled after the record date and on or before the interest payment date (whether or not a Business Day). holders must surrender Notes to the Paying Agent to collect principal payments. The Issuer shall pay principal, premium, if any, and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium, if any, and interest) shall be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Issuer or any successor depositary. The Issuer shall make all payments in respect of a certificated Note (including principal, premium, if any, and interest) at the office of the Paying Agent, except that, at the option of the Issuer, payment of interest may be made by mailing a check to the registered address of each holder thereof; *provided*, *however*, that payments on the Notes may also be made, in the case of a holder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such holder elects payment by wire transfer by giving written notice to the Trustee or Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank National Association (the "Trustee"), will act as Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent or Registrar without notice. The Issuer or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture dated as of February 1, 2008 (the "Indenture"), among the Issuer, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and the holders (as defined in the Indenture) are referred to the Indenture and the TIA for a statement of such terms and provisions

The Notes are senior unsecured obligations of the Issuer. This Note is one of the Initial Notes referred to in the Indenture. The Notes include the Initial Notes, any Additional Notes and any Exchange Notes issued in exchange for the Initial Notes or any Additional Notes pursuant to the Indenture.

The Initial Notes, any Additional Notes and any Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, Incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of the Issuer and such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or Incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Issuer and each Note Guarantor to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its property.

To guarantee the due and punctual payment of the principal and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have, jointly and severally, unconditionally guaranteed the Guaranteed Obligations on a senior unsecured basis pursuant to the terms of the Indenture.

5. Optional Redemption

On or after February 1, 2013, the Issuer may redeem the Toggle Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on of the years set forth below:

Period	Redemption Price
2013	105.375%
2014	103.583%
2015	101.792%
2016 and thereafter	100.000%

In addition, prior to February 1, 2013, the Issuer may redeem the Cash Pay Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the Toggle Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and additional interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notwithstanding the foregoing, at any time and from time to time on or prior to February 1, 2011, the Issuer may redeem in the aggregate up to 35% of the original aggregate principal amount of the Toggle Notes (calculated after giving effect to any issuance of additional Toggle Notes) with the net cash proceeds of one or more Equity Offerings (1) by the Issuer or (2) by any direct or indirect parent of the Issuer to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of principal amount thereof) of 110.75%, plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on

the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 50% of the original aggregate principal amount of the Toggle Notes (calculated after giving effect to any issuance of additional Toggle Notes) must remain outstanding after each such redemption; *provided*, *further*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days' notice mailed to each holder of Toggle Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

6. Mandatory Redemption

(a) Except as set forth below, the Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Toggle Notes.

(b) If the Toggle Notes would otherwise constitute "applicable high yield discount obligations" within the meaning of 163(i)(1) of the Code, at the end of each accrual period ending after the fifth anniversary of the Toggle Notes' issuance (each, any "AHYDO redemption date"), the Issuer will be required to redeem for cash a portion of each Toggle Note then outstanding equal to the "Mandatory Principal Redemption Amount" (such redemption a "Mandatory Principal Redemption"). The redemption price for the portion of each Toggle Note redeemed pursuant to a Mandatory Principal Redemption will be 100% of the principal amount of such portion plus any accrued interest thereon on the date of redemption. The "Mandatory Principal Redemption Amount" means the portion of a Toggle Note that must be required to be redeemed to prevent such Toggle Note from being treated as an "applicable high yield discount obligation" within the meaning of Section 163(i)(1) of the Code. No partial redemption or repurchase of the Toggle Notes prior to the AHYDO redemption date pursuant to any other provision of the indenture will alter the Issuer's obligation to make the Mandatory Principal Redemption with respect to any Toggle Notes that remain outstanding on the AHYDO redemption date.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed at his, her or its registered address. Notes in denominations larger than $2,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes (or portions thereof) to be redeemed on the redemption date is deposited with a Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date, interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

8. Repurchase of Notes at the Option of the holders upon Change of Control and Asset Sales

Upon the occurrence of a Change of Control, each holder shall have the right, subject to certain conditions specified in the Indenture, to cause the Issuer to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of the holders of record on the relevant record date to receive interest due on the relevant interest payment date), as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.06 of the Indenture, the Issuer will be required to offer to purchase Notes upon the occurrence of certain events.

9. [Reserved]

10. Denominations; Transfer; Exchange

The Notes are in registered form, without coupons, in denominations of $2,000 and any integral multiple of $1,000. A holder shall register the transfer of or exchange of Notes in accordance with the Indenture. Upon any registration of transfer or exchange, the Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or to transfer or exchange any Notes for a period of 15 days prior to a selection of Notes to be redeemed.

11. Persons Deemed Owners

The registered holder of this Note shall be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee and a Paying Agent shall pay the money back to the Issuer at their written request unless an abandoned property law designates another Person. After any such payment, the holders entitled to the money must look to the Issuer for payment as general creditors and the Trustee and a Paying Agent shall have no further liability with respect to such monies.

13. Discharge and Defeasance

Subject to certain conditions, the Issuer at any time may terminate some of or all its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

14. Amendment; Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Notes of each series and (ii) any past default or compliance with any provisions may be waived with the written consent of the holders of at least a majority in principal amount of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any holder, the Issuer and the Trustee may amend the Indenture, the Intercreditor Agreement or the Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to provide for the assumption by a Successor Issuer of the obligations of the Issuer under the Indenture and the Notes; (iii) to provide for the assumption by a Successor Note Guarantor of the obligations of a Note Guarantor under the Indenture and its Note Guarantee; (iv) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code); (v) to conform the text of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement, to any provision of the "Description of Notes" in the Offering Memorandum to the extent that such provision in the

"Description of Notes" was intended to be a verbatim recitation of a provision of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement; (vi) to add a Note Guarantee with respect to the Notes; (vii) to add additional covenants of the Issuer for the benefit of the holders or to surrender rights and powers conferred on the Issuer; (viii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (ix) to make any change that does not adversely affect the rights of any holder; or (x) to provide for the issuance of the Exchange Notes or Additional Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) and is continuing, the Trustee or the holders of at least 30% in principal amount of the outstanding Notes of such series, in each case, by notice to the Issuer, may declare the principal of, premium, if any, and accrued but unpaid interest on all the Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the Notes shall become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

If an Event of Default occurs and is continuing, the Trustee shall be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense and certain other conditions are complied with. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless (i) such holder has previously given the Trustee notice that an Event of Default is continuing, (ii) the holders of at least 30% in principal amount of the outstanding Notes of the applicable series have requested the Trustee in writing to pursue the remedy, (iii) such holders have offered the Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the holders of a majority in principal amount of the outstanding Notes of the applicable series have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Trustee Dealings with the Issuer

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

No director, officer, employee, incorporator or holder of any equity interests in the Issuer or of any Note Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuer or the Note Guarantors under the Notes, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

21. CUSIP Numbers; ISINs

The Issuer has caused CUSIP numbers and ISINs to be printed on the Notes and has directed the Trustee to use CUSIP numbers and ISINs in notices of redemption as a convenience to the holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuer will furnish to any holder of Notes upon written request and without charge to the holder a copy of the Indenture which has in it the text of this Note.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____ Your Signature: _____

_____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:

Date: _____ _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

Signature of Signature Guarantee

A-2-13

CERTIFICATE TO BE DELIVERED UPON EXCHANGE OR
REGISTRATION OF TRANSFER RESTRICTED SECURITIES

This certificate relates to $ _____ principal amount of Notes held in (check applicable space) _____ book-entry or _____ definitive form by the undersigned.

The undersigned (check one box below):

¨ has requested the Trustee by written order to deliver in exchange for its beneficial interest in the Global Note held by the Depository a Note or Notes in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above);

¨ has requested the Trustee by written order to exchange or register the transfer of a Note or Notes.

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the period referred to in Rule 144(k) under the Securities Act, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW

(1) ¨ to the Issuer; or

(2) ¨ to the Registrar for registration in the name of the holder, without transfer; or

(3) ¨ pursuant to an effective registration statement under the Securities Act of 1933; or

(4) ¨ inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A, in each case pursuant to and in compliance with Rule 144A under the Securities Act of 1933; or

(5) ¨ outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act in compliance with Rule 904 under the Securities Act of 1933 and such Note shall be held immediately after the transfer through Euroclear or Clearstream until the expiration of the Restricted Period (as defined in the Indenture); or

(6) ¨ to an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933) that has furnished to the Trustee a signed letter containing certain representations and agreements; or

(7) ¨ pursuant to another available exemption from registration provided by Rule 144 under the Securities Act of 1933.

Unless one of the boxes is checked, the Trustee will refuse to register any of the Notes evidenced by this certificate in the name of any Person other than the registered holder thereof; *provided*, *however*, that if box (5), (6) or (7) is checked, the Issuer or the Trustee may require, prior to registering any such transfer of the Notes, such legal opinions, certifications and other information as the Issuer or the Trustee have reasonably requested to confirm that such transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933.

Date: _____ Your Signature: _____

Signature Guarantee:

Date: _____ _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

Signature of Signature Guarantee

TO BE COMPLETED BY PURCHASER IF (4) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

Dated: _____

_____

NOTICE: To be executed by an executive officer

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Note is $ _____. The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Notes Custodian

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, check the box:

Asset Sale ¨ Change of Control ¨

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, state the amount ($2,000 or any integral multiple of $1,000):

$

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

EXHIBIT B-1

[FORM OF FACE OF CASH PAY EXCHANGE NOTE]
[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

THE TERMS OF THIS SECURITY ARE SUBJECT TO THE TERMS OF THE INTERCREDITOR AGREEMENT, DATED JANUARY 28, 2008, BY AND AMONG BANK OF AMERICA, N.A., U.S. BANK NATIONAL ASSOCIATION, CITIBANK, N.A. AND THE OTHER PARTIES THERETO FROM TIME TO TIME.

No. $_____

10.75% Senior Cash Pay Note due 2016

CUSIP No. _____
ISIN No. _____

HARRAH'S OPERATING COMPANY, INC., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum of Dollars on February 1, 2016.

Interest Payment Dates: February 1 and August 1

Record Dates: January 15 and July 15

Additional provisions of this Note are set forth on the other side of this Note.

B-1-2

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

HARRAH'S OPERATING COMPANY, INC.

By: _____
Name:
Title:

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

U.S. BANK NATIONAL ASSOCIATION,
as Trustee, certifies that this is one of the Notes referred to in the Indenture.

By: _____
Authorized Signatory

*/ If the Note is to be issued in global form, add the Global Notes Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL SECURITIES – SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY."

[FORM OF REVERSE SIDE OF CASH PAY EXCHANGE NOTE]

10.75% Senior Cash Pay Note due 2016

1. Interest

HARRAH'S OPERATING COMPANY., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Issuer"), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Issuer shall pay interest semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing August 1, 2008. Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from February 1, 2008 until the principal hereof is due. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Issuer shall pay interest on overdue principal at the rate borne by the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

2. Method of Payment

The Issuer shall pay interest on the Notes (except defaulted interest) to the Persons who are registered holders at the close of business on January 15 or July 15 (each a "Record Date") next preceding the interest payment date even if Notes are canceled after the record date and on or before the interest payment date (whether or not a Business Day). holders must surrender Notes to the Paying Agent to collect principal payments. The Issuer shall pay principal, premium, if any, and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium, if any, and interest) shall be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Issuer or any successor depositary. The Issuer shall make all payments in respect of a certificated Note (including principal, premium, if any, and interest), at the office of the Paying Agent, except that, at the option of the Issuer, payment of interest may be made by mailing a check to the registered address of each holder thereof; *provided*, *however*, that payments on the Notes may also be made, in the case of a holder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such holder elects payment by wire transfer by giving written notice to the Trustee or Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank National Association (the "Trustee"), will act as Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent or Registrar without notice. The Issuer or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture dated as of February 1, 2008 (the "Indenture"), among the Issuer, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and the holders (as defined in the Indenture) are referred to the Indenture and the TIA for a statement of such terms and provisions.

The Notes are senior unsecured obligations of the Issuer. This Note is one of the Exchange Notes referred to in the Indenture. The Notes include the Initial Notes, any Additional Notes and any Exchange Notes issued in exchange for the Initial Notes or any Additional Notes pursuant to the Indenture. The Initial Notes, any Additional Notes and any Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, Incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of the Issuer and such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or Incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Issuer and each Note Guarantor to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its property.

To guarantee the due and punctual payment of the principal and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have, jointly and severally, unconditionally guaranteed the Guaranteed Obligations on a senior subordinated basis pursuant to the terms of the Indenture.

5. Optional Redemption

On or after February 1, 2012, the Issuer may redeem the Cash Pay Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on February 1 of the years set forth below:

Period	Redemption Price
2012	105.375%
2013	102.688%
2014 and thereafter	100.000%

In addition, prior to February 1, 2012, the Issuer may redeem the Cash Pay Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the Cash Pay Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and additional interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notwithstanding the foregoing, at any time and from time to time on or prior to February 1, 2011, the Issuer may redeem in the aggregate up to 35% of the original aggregate principal amount of the Cash Pay Notes (calculated after giving effect to any issuance of additional Cash Pay Notes) with the

net cash proceeds of one or more Equity Offerings (1) by the Issuer or (2) by any direct or indirect parent of the Issuer to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of principal amount thereof) of 110.75%, plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 50% of the original aggregate principal amount of the Cash Pay Notes (calculated after giving effect to any issuance of additional Cash Pay Notes) must remain outstanding after each such redemption; *provided*, *further*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days' notice mailed to each holder of Cash Pay Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

6. Mandatory Redemption

The Notes are not subject to any sinking fund.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed at his, her or its registered address. Notes in denominations larger than $2,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes (or portions thereof) to be redeemed on the redemption date is deposited with a Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

8. Repurchase of Notes at the Option of the holders upon Change of Control and Asset Sales

Upon the occurrence of a Change of Control, each holder shall have the right, subject to certain conditions specified in the Indenture, to cause the Issuer to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of the holders of record on the relevant record date to receive interest due on the relevant interest payment date), as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.06 of the Indenture, the Issuer will be required to offer to purchase Notes upon the occurrence of certain events.

9. [Reserved]

10. Denominations; Transfer; Exchange

The Notes are in registered form, without coupons, in denominations of $2,000 and any integral multiple of $1,000. A holder shall register the transfer of or exchange of Notes in accordance with the Indenture. Upon any registration of transfer or exchange, the Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements or transfer documents and to pay

any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or to transfer or exchange any Notes for a period of 15 days prior to a selection of Notes to be redeemed.

11. Persons Deemed Owners

The registered holder of this Note shall be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee and a Paying Agent shall pay the money back to the Issuer at their written request unless an abandoned property law designates another Person. After any such payment, the holders entitled to the money must look to the Issuer for payment as general creditors and the Trustee and a Paying Agent shall have no further liability with respect to such monies.

13. Discharge and Defeasance

Subject to certain conditions, the Issuer at any time may terminate some of or all its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

14. Amendment; Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Notes of each series and (ii) any past default or compliance with any provisions may be waived with the written consent of the holders of at least a majority in principal amount of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any holder, the Issuer and the Trustee may amend the Indenture, the Intercreditor Agreement or the Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to provide for the assumption by a Successor Issuer of the obligations of the Issuer under the Indenture and the Notes; (iii) to provide for the assumption by a Successor Note Guarantor of the obligations of a Note Guarantor under the Indenture and its Note Guarantee; (iv) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code); (v) to conform the text of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement, to any provision of the "Description of Notes" in the Offering Memorandum to the extent that such provision in the "Description of Notes" was intended to be a verbatim recitation of a provision of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement; (vi) to add a Note Guarantee with respect to the Notes; (vii) to add additional covenants of the Issuer for the benefit of the holders or to surrender rights and powers conferred on the Issuer; (viii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (ix) to make any change that does not adversely affect the rights of any holder; or (x) to provide for the issuance of the Exchange Notes or Additional Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) and is continuing, the Trustee or the holders of at least 30% in principal amount of the outstanding Notes, in each case, by notice to the Issuer, may declare the principal of, premium, if any, and accrued but unpaid interest on all the Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the Notes shall become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

If an Event of Default occurs and is continuing, the Trustee shall be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense and certain other conditions are complied with. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless (i) such holder has previously given the Trustee notice that an Event of Default is continuing, (ii) the holders of at least 30% in principal amount of the outstanding Notes of the applicable series have requested the Trustee in writing to pursue the remedy, (iii) such holders have offered the Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the holders of a majority in principal amount of the outstanding Notes of the applicable series have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Trustee Dealings with the Issuer

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

No director, officer, employee, incorporator or holder of any equity interests in the Issuer or of any Note Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuer or the Note Guarantors under the Notes, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

21. CUSIP Numbers; ISINs

The Issuer has caused CUSIP numbers and ISINs to be printed on the Notes and has directed the Trustee to use CUSIP numbers and ISINs in notices of redemption as a convenience to the holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuer will furnish to any holder of Notes upon written request and without charge to the holder a copy of the Indenture which has in it the text of this Note.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

_____

Date: _____ Your Signature: _____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:

Date: _____ _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

Signature of Signature Guarantee

B-1-11

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, check the box:

Asset Sale ¨ Change of Control ¨

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, state the amount ($2,000 or any integral multiple of $1,000):

$

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Note is $_____. The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Notes Custodian

EXHIBIT B-2

[FORM OF FACE OF TOGGLE EXCHANGE NOTE]
[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), NEW YORK, NEW YORK, TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO DTC, TO NOMINEES OF DTC OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE AND TRANSFERS OF PORTIONS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE REFERRED TO ON THE REVERSE HEREOF.

THE TERMS OF THIS SECURITY ARE SUBJECT TO THE TERMS OF THE INTERCREDITOR AGREEMENT, DATED JANUARY 28, 2008, BY AND AMONG BANK OF AMERICA, N.A., U.S. BANK NATIONAL ASSOCIATION, CITIBANK, N.A. AND THE OTHER PARTIES THERETO FROM TIME TO TIME.

No. $_____

10.75% / 11.5% Senior Toggle Note due 2018

CUSIP No. _____
ISIN No. _____

HARRAH'S OPERATING COMPANY, INC., a Delaware corporation, promises to pay to Cede & Co., or registered assigns, the principal sum listed on the Schedule of Increases or Decreases in Global Note attached hereto on February 1, 2018.

Interest Payment Dates: February 1 and August 1

Record Dates: January 15 and July 15

Additional provisions of this Note are set forth on the other side of this Note.

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

HARRAH'S OPERATING COMPANY, INC.

By: _____
Name:
Title:

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

U.S. BANK NATIONAL ASSOCIATION,
as Trustee, certifies that this is one of the Notes referred to in the Indenture.

By: _____
Authorized Signatory

*/ If the Note is to be issued in global form, add the Global Notes Legend and the attachment from Exhibit A captioned "TO BE ATTACHED TO GLOBAL SECURITIES – SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY."

[FORM OF REVERSE SIDE OF TOGGLE EXCHANGE NOTE]

10.75% / 11.5% Senior Toggle Note due 2018

1. Interest

(a) HARRAH'S OPERATING COMPANY, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Issuer"), promises to pay interest on the principal amount of this Toggle Note at the rate per annum shown above.

(b) Cash Interest on this Toggle Note will accrue at the rate of 10.75% per annum and be payable in cash. PIK Interest on this Toggle Note will accrue at the rate of 11.5% per annum and be payable (x) with respect to Toggle Notes represented by one or more global notes registered in the name of, or held by, the Depository Trust Company ("DTC") or its nominee on the relevant record date, by increasing the principal amount of the outstanding global Toggle Note by an amount equal to the amount of PIK Interest for the applicable interest period (rounded up to the nearest $1) and (y) with respect to Toggle Notes represented by certificated notes, by issuing PIK Notes in certificated form in an aggregate principal amount equal to the amount of PIK Interest for the period (rounded up to the nearest whole dollar), and the Trustee will, at the request of the Issuer, authenticate and deliver such PIK Notes in certificated form for original issuance to the holders on the relevant record date, as shown by the records of the register of holders. In the event that the Issuer elects to pay Partial PIK Interest for any interest period, each holder will be entitled to receive Cash Interest in respect of 50% of the principal amount of the Toggle Notes held by such holder on the relevant record date and PIK Interest in respect of 50% of the principal amount of the Toggle Notes held by such holder on the relevant record date. Following an increase in the principal amount of the outstanding global Toggle Notes as a result of a PIK Payment, the global Toggle Notes will bear interest on such increased principal amount from and after the date of such PIK Payment. All Toggle Notes issued pursuant to a PIK Payment will mature on February 1, 2018 and will be governed by, and subject to the terms, provisions and conditions of, the Indenture and shall have the same rights and benefits as the Toggle Notes issued on the Issue Date. Any certificated PIK Notes will be issued with the description PIK on the face of such PIK Note.

(c) The Issuer shall pay interest semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing August 1, 2008. Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from February 1, 2008 until the principal hereof is due. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Issuer shall pay interest on overdue principal at the rate borne by the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

2. Method of Payment

For any interest payment period after the initial interest payment period and prior to February 1, 2013, the Issuer may, at its option, elect to pay interest on this Toggle Note:

- entirely in cash ("Cash Interest");
- entirely by increasing the principal amount of the outstanding Toggle Notes or by issuing PIK Notes ("PIK Interest"); or

- on 50% of the outstanding principal amount of the Toggle Notes in cash and on 50% of the principal amount by increasing the principal amount of the outstanding Toggle Notes or by issuing PIK Notes ("Partial PIK Interest").

The Issuer must elect the form of interest payment with respect to each interest period by delivering a notice to the Trustee at least 30 days prior to the beginning of each interest period. The Trustee shall promptly deliver a corresponding notice to the holders. In the absence of such election for any interest period, interest on the Toggle Notes shall be payable according to the election for the previous interest period. Interest for the first interest period commencing on the Issue Date shall be payable entirely in cash. After February 1, 2013, the Issuer will make all interest payments on the Toggle Notes entirely in cash.

The Issuer shall pay interest on the Notes (except defaulted interest) to the Persons who are registered holders at the close of business on January 15 or July 15 (each a "Record Date") next preceding the interest payment date even if Notes are canceled after the record date and on or before the interest payment date (whether or not a Business Day). Holders must surrender Notes to the Paying Agent to collect principal payments. The Issuer shall pay principal, premium, if any, and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium, if any, and interest) shall be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Issuer or any successor depositary. The Issuer shall make all payments in respect of a certificated Note (including principal, premium, if any, and interest) at the office of the Paying Agent, except that, at the option of the Issuer, payment of interest may be made by mailing a check to the registered address of each holder thereof; *provided*, *however*, that payments on the Notes may also be made, in the case of a holder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such holder elects payment by wire transfer by giving written notice to the Trustee or Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank National Association (the "Trustee"), will act as Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent or Registrar without notice. The Issuer or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture dated as of February 1, 2008 (the "Indenture"), among the Issuer, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and the holders (as defined in the Indenture) are referred to the Indenture and the TIA for a statement of such terms and provisions.

The Notes are senior unsecured obligations of the Issuer. This Note is one of the Exchange Notes referred to in the Indenture. The Notes include the Initial Notes, any Additional Notes and any Exchange Notes issued in exchange for the Initial Notes or any Additional Notes pursuant to the Indenture.

The Initial Notes, any Additional Notes and any Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, Incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of the Issuer and such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or Incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Issuer and each Note Guarantor to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its property.

To guarantee the due and punctual payment of the principal and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have, jointly and severally, unconditionally guaranteed the Guaranteed Obligations on a senior subordinated basis pursuant to the terms of the Indenture.

5. Optional Redemption

On or after February 1, 2013, the Issuer may redeem the Toggle Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on of the years set forth below:

Period	Redemption Price
2013	105.375%
2014	103.583%
2015	101.792%
2016 and thereafter	100.000%

In addition, prior to February 1, 2013, the Issuer may redeem the Cash Pay Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the Toggle Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and additional interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notwithstanding the foregoing, at any time and from time to time on or prior to February 1, 2011, the Issuer may redeem in the aggregate up to 35% of the original aggregate principal amount of the Toggle Notes (calculated after giving effect to any issuance of additional Toggle Notes) with the net cash proceeds of one or more Equity Offerings (1) by the Issuer or (2) by any direct or indirect parent of the Issuer to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of principal amount thereof) of 110.75%, plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on

the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 50% of the original aggregate principal amount of the Toggle Notes (calculated after giving effect to any issuance of additional Toggle Notes) must remain outstanding after each such redemption; *provided*, *further*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days' notice mailed to each holder of Toggle Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

6. Mandatory Redemption

(a) Except as set forth below, the Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Toggle Notes.

(b) If the Toggle Notes would otherwise constitute "applicable high yield discount obligations" within the meaning of 163(i)(1) of the Code, at the end of each accrual period ending after the fifth anniversary of the Toggle Notes' issuance (each, any "AHYDO redemption date"), the Issuer will be required to redeem for cash a portion of each Toggle Note then outstanding equal to the "Mandatory Principal Redemption Amount" (such redemption a "Mandatory Principal Redemption"). The redemption price for the portion of each Toggle Note redeemed pursuant to a Mandatory Principal Redemption will be 100% of the principal amount of such portion plus any accrued interest thereon on the date of redemption. The "Mandatory Principal Redemption Amount" means the portion of a Toggle Note that must be required to be redeemed to prevent such Toggle Note from being treated as an "applicable high yield discount obligation" within the meaning of Section 163(i)(1) of the Code. No partial redemption or repurchase of the Toggle Notes prior to the AHYDO redemption date pursuant to any other provision of the indenture will alter the Issuer's obligation to make the Mandatory Principal Redemption with respect to any Toggle Notes that remain outstanding on the AHYDO redemption date.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed at his, her or its registered address. Notes in denominations larger than $2,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes (or portions thereof) to be redeemed on the redemption date is deposited with a Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

8. Repurchase of Notes at the Option of the holders upon Change of Control and Asset Sales

Upon the occurrence of a Change of Control, each holder shall have the right, subject to certain conditions specified in the Indenture, to cause the Issuer to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of the holders of record on the relevant record date to receive interest due on the relevant interest payment date), as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.06 of the Indenture, the Issuer will be required to offer to purchase Notes upon the occurrence of certain events.

9. [Reserved]

10. Denominations; Transfer; Exchange

The Notes are in registered form, without coupons, in denominations of $2,000 and any integral multiple of $1,000. A holder shall register the transfer of or exchange of Notes in accordance with the Indenture. Upon any registration of transfer or exchange, the Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements or transfer documents and to pay any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or to transfer or exchange any Notes for a period of 15 days prior to a selection of Notes to be redeemed.

11. Persons Deemed Owners

The registered holder of this Note shall be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee and a Paying Agent shall pay the money back to the Issuer at their written request unless an abandoned property law designates another Person. After any such payment, the holders entitled to the money must look to the Issuer for payment as general creditors and the Trustee and a Paying Agent shall have no further liability with respect to such monies.

13. Discharge and Defeasance

Subject to certain conditions, the Issuer at any time may terminate some of or all its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

14. Amendment; Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Notes of each series and (ii) any past default or compliance with any provisions may be waived with the written consent of the holders of at least a majority in principal amount of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any holder, the Issuer and the Trustee may amend the Indenture, the Intercreditor Agreement or the Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to provide for the assumption by a Successor Issuer of the obligations of the Issuer under the Indenture and the Notes; (iii) to provide for the assumption by a Successor Note Guarantor of the obligations of a Note Guarantor under the Indenture and its Note Guarantee; (iv) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code); (v) to conform the text of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement, to any provision of the "Description of Notes" in the Offering Memorandum to the extent that such provision in the

"Description of Notes" was intended to be a verbatim recitation of a provision of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement; (vi) to add a Note Guarantee with respect to the Notes; (vii) to add additional covenants of the Issuer for the benefit of the holders or to surrender rights and powers conferred on the Issuer; (viii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (ix) to make any change that does not adversely affect the rights of any holder; or (x) to provide for the issuance of the Exchange Notes or Additional Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) and is continuing, the Trustee or the holders of at least 30% in principal amount of the outstanding Notes, in each case, by notice to the Issuer, may declare the principal of, premium, if any, and accrued but unpaid interest on all the Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the Notes shall become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

If an Event of Default occurs and is continuing, the Trustee shall be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense and certain other conditions are complied with. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless (i) such holder has previously given the Trustee notice that an Event of Default is continuing, (ii) the holders of at least 30% in principal amount of the outstanding Notes of the applicable series have requested the Trustee in writing to pursue the remedy, (iii) such holders have offered the Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the holders of a majority in principal amount of the outstanding Notes of the applicable series have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Trustee Dealings with the Issuer

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

No director, officer, employee, incorporator or holder of any equity interests in the Issuer or of any Note Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuer or the Note Guarantors under the Notes, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

21. CUSIP Numbers; ISINs

The Issuer has caused CUSIP numbers and ISINs to be printed on the Notes and has directed the Trustee to use CUSIP numbers and ISINs in notices of redemption as a convenience to the holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuer will furnish to any holder of Notes upon written request and without charge to the holder a copy of the Indenture which has in it the text of this Note.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

I or we assign and transfer this Note to:

_____

(Print or type assignee's name, address and zip code)

_____

(Insert assignee's soc. sec. or tax I.D. No.)

and irrevocably appoint agent to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

_____

Date: _____ Your Signature: _____

Sign exactly as your name appears on the other side of this Note.

Signature Guarantee:

Date: _____ _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

Signature of Signature Guarantee

B-2-12

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, check the box:

Asset Sale ¨ Change of Control ¨

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.06 (Asset Sale) or 4.08 (Change of Control) of the Indenture, state the amount ($2,000 or any integral multiple of $1,000):

$

Date: _____ Your Signature: _____

(Sign exactly as your name appears on the other side of this Note)

Signature Guarantee: _____

Signature must be guaranteed by a participant in a recognized signature guaranty medallion program or other signature guarantor program reasonably acceptable to the Trustee

[TO BE ATTACHED TO GLOBAL SECURITIES]

SCHEDULE OF INCREASES OR DECREASES IN GLOBAL SECURITY

The initial principal amount of this Global Note is $ _____. The following increases or decreases in this Global Note have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Notes Custodian

EXHIBIT C

[FORM OF]
TRANSFEREE LETTER OF REPRESENTATION

Harrah's Operating Company, Inc.
c/o U.S. Bank National Association
•
•
Attention: Vice President

Ladies and Gentlemen:

This certificate is delivered to request a transfer of $[ ] principal amount of the [10.75% Senior Cash Pay Notes due 2016] [10.75%/11.5% Toggle Notes due 2018] (the "Notes") of Harrah's Operating Company, Inc. (the "Issuer").

Upon transfer, the Notes would be registered in the name of the new beneficial owner as follows:

Name: _____

Address: _____

Taxpayer ID Number: _____

The undersigned represents and warrants to you that:

1. We are an institutional "accredited investor" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act of 1933, as amended (the "Securities Act")), purchasing for our own account or for the account of such an institutional "accredited investor" at least $100,000 principal amount of the Notes, and we are acquiring the Notes not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act. We have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of our investment in the Notes, and we invest in or purchase securities similar to the Notes in the normal course of our business. We, and any accounts for which we are acting, are each able to bear the economic risk of our or its investment.

2. We understand that the Notes have not been registered under the Securities Act and, unless so registered, may not be sold except as permitted in the following sentence. We agree on our own behalf and on behalf of any investor account for which we are purchasing Notes to offer, sell or otherwise transfer such Notes prior to the date that is two years after the later of the date of original issue and the last date on which either the Issuer or any affiliate of such Issuer was the owner of such Notes (or any predecessor thereto) (the "Resale Restriction Termination Date") only (a) in the United States to a person whom we reasonably believe is a qualified institutional buyer (as defined in rule 144A under the Securities Act) in a transaction meeting the requirements of Rule 144A, (b) outside the United States in an offshore transaction in accordance with Rule 904 of Regulation S under the Securities Act, (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if applicable) or (d) pursuant to an effective registration statement under the Securities Act, in each of cases (a) through (d)

in accordance with any applicable securities laws of any state of the United States. In addition, we will, and each subsequent holder is required to, notify any purchaser of the Note evidenced hereby of the resale restrictions set forth above. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. If any resale or other transfer of the Notes is proposed to be made to an institutional "accredited investor" prior to the Resale Restriction Termination Date, the transferor shall deliver a letter from the transferee substantially in the form of this letter to the Issuer and the Trustee, which shall provide, among other things, that the transferee is an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act and that it is acquiring such Notes for investment purposes and not for distribution in violation of the Securities Act. Each purchaser acknowledges that the Issuer and the Trustee reserve the right prior to the offer, sale or other transfer prior to the Resale Restriction Termination Date of the Notes pursuant to clause 1(b), 1(c) or 1(d) above to require the delivery of an opinion of counsel, certifications or other information satisfactory to the Issuer and the Trustee.

Dated: _____ TRANSFEREE: _____ ,

By: _____

C-2

EXHIBIT D

[FORM OF SUPPLEMENTAL INDENTURE]

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture") dated as of [ ], among [GUARANTOR] (the "New Note Guarantor"), a subsidiary of HARRAH'S OPERATING COMPANY, INC. (or its successor), a Delaware corporation (the "Issuer"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee under the indenture referred to below (the "Trustee").

WITNESSETH:

WHEREAS the Issuer and the existing Note Guarantors have heretofore executed and delivered to the Trustee an indenture (as amended, supplemented or otherwise modified, the "Indenture") dated as of February 1, 2008, providing for the issuance of the Issuer's Senior Notes due 2016 and Senior Toggle Notes due 2018 (collectively, the "Notes"), initially in the aggregate principal amount of $6,335,000,000;

WHEREAS Section 4.11 of the Indenture provides that under certain circumstances the Issuer is required to cause the New Note Guarantor to execute and deliver to the Trustee a supplemental indenture pursuant to which the New Note Guarantor shall unconditionally guarantee all the Issuer's Obligations under the Notes and the Indenture pursuant to a Guarantee on the terms and conditions set forth herein; and

WHEREAS pursuant to Section 9.01 of the Indenture, the Trustee, the Issuer and the existing Note Guarantors are authorized to execute and deliver this Supplemental Indenture;

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the New Note Guarantor, the Issuer and the Trustee mutually covenant and agree for the equal and ratable benefit of the holders of the Notes as follows:

1. Defined Terms. As used in this Supplemental Indenture, terms defined in the Indenture or in the preamble or recital hereto are used herein as therein defined, except that the term "holders" in this Guarantee shall refer to the term "holders" as defined in the Indenture and the Trustee acting on behalf of and for the benefit of such holders. The words "herein," "hereof" and "hereby" and other words of similar import used in this Supplemental Indenture refer to this Supplemental Indenture as a whole and not to any particular section hereof.

2. Agreement to Guarantee. The New Note Guarantor hereby agrees, jointly and severally with all existing Note Guarantors (if any), to unconditionally guarantee the Issuer's Obligations under the Notes and the Indenture on the terms and subject to the conditions set forth in Articles 11 and 12 of the Indenture and to be bound by all other applicable provisions of the Indenture and the Notes and to perform all of the obligations and agreements of a Note Guarantor under the Indenture.

3. Notices. All notices or other communications to the New Note Guarantor shall be given as provided in Section 13.02 of the Indenture.

4. Ratification of Indenture; Supplemental Indentures Part of Indenture. Except as expressly amended hereby, the Indenture is in all respects ratified and confirmed and all the terms, conditions and provisions thereof shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every holder of Notes heretofore or hereafter authenticated and delivered shall be bound hereby.

5. Governing Law. **THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.**

6. Trustee Makes No Representation. The Trustee makes no representation as to the validity or sufficiency of this Supplemental Indenture.

7. Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

8. Effect of Headings. The Section headings herein are for convenience only and shall not effect the construction thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the date first above written.

[NEW GUARANTOR]

By: _____
Name:
Title:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title:

Exhibit 2

[FORM OF REVERSE SIDE OF INITIAL CASH PAY NOTE]

10.75% Senior Cash Pay Note Due 2016

1. Interest

HARRAH'S OPERATING COMPANY, INC., a Delaware corporation (such corporation, and its successors and assigns under the Indenture hereinafter referred to, being herein called the "Issuer"), promises to pay interest on the principal amount of this Note at the rate per annum shown above. The Issuer shall pay interest semiannually on February 1 and August 1 of each year (each an "Interest Payment Date"), commencing August 1, 2008. Interest on the Notes shall accrue from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from February 1, until the principal hereof is due. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Issuer shall pay interest on overdue principal at the rate borne by the Notes, and it shall pay interest on overdue installments of interest at the same rate to the extent lawful.

2. Method of Payment

The Issuer shall pay interest on the Notes (except defaulted interest) to the Persons who are registered holders at the close of business on January 15 or July 15 (each a "Record Date") next preceding the interest payment date even if Notes are canceled after the record date and on or before the interest payment date (whether or not a Business Day). Holders must surrender Notes to the Paying Agent to collect principal payments. The Issuer shall pay principal, premium, if any, and interest in money of the United States of America that at the time of payment is legal tender for payment of public and private debts. Payments in respect of the Notes represented by a Global Note (including principal, premium, if any, and interest) shall be made by wire transfer of immediately available funds to the accounts specified by The Depository Trust Issuer or any successor depositary. The Issuer shall make all payments in respect of a certificated Note (including principal, premium, if any, and interest) at the office of the Paying Agent, except that, at the option of the Issuer, payment of interest may be made by mailing a check to the registered address of each holder thereof; *provided*, *however*, that payments on the Notes may also be made, in the case of a holder of at least $1,000,000 aggregate principal amount of Notes, by wire transfer to a U.S. dollar account maintained by the payee with a bank in the United States if such holder elects payment by wire transfer by giving written notice to the Trustee or Paying Agent to such effect designating such account no later than 30 days immediately preceding the relevant due date for payment (or such other date as the Trustee may accept in its discretion).

3. Paying Agent and Registrar

Initially, U.S. Bank National Association (the "Trustee"), will act as Paying Agent and Registrar. The Issuer may appoint and change any Paying Agent or Registrar without notice. The Issuer or any of its domestically incorporated Wholly Owned Subsidiaries may act as Paying Agent or Registrar.

4. Indenture

The Issuer issued the Notes under an Indenture dated as of February 1, 2008 (the "Indenture"), among the Issuer, the Guarantors and the Trustee. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939 (15 U.S.C. §§ 77aaa-77bbbb) as in effect on the date of the Indenture (the "TIA"). Terms defined in the Indenture and not defined herein have the meanings ascribed thereto in the Indenture. The Notes are subject to all terms and provisions of the Indenture, and the holders (as defined in the Indenture) are referred to the Indenture and the TIA for a statement of such terms and provisions

The Notes are senior unsecured obligations of the Issuer. This Note is one of the Initial Notes referred to in the Indenture. The Notes include the Initial Notes, any Additional Notes and any Exchange Notes issued in exchange for the Initial Notes or any Additional Notes pursuant to the Indenture. The Initial Notes, any Additional Notes and any Exchange Notes are treated as a single class of securities under the Indenture. The Indenture imposes certain limitations on the ability of the Issuer and its Restricted Subsidiaries to, among other things, make certain Investments and other Restricted Payments, pay dividends and other distributions, Incur Indebtedness, enter into consensual restrictions upon the payment of certain dividends and distributions by such Restricted Subsidiaries, issue or sell shares of capital stock of the Issuer and such Restricted Subsidiaries, enter into or permit certain transactions with Affiliates, create or Incur Liens and make Asset Sales. The Indenture also imposes limitations on the ability of the Issuer and each Note Guarantor to consolidate or merge with or into any other Person or convey, transfer or lease all or substantially all of its property.

To guarantee the due and punctual payment of the principal and interest on the Notes and all other amounts payable by the Issuer under the Indenture and the Notes when and as the same shall be due and payable, whether at maturity, by acceleration or otherwise, according to the terms of the Notes and the Indenture, the Note Guarantors have, jointly and severally, unconditionally guaranteed the Guaranteed Obligations on a senior unsecured basis pursuant to the terms of the Indenture.

5. Optional Redemption

On or after February 1, 2012, the Issuer may redeem the Cash Pay Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at the following redemption prices (expressed as a percentage of principal amount), plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the 12-month period commencing on February 1 of the years set forth below:

Period	Redemption Price
2012	105.375%
2013	102.688%
2014 and thereafter	100.000%

In addition, prior to February 1, 2012 the Issuer may redeem the Cash Pay Notes at its option, in whole at any time or in part from time to time, upon not less than 30 nor more than 60 days' prior notice mailed by first-class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of the Cash Pay Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest and additional interest, if any, to, the applicable redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notwithstanding the foregoing, at any time and from time to time on or prior to February 1, 2011, the Issuer may redeem in the aggregate up to 35% of the original aggregate principal amount of the Cash Pay Notes (calculated after giving effect to any issuance of additional Cash Pay Notes) with the

net cash proceeds of one or more Equity Offerings (1) by the Issuer or (2) by any direct or indirect parent of the Issuer to the extent the net cash proceeds thereof are contributed to the common equity capital of the Issuer or used to purchase Capital Stock (other than Disqualified Stock) of the Issuer from it, at a redemption price (expressed as a percentage of principal amount thereof) of 110.75%, plus accrued and unpaid interest and additional interest, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided*, *however*, that at least 50% of the original aggregate principal amount of the Cash Pay Notes (calculated after giving effect to any issuance of additional Cash Pay Notes) must remain outstanding after each such redemption; *provided*, *further*, that such redemption shall occur within 90 days after the date on which any such Equity Offering is consummated upon not less than 30 nor more than 60 days' notice mailed to each holder of Cash Pay Notes being redeemed and otherwise in accordance with the procedures set forth in the Indenture.

6. Mandatory Redemption

The Notes are not subject to any mandatory redemption or sinking fund payments.

7. Notice of Redemption

Notice of redemption will be mailed by first-class mail at least 30 days but not more than 60 days before the redemption date to each holder of Notes to be redeemed at his, her or its registered address. Notes in denominations larger than $2,000 may be redeemed in part but only in whole multiples of $1,000. If money sufficient to pay the redemption price of and accrued and unpaid interest on all Notes (or portions thereof) to be redeemed on the redemption date is deposited with a Paying Agent on or before the redemption date and certain other conditions are satisfied, on and after such date, interest ceases to accrue on such Notes (or such portions thereof) called for redemption.

8. Repurchase of Notes at the Option of the holders upon Change of Control and Asset Sales

Upon the occurrence of a Change of Control, each holder shall have the right, subject to certain conditions specified in the Indenture, to cause the Issuer to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase (subject to the right of the holders of record on the relevant record date to receive interest due on the relevant interest payment date), as provided in, and subject to the terms of, the Indenture.

In accordance with Section 4.06 of the Indenture, the Issuer will be required to offer to purchase Notes upon the occurrence of certain events.

9. [Reserved]

10. Denominations; Transfer; Exchange

The Notes are in registered form, without coupons, in denominations of $2,000 and any integral multiple of $1,000. A holder shall register the transfer of or exchange of Notes in accordance with the Indenture. Upon any registration of transfer or exchange, the Registrar and the Trustee may require a holder, among other things, to furnish appropriate endorsements or transfer documents and to pay

any taxes required by law or permitted by the Indenture. The Registrar need not register the transfer of or exchange any Notes selected for redemption (except, in the case of a Note to be redeemed in part, the portion of the Note not to be redeemed) or to transfer or exchange any Notes for a period of 15 days prior to a selection of Notes to be redeemed.

11. Persons Deemed Owners

The registered holder of this Note shall be treated as the owner of it for all purposes.

12. Unclaimed Money

If money for the payment of principal or interest remains unclaimed for two years, the Trustee and a Paying Agent shall pay the money back to the Issuer at their written request unless an abandoned property law designates another Person. After any such payment, the holders entitled to the money must look to the Issuer for payment as general creditors and the Trustee and a Paying Agent shall have no further liability with respect to such monies.

13. Discharge and Defeasance

Subject to certain conditions, the Issuer at any time may terminate some of or all its obligations under the Notes and the Indenture if the Issuer deposits with the Trustee money or U.S. Government Obligations for the payment of principal and interest on the Notes to redemption or maturity, as the case may be.

14. Amendment; Waiver

Subject to certain exceptions set forth in the Indenture, (i) the Indenture or the Notes may be amended with the written consent of the holders of at least a majority in aggregate principal amount of the outstanding Notes of such series and (ii) any past default or compliance with any provisions may be waived with the written consent of the holders of at least a majority in principal amount of the outstanding Notes. Subject to certain exceptions set forth in the Indenture, without the consent of any holder, the Issuer and the Trustee may amend the Indenture, the Intercreditor Agreement or the Notes (i) to cure any ambiguity, omission, defect or inconsistency; (ii) to provide for the assumption by a Successor Issuer of the obligations of the Issuer under the Indenture and the Notes; (iii) to provide for the assumption by a Successor Note Guarantor of the obligations of a Note Guarantor under the Indenture and its Note Guarantee; (iv) to provide for uncertificated Notes in addition to or in place of certificated Notes (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code); (v) to conform the text of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement, to any provision of the "Description of Notes" in the Offering Memorandum to the extent that such provision in the "Description of Notes" was intended to be a verbatim recitation of a provision of the Indenture, Note Guarantees, the Notes or the Intercreditor Agreement; (vi) to add a Note Guarantee with respect to the Notes; (vii) to add additional covenants of the Issuer for the benefit of the holders or to surrender rights and powers conferred on the Issuer; (viii) to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the TIA; (ix) to make any change that does not adversely affect the rights of any holder; or (x) to provide for the issuance of the Exchange Notes or Additional Notes.

15. Defaults and Remedies

If an Event of Default occurs (other than an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer) and is continuing, the Trustee or the holders of at least 30% in principal amount of the outstanding Notes of such series, in each case, by notice to the Issuer, may declare the principal of, premium, if any, and accrued but unpaid interest on all the Notes to be due and payable. If an Event of Default relating to certain events of bankruptcy, insolvency or reorganization of the Issuer occurs, the principal of, premium, if any, and interest on all the Notes shall become immediately due and payable without any declaration or other act on the part of the Trustee or any holders. Under certain circumstances, the holders of a majority in principal amount of the outstanding Notes may rescind any such acceleration with respect to the Notes and its consequences.

If an Event of Default occurs and is continuing, the Trustee shall be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the holders unless such holders have offered to the Trustee reasonable indemnity or security against any loss, liability or expense and certain other conditions are complied with. Except to enforce the right to receive payment of principal, premium (if any) or interest when due, no holder may pursue any remedy with respect to the Indenture or the Notes unless (i) such holder has previously given the Trustee notice that an Event of Default is continuing, (ii) the holders of at least 30% in principal amount of the outstanding Notes of the applicable series have requested the Trustee in writing to pursue the remedy, (iii) such holders have offered the Trustee reasonable security or indemnity against any loss, liability or expense, (iv) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security or indemnity and (v) the holders of a majority in principal amount of the outstanding Notes of the applicable series have not given the Trustee a direction inconsistent with such request within such 60-day period. Subject to certain restrictions, the holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee shall be entitled to indemnification satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action.

16. Trustee Dealings with the Issuer

Subject to certain limitations imposed by the TIA, the Trustee under the Indenture, in its individual or any other capacity, may become the owner or pledgee of Notes and may otherwise deal with and collect obligations owed to it by the Issuer or its Affiliates and may otherwise deal with the Issuer or its Affiliates with the same rights it would have if it were not Trustee.

17. No Recourse Against Others

No director, officer, employee, incorporator or holder of any equity interests in the Issuer or of any Note Guarantor or any direct or indirect parent corporation, as such, shall have any liability for any obligations of the Issuer or the Note Guarantors under the Notes, the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability.

18. Authentication

This Note shall not be valid until an authorized signatory of the Trustee (or an authenticating agent) manually signs the certificate of authentication on the other side of this Note.

19. Abbreviations

Customary abbreviations may be used in the name of a holder or an assignee, such as TEN COM (=tenants in common), TEN ENT (=tenants by the entireties), JT TEN (=joint tenants with rights of survivorship and not as tenants in common), CUST (=custodian), and U/G/M/A (=Uniform Gift to Minors Act).

20. Governing Law

THIS SECURITY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

21. CUSIP Numbers; ISINs

The Issuer has caused CUSIP numbers and ISINs to be printed on the Notes and has directed the Trustee to use CUSIP numbers and ISINs in notices of redemption as a convenience to the holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuer will furnish to any holder of Notes upon written request and without charge to the holder a copy of the Indenture which has in it the text of this Note.

Exhibit 3

Exhibit 10.3

MANAGEMENT SERVICES AGREEMENT

This Management Services Agreement (this "Agreement") is dated as of October 21, 2013 (the "Effective Date") and is made and entered into by and among Caesars Entertainment Operating Company, Inc., a Delaware corporation (the "Service Provider"), Caesars Acquisition Company, a Delaware corporation ("CAC") and Caesars Growth Partners, LLC, a Delaware limited liability company ("Growth Partners").

RECITALS

A. The Service Provider has experience in providing services to gaming and related businesses.

B. On or about the date hereof, CAC, Growth Partners, Caesars Entertainment Corporation, a Delaware corporation ("CEC"), and certain subsidiaries of CEC entered into that certain Transaction Agreement (the "Transaction Agreement"), pursuant to which Growth Partners agreed to acquire, via contribution and sale, certain assets originally held by CEC or certain of its subsidiaries.

C. CAC and Growth Partners desire to engage the Service Provider to provide the services set forth herein, and the Service Provider is willing to perform such services, in each case, on the terms and under the conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and with the intention of being bound by this Agreement, the parties agree as follows:

ARTICLE I.
DEFINITIONS

1.01 Definitions. The following defined terms are used in this Agreement:

"Affiliate" shall mean, when used with reference to a specific Person:

(i) any Person who is an officer, partner, manager, member or trustee of, or serves in a similar capacity with respect to, the specified Person;

(ii) any partnership, limited liability company, corporation, trust or other entity of which the specified Person is a general partner, officer, Service Provider, managing member, trustee or serves in a similar capacity or is directly or indirectly the owner of a majority of the partnership interests, limited liability company interests, a majority of a class of equity securities (in the case of publicly held securities, any portion of a class of such securities aggregating at least five percent (5%) of such securities), or in which such Person has a majority beneficial interest;

(iii) any Person (or any officer, general partner, Service Provider, managing member or trustee, or, one who serves in a similar capacity with respect to such Person) that directly or indirectly through one or more intermediaries Controls or is Controlled by or under common Control with such specified Person; and/or

(iv) when used in reference to any of the parties hereto, any Person that directly or indirectly through one or more intermediaries Controls or is Controlled by or is under common Control with any one or more of the beneficial owners of such party hereto.

"Affiliated Entities" shall mean entities which (i) are not wholly owned by the Service Provider or its subsidiaries and (ii) own facilities which are managed by the Service Provider or its subsidiaries (i.e., joint venture partners which own facilities managed by the Service Provider or its subsidiaries).

"Agreement" is defined in the preamble.

"Annual Plan Confirmation" is defined in Section 3.04(a).

"Applicable Laws" shall mean all laws, rules, regulations and orders of the United States of America and all states, counties and municipalities in which the Service Provider and the respective Recipients conduct business.

"Bank Accounts" is defined in Section 3.05(a).

"Business Days" shall mean all weekdays except those that are official holidays of employees of the United States government. Unless specifically stated as "Business Days," a reference in this Agreement to "days" means calendar days.

"CAC" is defined in the preamble.

"CEC" is defined in the recitals.

"Competitor" shall mean, as of the date of a proposed disclosure under Section 10.03, any Person (other than the Service Provider, Recipient and any of their Affiliates) that is engaged, or is an Affiliate of a Person that is engaged, in the business ownership or operation of a Gaming business.

"Control" shall mean the ability, whether by the direct or indirect ownership of an equity interest, by contract or otherwise, to:

(i) in the case of a corporation, elect a majority of the directors of a corporation;

(ii) in the case of a partnership, select the managing partner of a partnership, or direct the votes of the partner or partners with authority to make decisions on behalf of the partnership;

(iii) in the case of a limited partnership, select or direct the votes of the sole general partner, all of the general partners to the extent that each has management control and authority, or the managing general partner or managing general partners thereof;

(iv) in the case of a limited liability company, select or direct the votes of the managing member(s) or manager(s) thereof; and

(v) otherwise, to select, or to remove and select, a majority of those Persons exercising governing authority over an entity.

"Controls" and "Controlled" shall have correlative meanings to "Control."

"Cost Center" is defined in Section 5.01.

"Current Allocation Spreadsheet" is defined in Section 3.04(a).

"Direct Charges" shall mean any amounts payable to third parties that are arranged or managed by the Service Provider for the account of a Recipient and are charged directly by the third party to such Recipient; provided that no cost included in any Cost Center set forth in the Annual Plan shall be a "Direct Charge".

"Effective Date" is defined in the preamble.

"Event of Default" is defined in Section 9.01.

"Existing Bank Accounts" is defined in Section 3.05(a).

"GAAP" shall mean those conventions, rules, procedures and practices, consistently applied, affecting all aspects of recording and reporting financial transactions which are generally accepted by major independent accounting firms in the United States at the time in question. Any financial or accounting terms not otherwise defined herein shall be construed and applied according to GAAP.

"Gaming" shall mean casinos, slot machines, video lottery terminals, racetracks, racinos, pari mutual wagering, social online and mobile gaming, online real money gaming, interactive gaming, poker tournaments and any other form of wagering or other gaming activities that may be authorized from time to time by Applicable Law in a particular jurisdiction.

"Gaming Authority" shall mean any gaming control board or regulatory authority governing gaming in states or countries in which any Recipient or its Affiliates currently conducts or in the future may conduct Gaming operations.

"Gaming Taxes" shall mean any tax imposed on Gaming activities by any Gaming Authorities.

"Growth Partners" is defined in the preamble.

"Licensed Activities" is defined in Section 3.07(b).

"Logo" is defined in Section 3.07(b).

"Management Agreements" shall mean (i) the Hotel and Casino Management Agreement, dated as of February 19, 2010, between PHW Las Vegas, LLC (as assigned to PHWLV, LLC on the Effective Date) and PHW Manager, LLC (as such document may be amended from time to time), (ii) the Management Agreement, dated October 23, 2012, between CBAC Borrower, LLC and Caesars Baltimore Management Company, LLC (as such document may be amended from time to time), (iii) the Shared Services Agreement, dated as of May 1, 2009, between the Service Provider, HIE Holdings, Inc. and Caesars Interactive Entertainment, Inc. (as such document may be amended from time to time) and (iv) any newly negotiated agreements under which hotel and/or casino management services are provided to a subsidiary of CAC or Growth Partners in the case of future acquisitions or investments acquired after the date hereof.

"New Bank Accounts" is defined in Section 3.05(a).

"Person" shall mean any individual, partnership, limited partnership, limited liability company, corporation, unincorporated association, joint venture, trust generated entity or other entity.

"Prohibited Person" means any Person that: (i) is a Competitor; (ii) is generally recognized in the community as being a Person of ill repute or who has or is reasonably believed to have an adverse reputation or character, in either case which is more likely than not to (A) have a material adverse effect on the Service Provider, CEC or any of their respective Affiliates or (B) make such Person unsuitable under any laws pertaining to Gaming to hold a Gaming license or to be associated with a Gaming licensee or otherwise jeopardizes any of the Gaming licenses of the Service Provider, CEC or any of their respective Affiliates; or (iii) is a Person that is more likely than not to jeopardize the ability of the Service Provider, CEC or any of their respective Affiliates to hold a Gaming license or to be associated with a Gaming licensee under any laws of any Gaming Authorities (excluding any Gaming Authority established by any Native American tribe).

"Project" is defined in Section 3.15.

"Project Development Costs" is defined in Section 3.15.

"Proposed Annual Plan" is defined in Section 3.04(a).

"Recipients" shall mean CAC, Growth Partners, and each of their current and future subsidiaries.

"Service Provider" is defined in the preamble.

"Service Provider Confidential Information" shall mean information relating to the Service Provider's business that derives value, actual or potential, from not being generally known to others (including information disclosed to the Service Provider by the Service

Provider's service providers and licensors under an obligation of confidentiality), including all manuals, Service Provider Proprietary Information and Systems, fees and terms of all Services, and any documents and information specifically designated by the Service Provider orally or in writing as confidential or by its nature would reasonably be understood to be confidential or proprietary, to which any Recipient obtains access by virtue of the relationship between the parties.

"Service Provider Proprietary Information and Systems" is defined in Section 3.08(b).

"Services" shall mean all of the services to be provided by the Service Provider to the Recipients as set forth in Article III of this Agreement.

"Services Fee" is defined in Section 5.01.

"Term" is defined in Section 2.02.

"Trade Secrets" shall mean all worldwide rights in, arising out of, or associated with confidential information, trade secrets, and nonpublic know-how, including business methods and plans, customer and supplier information and lists.

"Transaction Agreement" is defined in the recitals.

"Unavoidable Delays" is defined in Section 13.08.

"Updating Principles" is defined in Section 3.04(a).

"Website" is defined in Section 3.07(b).

"Year" is defined in Section 3.01.

ARTICLE II.
APPOINTMENT/TERM

2.01 Appointment. Each Recipient, severally and not jointly and severally, hereby appoints and employs the Service Provider to provide the Services upon the terms and conditions set forth herein. The Service Provider hereby accepts each such appointment and undertakes to provide the Services upon the terms and conditions hereinafter set forth. For the avoidance of doubt, there shall be no duplication of services provided under the Management Agreements and the Services provided by Service Provider under this Agreement. To the extent there is a conflict between this Agreement and any Management Agreement, the applicable Management Agreement shall govern and control.

2.02 Term. The term of this Agreement (the "Term") shall commence upon the Effective Date and, unless earlier terminated in accordance with the terms hereof, shall terminate in accordance with Section 10.01.

ARTICLE III.
SERVICES

3.01 Accounting Systems and Books and Records. The Service Provider shall maintain a complete accounting system in connection with the operation of each Recipient's business. Separate books and accounts shall be kept for each Recipient. The books and records shall be kept in accordance with GAAP and U.S. tax laws. Such books and records may be kept on a calendar year basis or, to the extent consistent with Section 706 of the Code (as defined in the Transaction Agreement), fiscal year basis (either, a "Year") as determined by each Recipient's chief financial officer, or, if no such determination is provided, by the Service Provider in its reasonable discretion. Books and accounts shall be maintained at such location(s) as may be reasonably determined by the Service Provider. The Service Provider shall use its commercially reasonable efforts to comply with all requirements with respect to internal controls in accounting.

3.02 Access to Records. Each Recipient shall at all reasonable times have access to and the right to copy the Service Provider's books and records relating to such Recipient. This Section 3.02 shall survive the expiration or earlier termination of this Agreement until the seventh (7th) anniversary thereof.

3.03 Financial Statements; Audits. The Service Provider shall prepare financial statements of each Recipient, individually and/or as a consolidated group, as reasonably required by Applicable Law and as requested by the Recipient. The financial statements shall be kept in accordance with GAAP and U.S. federal tax laws, or as otherwise determined by the Service Provider in consultation with the Recipients. CAC shall engage, on behalf of the Recipients, a nationally recognized reputable public accounting firm, acceptable to the Service Provider in its reasonable discretion, to audit the financial statements of each Recipient, individually and/or as a consolidated group, and/or as otherwise determined by the Recipient, as appropriate, as of and at the end of each calendar or fiscal year (or portion thereof) occurring after the date hereof.

3.04 Operating and Capital Budgets and Annual Plans.

(a) On or prior to the Effective Date, the Service Provider has submitted to each Recipient a spreadsheet outlining the current allocations and allocation methodology for each of the Cost Centers set forth in Section 5.01 as utilized by Affiliates of Service Provider for the Service Provider's current fiscal year (the "Current Allocation Spreadsheet"). The Current Allocation Spreadsheet, which is agreed upon by the parties, is attached hereto as Exhibit A. The Service Provider may update the Current Allocation Spreadsheet without the approval of the Recipients only as follows: (i) for the amount of the allocations, annually in connection with the Proposed Annual Plan, but only to the extent such changes apply on a non-discriminatory basis to all Affiliated Entities of the Service Provider and there is no change in the applied allocation methodology, (ii) for the allocation methodology, at any time, but only to the extent such changes do not result in a material increase to the costs allocated to the Recipient ((i) and/or (ii), the "Updating Principles"). Unless otherwise authorized and directed by CAC, at least ninety (90) days prior to the start of each Year of Growth Partners, commencing with the Year ending December 31, 2014, the Service Provider shall prepare and submit to the Recipients a proposed annual plan setting forth the estimated

operating and capital budget and business plan for such Year (each such annual plan, a "Proposed Annual Plan"). The initial Proposed Annual Plan for the remainder of the initial calendar year of this Agreement, which is agreed upon by the parties, is attached hereto as Exhibit B. The Proposed Annual Plan as approved by the Recipients together with the Annual Plan Confirmation (as hereinafter defined) approved by the Recipients shall collectively be the "Annual Plan" for the Year in question. Each Proposed Annual Plan shall include (a) a detailed forecast comprised of estimated income and expenses by month for the coming Year, (b) a detailed estimated cash flow projection by month, (c) an estimate of the Service Fee detailed by Cost Center as set forth in Section 5.01, and (d) any anticipated reimbursable expenses by line item and category and detailed estimates of any other amounts payable by each Recipient to the Service Provider under this Agreement. Subject to the Updating Principles, no Proposed Annual Plan shall be inconsistent with the Current Allocation Spreadsheet in effect in any material respect, unless otherwise agreed by the Service Provider and the Recipients. The Recipients shall review each Proposed Annual Plan. If the Recipients are unable to reach a decision regarding the approval of all or a portion of any Proposed Annual Plan and inform the Service Provider of such, the Recipients will be deemed to object to the portions of such Proposed Annual Plan that have not been approved by a majority of the Recipients. If the Recipients object to or are deemed to object to all or any portion of any Proposed Annual Plan, the Recipients shall provide the Service Provider with any objections in writing, in reasonable detail, as soon as practicable. At the request of any Recipient, the Service Provider will make itself available to the Recipients to discuss the Proposed Annual Plan and will provide a statement showing budgeted expenses (and any prior Year's actual expenses) attributable to such Recipient's portion of the total allocations. If the Recipients fail to approve any portion of a Proposed Annual Plan in accordance with this Section, then the portions of the Proposed Annual Plan to which the Recipients have not properly objected shall be effective and, with respect to any items objected to by the Recipients, the Annual Plan approved for the prior Year shall govern with respect to such items until the Recipients approve an Annual Plan. On or before December 15th of each Year, the Service Provider shall confirm, or shall identify any deviations from, the estimates set forth in the Proposed Annual Plan (the "Annual Plan Confirmation"). Subject to the Updating Principles, no Annual Plan Confirmation shall be inconsistent with the Current Allocation Spreadsheet in effect in any material respect, unless otherwise agreed by the Service Provider and the Recipients. If the Annual Plan Confirmation has not changed (other than in any de minimis respect) since the submission of the Proposed Annual Plan, and the Proposed Annual Plan has been approved by the Recipients, such Proposed Annual Plan shall be the Annual Plan for the subsequent Year. If the Annual Plan Confirmation differs in any non-de minimis respect from the Proposed Annual Plan, the Recipients shall have the right to approve all such changes and will be deemed to object to all such changes that have not been approved by a majority of the Recipients. The portions of the Proposed Annual Plan and the Annual Plan Confirmation that were approved by a majority of Recipients shall be effective with respect to such portions for the next Year and the portions of the Proposed Annual Plan and/or Annual Plan Confirmation that were objected to by the Recipients shall be governed by the prior Year's Annual Plan. The parties shall use good faith efforts to reach an agreement on the Annual Plan prior to the commencement of the Year to which such Annual Plan relates. The Service Provider, CAC and Growth Partners shall work together in good faith to finalize each Annual Plan. Any unresolved disputes regarding the Annual Plan shall be resolved in accordance with Article XII hereof. The Service Provider shall provide the Services hereunder in accordance

with the Annual Plan. The written consent of the Recipients shall be required to increase any line item in the Annual Plan; provided, however that the Service Provider may increase or decrease any such line item without Recipients' consent so long as (i) such change is necessary to reflect a material change in the services required for that line item from the service anticipated to be required at the time the Annual Plan was approved, (ii) such amount does not cause a change that exceeds fifteen percent (15%) of such approved lien item in the Annual Plan, (iii) such increase is applied on a non-discriminatory basis to all Affiliate Entities of the Service Provider that receive an allocation for the Cost Center to which such line item increase relates, (iv) the Service Provider provides the Recipients with at least sixty (60) days' prior notice, to the extent practicable, of such increase, and (v) the Service Provider provides the Recipients with reasonable documentation supporting the need for such increase, where applicable.

(b) Subject to receipt of any required approvals from Gaming Authorities, the Recipients may elect, in their sole discretion, to relieve the Service Provider of its obligation to provide certain Services hereunder, provided that (i) such Recipient provides written notice of such election to the Service Provider at least one hundred and eighty (180) days prior to the termination of such Services and (ii) such Recipient or its Affiliates (and not, for example, a third-party service provider) will provide such terminated Service in substitution for the Service Provider. If the Recipients make such an election, the Service Provider shall cease performing such Services as specified in the election notice and the line item(s) set forth in the Annual Plan for such Services shall be decreased by the estimated costs and expenses for such Services, including without limitation, any allocation of any Cost Center to the extent attributable to such Services.

3.05 Treasury.

(a) The Recipients (or, at the request of any Recipient, the Service Provider) shall each establish, if necessary, one or more bank accounts at banking institutions chosen by such Recipient and reasonably acceptable to the Service Provider (such account or accounts are hereinafter collectively referred to as the "New Bank Accounts"), and the Service Provider shall provide treasury and cash management functions to and on behalf of each Recipient. The Bank Accounts shall be in the applicable Recipient's name or in the name of the Service Provider if directed by the Recipients. The Service Provider may transfer funds from and among the New Bank Accounts and any bank accounts established by the Recipients prior to the date hereof (the "Existing Bank Accounts", together with the New Bank Accounts, the "Bank Accounts"). Each Recipient hereby authorizes the Treasurer and Assistant Treasurer of the Service Provider and their designees to sign for and otherwise manage the Bank Accounts. The Service Provider shall not commingle funds of the Service Provider and/or its Affiliates (excluding the Recipients) with funds of the Recipients.

(b) The Service Provider shall have the power to arrange for letters of credit for each Recipient on (x) a several, and not joint and several, basis and (y) an as needed basis and shall allocate the costs associated with such letters of credit to the applicable Recipient.

(c) The Service Provider may, in its reasonable discretion and in accordance with the Annual Plan, pay outstanding accounts payable, payroll and other expenses on behalf of each Recipient, and each applicable Recipient agrees to reimburse the Service Provider for such expenses without markup except to the extent such costs are included in any Cost Center set forth in the Annual Plan.

3.06 Regulatory Filings. The Service Provider shall prepare and file all reports required to be filed by each Recipient by each applicable Gaming Authority, the U.S. Securities and Exchange Commission or any other governmental authority. The out-of-pocket cost of preparing and filing such reports shall be a Direct Charge to the respective Recipients unless otherwise included in any Cost Center set forth in the Annual Plan.

3.07 Service Provider Trademarks.

(a) The Service Provider, on behalf of itself and its subsidiaries, grants to each Recipient the right during the Term to use the CAESARS mark solely in each of their entity names, as applicable. For the avoidance of doubt, the foregoing license does not include the right to use the CAESARS mark in connection with the sale or marketing of any goods or services. To the extent that any goodwill arises in connection with any Recipient's use of the CAESARS mark in its entity name, such goodwill shall inure to the sole benefit of the Service Provider or its applicable subsidiary.

(b) The Service Provider, on behalf of itself and its subsidiaries, further grants to CAC and Growth Partners the right to use the CAESARS mark and the CAESARS logo set forth on Exhibit C attached hereto (the "Logo") on a non-exclusive, non-assignable, non-sublicensable, royalty-free basis during the Term solely (i) for corporate identification purposes, (ii) for use as the domain name, which will be registered and owned by the Service Provider, for the hosting of a website maintained by the Service Provider on behalf of CAC (the "Website") for such identification purposes, and (iii) any non-revenue generating uses incidental thereto (collectively, the "Licensed Activities"). To the extent that any goodwill arises from any Recipient's use of the CAESARS mark and/or the Logo in connection with the Licensed Activities, such goodwill shall inure to the sole benefit of the Service Provider or its applicable subsidiary. Any and all uses of the CAESARS mark and the Logo in connection with the Licensed Activities, including the use of the CAESARS mark or the Logo on any materials or on the Website, shall be subject to the prior consent of the Service Provider. The Recipients shall use the CAESARS mark and the Logo only in connection with the Licensed Activities and, for the avoidance of doubt, each Recipient acknowledges and agrees that the Licensed Activities shall not include the sale or promotion of any products branded with the CAESARS mark or the Logo. The Recipients shall not (x) modify the CAESARS mark or the Logo, (y) use the CAESARS mark or the Logo in connection with any third party trademark, or (z) use the CAESARS mark as part of any other domain name or URL, in each case, without the prior consent of the Service Provider. Each Recipient hereby acknowledges and agrees that, as between the parties, the Service Provider, or its applicable subsidiary, owns all right, title and interest in and to the CAESARS mark and the Logo.

3.08 Service Provider Proprietary Information and Systems.

(a) The Service Provider will make available to each Recipient the Service Provider Proprietary Information and Systems. For the avoidance of doubt, certain Service Provider Proprietary Information and Systems may also be provided to certain Recipients under the respective Management Agreements.

(b) Each Recipient agrees that the Service Provider has the sole and exclusive right, title and ownership to:

(i) certain proprietary information, techniques and methods of operating gaming, hotel and related businesses;

(ii) certain proprietary information, techniques and methods of designing games used in gaming and related businesses;

(iii) certain proprietary information, techniques and methods of training employees in the gaming, hotel and related business; and

(iv) certain proprietary business plans, projections and marketing, advertising and promotion plans, strategies, and systems (collectively items (i)-(iv), the "Service Provider Proprietary Information and Systems");

in the case of (i) through (iv) which have been developed and/or acquired over many years through the expenditure of time, money and effort and which the Service Provider and its Affiliates maintain as confidential and as Trade Secret(s).

(c) Each Recipient further agrees to maintain the confidentiality of such Service Provider Proprietary Information and Systems, and upon the termination of this Agreement, to return the same to the Service Provider, including but not limited to, documents, notes, memoranda, lists, computer programs and any summaries of such Service Provider Proprietary Information and Systems. The Service Provider will grant the Recipients a non-exclusive, limited right and license for the duration of the Term to use all or a portion of the Service Provider Proprietary Information and Systems solely to the extent necessary for the Recipients to use the books, records and other information maintained by the Service Provider hereunder in accordance with the terms and conditions of this Agreement. Service Provider Proprietary Information and Systems specifically excludes any information or documents otherwise falling within (i)-(iv) above, if the same is prepared, designed or created solely for the use and benefit of a Recipient or its respective predecessors.

3.09 Centralized Services. The Service Provider will provide corporate functions to each Recipient, including without limitation, information technology and related software services, information systems, website management, vendor relationship management, real estate, strategic sourcing, design and construction, regulatory compliance functions, finance and accounting, consolidated finance operations, risk management, internal audit, tax, record keeping and subsidiary management, treasury functions, consultancy and lobbying services, human resources, compensation, benefits, marketing and public relations, legal, payroll, accounts payable, security and surveillance, government relations, communications and data access services. The Service Provider shall pass through any discounts, rebates or similar incentives received by the Service Provider or its Affiliates in connection with the provision of services under this Agreement.

3.10 Business Advisory Services. The Service Provider will provide each Recipient with certain business advisory services, including without limitation: (a) developing and implementing corporate and business strategy and planning, (b) identifying, analyzing, preparing for, negotiating, structuring and executing acquisitions, joint ventures, development activities, divestitures, investments and/or other opportunistic uses of capital, (c) legal and accounting consultancy services, (d) design and construction consultancy services and (e) analyzing and executing financing activities.

3.11 Excluded Services. The Services shall not include any property or asset-specific management services, which, for the avoidance of doubt, will be provided pursuant to the Management Agreements.

3.12 Operating Reimbursements. Except as otherwise specifically stated herein, the Service Provider and the Recipients agree that they shall allocate costs, expenses, deposits, cash, assets and other similar items based on the use of such items by the parties, regardless of the contracting party therefor. Items that shall be allocated include, but shall not be limited to, deposits, payroll expenses, marketing programs, charitable contributions, and regulatory imposed payments. Each Recipient and the Service Provider agree to negotiate in good faith the proper allocation of such items; provided that no amount shall be allocated to any Recipient to the extent that such cost is included in any Cost Center allocated to such Recipient in the Annual Plan.

3.13 Changes to Services.

(a) The parties may agree to modify the terms and conditions of the Service Provider's performance of any Service in order to reflect new procedures, processes or other methods of providing such Service. The parties will negotiate in good faith the terms and conditions upon which the Service Provider would be willing to implement such change.

(b) Notwithstanding any provision of this Agreement to the contrary, the Service Provider may make: (i) changes to the process of performing a particular Service that do not adversely affect the benefits to any Recipient of the Service Provider's provision or quality of such Service in any material respect or increase any Recipient's cost for such Service; (ii) emergency changes on a temporary and short-term basis; and/or (iii) changes to a particular Service in order to comply with Applicable Law, so long as such changes are applied on a non-discriminatory basis to similar services provided to Affiliated Entities, in each case without obtaining the prior consent of any Recipient. However, the Recipients shall, to the extent practicable, be notified in writing within a reasonable time prior to any such changes.

3.14 Additional Services. The Recipients may, from time to time, request additional services that are not contemplated above. The parties agree to negotiate in good faith the terms and conditions, if at all, by which the Service Provider would be willing to perform such additional services. The parties agree that the Service Provider shall not have any obligation to agree to provide any additional services.

3.15 Development Costs. If CEOC or its Affiliates investigate or begin development of a potential investment opportunity of the type that CEOC reasonably believes it

could offer to Growth Partners pursuant to the terms of the limited liability company agreement of Growth Partners (a "Project"), then the out-of-pocket third party costs and the internal allocated costs of such project (collectively, the "Project Development Costs") shall be shared equally by Growth Partners and CEOC. Internal allocated costs of such project shall be calculated and allocated on a basis consistent with the then current method of calculation and allocation of such internal development costs by CEOC for its own projects. All third party Project Development Costs shall be paid directly by CEOC or its Affiliates (other than by Recipients) and Growth Partners will reimburse CEOC for Growth Partners' share of such Project Development Costs. On a quarterly basis, CEOC shall invoice Growth Partners for its share of the Project Development Costs incurred in the applicable quarter and Growth Partners shall pay such invoiced amounts within sixty (60) days after receipt of such invoice; provided, however, that the allocation to Growth Partners of any deposits, option fees, application fees, payments to potential partners and other similar capital investments shall require the prior approval of Growth Partners for any item or series of related items in excess of Two Hundred Fifty Thousand Dollars ($250,000). If a Project is pursued by Growth Partners (or its subsidiaries) without any ownership interest in such Project or management rights to be held by CEOC or its Affiliates (other than Recipients), Growth Partners shall pay all Project Development Costs attributable to such Project (and shall reimburse CEOC for any Project Development Costs related to such Project that had not been previously reimbursed by Growth Partners). If a Project is pursued by CEOC or its Affiliates (other than the Recipients) without any ownership interest in such Project to be held by the Recipients or their Affiliates (other than the Service Provider), CEOC shall pay all Project Development Costs attributable to such Project (and shall reimburse Growth Partners for any Project Development Costs incurred for such Project that had been previously reimbursed by Growth Partners). The Service Provider shall establish a separate Cost Center for each Project.

ARTICLE IV.
PERFORMANCE OF SERVICES

4.01 Standards. Subject to and in accordance with the Annual Plan, the Service Provider shall perform the Services on a non-discriminatory basis, in a first-class manner, using its commercially reasonable efforts to provide the Services in the same manner as if the Service Provider was providing such Services for itself or its subsidiaries. Actions taken by the Service Provider in good faith consistent with the foregoing shall not constitute a breach of this Agreement unless such action materially violates an express provision of this Agreement. The Service Provider shall provide the Services at the request of any officer or director of CAC or Growth Partners.

4.02 Employees. The Service Provider shall determine the fitness and qualifications of all employees performing the Services (except for any employees employed by a Recipient). The Service Provider shall hire, supervise, direct the work of, and discharge of all such employees. The Service Provider shall determine the wages and conditions of employment of all such employees. All wages, bonuses, compensation, benefits, termination or severance expenses or liabilities, pension fund contribution obligations or liabilities, and other costs, benefits, expenses or liabilities and entitlements of or in connection with employees employed in connection with the Services shall be the Service Provider's responsibility.

4.03 Independent Contractors. Subject to and in accordance with the Annual Plan, the Service Provider may hire consultants, independent contractors, or subcontractors, including Affiliates, to perform all or any part of a Service hereunder. The Service Provider shall be authorized to enter into agreements on behalf of, and in the name of, a Recipient in connection with any or all of the Services. The Service Provider will remain fully responsible for the performance of its obligations under this Agreement, including any performance by such consultants, independent contractors, or subcontractors, and the Service Provider will be solely responsible for payments due to its independent contractors unless such payments are part of a designated Direct Charge. All debts and liabilities incurred by the Service Provider within the scope of the authority granted and permitted hereunder in the course of its provision of the Services shall be the debts and liabilities of the respective Recipient only, and the Service Provider shall not be liable for such debts and liabilities except as specifically stated to the contrary herein.

4.04 Agency and Agency Waivers. The relationship between the parties hereto shall be that of principal, in the case of each Recipient, and agent, in the case of the Service Provider. Nothing herein contained shall be deemed or construed to render the parties hereto partners, joint venturers, landlord/tenant or any relationship other than that of principal and agent. To the extent there is any inconsistency between the common law fiduciary duties and responsibilities of principals and agents, and the provisions of this Agreement, the provisions of this Agreement shall prevail, it being the intention of the parties that this Agreement shall be deemed a waiver by the Recipients of any fiduciary duties owed by an agent to its principal, and a waiver by the Service Provider of any obligations of a principal to its agent, to the extent the same are inconsistent with, or would have the effect of modifying, limiting or restricting, the express provisions of this Agreement, the intention of the parties being that this Agreement shall be interpreted in accordance with general principles of contract interpretation without regard to the common law of agency except as expressly incorporated in the provisions of this Agreement. In no event shall the Service Provider be deemed in breach of its duties hereunder solely by reason of (a) the failure of the financial performance of any Recipient's business to meet such Recipient's expectations or income projections or any operating budget or annual plans, (b) the acts of any Recipient's employees, (c) the institution of litigation or the entry of judgments against any Recipient or Recipient's business, or (d) any other acts or omissions not otherwise constituting a material breach of this Agreement.

4.05 Affiliate Transactions. The fact that the Service Provider or an Affiliate thereof, or a stockholder, director, officer, member, or employee of the Service Provider or an Affiliate thereof, is employed by, or is directly or indirectly interested in or connected with, any Person which may be employed by a Recipient to render or perform a service, or from which the Service Provider may purchase any property, shall not prohibit the Service Provider from employing such Person or otherwise dealing with such Person.

4.06 Cooperation of Recipients and the Service Provider. The Recipients and the Service Provider shall cooperate fully with each other during the Term to procure and maintain all licenses and operating permits, if any, necessary or advisable for the Service Provider to provide Services hereunder and to facilitate each party's performance of this Agreement. The Recipients shall provide the Service Provider with such information as is necessary to the performance by the Service Provider of its obligations hereunder and as may be reasonably requested by the Service Provider from time to time.

ARTICLE V.
SERVICES FEE, EQUITY AND EXPENSES

5.01 Services Fee. The Service Provider shall charge each Recipient a fee for the Services (the "Services Fee") equal to the sum of (x) the allocated all-in costs (as determined based on an allocation of personnel time (as determined in a manner consistent with methodologies used by the Service Provider for similar services provided to Affiliated Entities) and actual out of pocket costs all as set forth in the Annual Plan (as it may be adjusted in accordance with Section 3.04(a)) plus (y) a profit margin of ten percent (10%)) for the Service Provider's provision of services to the Recipients characterized by the following categories of costs centers (each a "Cost Center") established by the Service Provider:

(a) "Controller" accounting for costs incurred in connection with the provision of general accounting services;

(b) "Chief Accounting Officer" accounting for costs incurred in connection with the provision of audit services and technical accounting services;

(c) "Corporate Planning" accounting for costs incurred in connection with the provision of corporate finance services for financing and refinancing transactions;

(d) "Investor Relations" accounting for costs incurred in connection with the provision of investor relations services;

(e) "External Communications" accounting for costs incurred in connection with the provision of external communications services and corporate level public relations services;

(f) "Communications" accounting for costs incurred in connection with the provision of internal communications services;

(g) "Legal" accounting for costs incurred in connection with the provision of legal services (including, without limitation, services of the General Counsel, litigation support, development support, real estate support, labor and employment advice and compliance);

(h) "Internal Audit" accounting for costs incurred in connection with the provision of corporate level audit services;

(i) "Accounting Systems" accounting for costs incurred in connection with the provision of accounting systems and support;

(j) "Corporate Tax" accounting for costs incurred in connection with the provision of tax support (including the preparation and filing of all statutory tax returns);

(k) "Treasury" accounting for costs incurred in connection with treasury support and cash management services;

(l) "Consolidated Analysis" accounting for costs incurred in connection with the provision of financial support for all corporate functions;

(m) "Consolidated Reporting" accounting for costs incurred in connection with the provision of support in connection with statutory reporting requirements; and

(n) such other Cost Centers as may be approved by the Recipients in the Annual Plan.

Each of the Cost Centers set forth above shall be described with more particularity in the Annual Plan and shall apply on a non-discriminatory basis to all Affiliated Entities. The Service Provider will invoice each Recipient on a monthly basis, which each Recipient shall pay within thirty (30) days of its receipt thereof. The obligation to pay Services Fees shall be several with respect to each Recipient, and not joint and several between or among Recipients. To the extent that certain Cost Centers are allocated by percentage of time spent by any particular employee or department, such allocations shall be applied in a manner substantially similar to that which is utilized by the Service Provider with respect to services provided to Affiliates of the Service Provider (other than the Recipients) as of the Effective Date. The Recipients acknowledge and agree that the Service Provider will not be required to keep or submit timesheets with respect to any such employee or department, as applicable.

5.02 Expenses. All costs and expenses, funding of operating deficits and operating capital, real property and personal property taxes, income taxes, sales taxes, Gaming Taxes (if applicable), and all other taxes, insurance premiums and other liabilities incurred due to the Gaming activities and non-gaming operations of each Recipient, including all Direct Charges, shall be the sole and exclusive financial responsibility of such Recipient (severally, and not jointly and severally between or among Recipients), except for (a) costs included in any Cost Center set forth in the Annual Plan (in which case, such Recipient shall be responsible for the portion thereof allocated therein to such Recipient), and (b) those instances herein where it is expressly and specifically stated that such costs and expenses shall be the financial responsibility of the Service Provider. It is understood that statements herein indicating that the Service Provider shall furnish, provide or otherwise supply, present or contribute items or services hereunder shall not be interpreted or construed to mean that the Service Provider is liable or responsible to fund or pay for such items or services, except in those instances specifically mentioned herein. The Service Provider shall not impose any markup on any goods or services purchased for a Recipient.

5.03 Withholding. The Service Provider, on or prior to the date it becomes a Service Provider hereunder, shall deliver to the Recipients a duly completed and executed Internal Revenue Service Form W-9. Each Recipient shall be entitled to deduct and withhold from the consideration otherwise payable hereunder such amounts as it is required to deduct and withhold under any Applicable Laws. To the extent amounts are so withheld and paid over to the proper governmental authority, such amounts shall be treated for all purposes as having been paid to the Person in respect of which such deduction and withholding was made.

ARTICLE VI.
AFFIRMATIVE COVENANTS

The parties agree to comply in all material respects with all Applicable Laws, including, without limitation, any laws, rules, regulations, orders and requests for information of any Gaming Authorities that may license the Service Provider or a Recipient or from which the Service Provider or a Recipient may seek a license. Each Recipient shall also follow applicable federal laws, rules, and regulations.

ARTICLE VII.
REPRESENTATIONS AND WARRANTIES

7.01 Representations and Warranties of each Recipient

Each Recipient represents and warrants, severally and not jointly and severally between or among Recipients, that:

(a) It is duly organized, validly existing and in good standing under the laws of the state of its organization, that such Recipient has full power and authority to enter into this Agreement and perform its obligations hereunder, and that the officers of such Recipient who executed this Agreement on behalf of such Recipient are in fact officers of such Recipient and have been duly authorized by such Recipient to execute this Agreement on its behalf.

(b) The execution, delivery and performance by such Recipient of this Agreement have been duly authorized by all necessary action on the part of such Recipient and no further action or approval is required in order to constitute this Agreement as the valid and binding obligations of such Recipient, enforceable in accordance with its terms.

7.02 Representations and Warranties of the Service Provider

The Service Provider represents and warrants that:

(a) It is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware, that the Service Provider has full corporate power and authority to enter into this Agreement and perform its obligations hereunder, and that the officers of the Service Provider who executed this Agreement on behalf of the Service Provider are in fact officers of the Service Provider and have been duly authorized by the Service Provider to execute this Agreement on its behalf.

(b) The execution, delivery and performance by the Service Provider of this Agreement have been duly authorized by all necessary corporate action on the part of the Service Provider and no further action or approval is required in order to constitute this Agreement as the valid and binding obligations of the Service Provider, enforceable in accordance with its terms.

(c) To the Service Provider's knowledge, all agreements between the Service Provider and third parties pursuant to which the Service Provider obtains any Services to be provided hereunder are in full force and effect, and there is no event of default thereunder by any party thereto that would materially adversely prevent the Service Provider from providing the Services hereunder.

ARTICLE VIII.
INDEMNITY AND LIMITATION ON LIABILITY

8.01 Indemnity by the Service Provider. The Service Provider shall indemnify, defend and hold harmless each Recipient and its officers, directors and employees from and against any and all costs and expenses, losses, damages, claims, causes of action and liabilities (including reasonable attorneys' fees, disbursements and expenses of litigation) arising from, relating to, or in any way connected with the gross negligence or willful misconduct of the Service Provider or any employee, contractor or agent of the Service Provider, except to the extent directly or indirectly caused by any act or omission of such Recipient.

8.02 Indemnity by the Recipients. Each Recipient, severally and not jointly and severally, shall indemnify, defend and hold harmless the Service Provider and its officers, directors and employees from and against any and all costs and expenses, losses, damages, claims, causes of action and liabilities (including reasonable attorneys' fees, disbursements and expenses of litigation) arising from, relating to, or in any way connected with the gross negligence or willful misconduct of such Recipient or any employee, contractor or agent of such Recipient, except to the extent directly or indirectly caused by any act or omission of the Service Provider.

8.03 Procedure. The party claiming indemnity shall promptly provide the other party with written notice of any claim, action or demand for which indemnity is claimed. The indemnifying party shall be entitled to control the defense of any action, provided that the indemnified party may participate in any such action with counsel of its choice at its own expense and provided further that the indemnifying party shall not settle any claim, action or demand without the prior written consent of the indemnified party, such consent not to be unreasonably withheld or delayed. The indemnified party shall reasonably cooperate in the defense as the indemnifying party may request and at the indemnifying party's expense.

8.04 Limitation on Liability.

(a) Except with respect to a party's indemnification obligations under Sections 8.01 and 8.02, neither party will be liable for indirect, consequential, special, exemplary or punitive damages, regardless of the form of action, whether in contract, tort or otherwise, and even if such party has been advised of the possibility of such damages.

(b) Except with respect to a party's indemnification obligations under Sections 8.01 and 8.02, the liability of each party to the other party for any direct damages resulting from, arising out of or relating to this Agreement, whether based on an action or claim in contract, negligence, tort or otherwise, will not exceed, in the aggregate, an amount equal to the aggregate Service Fees paid or payable during the twelve (12) months prior to the assertion of the claim.

ARTICLE IX.
DEFAULT

9.01 Definition. The occurrence of any one or more of the following events which is not cured within the time permitted shall constitute a default under this Agreement (hereinafter referred to as an "Event of Default") as to the party failing in the performance or effecting the breaching act.

9.02 Service Provider's Default. An Event of Default shall exist with respect to the Service Provider if the Service Provider shall fail to perform or materially comply with any of the covenants, agreements, terms or conditions contained in this Agreement applicable to the Service Provider and such failure shall continue for a period of thirty (30) days after written notice thereof from any Recipient to the Service Provider specifying in reasonable detail the nature of such failure, or, in the case such failure is of a nature that it cannot, with due diligence and good faith, be cured within thirty (30) days but can be cured within 120 days, if the Service Provider fails to proceed promptly and with all due diligence and in good faith to cure the same and thereafter to prosecute the curing of such failure to completion with all due diligence within ninety (90) days thereafter.

9.03 Recipient's Default. An Event of Default shall exist with respect to a Recipient (but not, for the avoidance of doubt, with respect to any other Recipient solely due to the defaulting Recipient's Event of Default) if such Recipient shall:

(a) fail to make any monetary payment required under this Agreement, including, but not limited to, any Services Fee to the Service Provider or any Direct Charges to the applicable third parties, on or before the due date recited herein and such failure continues for five (5) Business Days after written notice from the Service Provider specifying such failure, or

(b) fail to perform or materially comply with any of the other covenants, agreements, terms or conditions contained in this Agreement applicable to a Recipient and such failure shall continue for a period of thirty (30) days after written notice thereof from the Service Provider to such Recipient specifying in reasonable detail the nature of such failure, or, in the case such failure is of a nature that it cannot, with due diligence and good faith, be cured within thirty (30) days, if such Recipient fails to proceed promptly and with all due diligence and in good faith to cure the same and thereafter to prosecute the curing of such failure to completion with all due diligence within ninety (90) days thereafter.

9.04 Bankruptcy

An Event of Default shall exist with respect to a party if such party:

(a) applies for or consents to the appointment of a receiver, trustee or liquidator of itself or any of its property;

(b) makes a general assignment for the benefit of creditors;

(c) is adjudicated bankrupt or insolvent; or

(d) files a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors, takes advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law, or admits the material allegations of a petition filed against it in any proceedings under any such law or admits in writing its inability to pay its debts as they become due.

9.05 Reorganization/Receiver. An Event of Default shall exist with respect to a party if an order, judgment or decree is entered by any court of competent jurisdiction approving a petition seeking reorganization or liquidation of the Service Provider or a Recipient, as the case may be, or appointing a receiver, trustee or liquidator of the Service Provider or a Recipient, as the case may be, of all or a substantial part of any of the assets of the Service Provider or such Recipient, as the case may be, and such order, judgment or decree continues unstayed and in effect for a period of sixty (60) days from the date of entry thereof.

9.06 Delays and Omissions. No delay or omission as to the exercise of any right or power accruing upon any Event of Default shall impair the non-defaulting party's exercise of any right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein.

ARTICLE X.
TERMINATION

10.01 Termination; Terminating Events. This Agreement shall terminate (a) upon an election by all of the Recipients to terminate all Services in accordance with Section 3.04(b); provided, however, that Section 10.03 shall survive any termination, (b) upon the mutual written consent of the parties, (c) automatically upon consummation of either the Call Right in full (and shall not, for the avoidance of doubt, apply to any partial exercise of any Call Right) or the Liquidation (each as defined in the Transaction Agreement) or (d) at the election of the non-defaulting party upon the occurrence of an Event of Default under this Agreement and where the time to cure, if any, has lapsed.

10.02 Effect of Termination. Within fifteen (15) days after the termination of this Agreement, each Recipient shall pay the Service Provider all accrued and unpaid amounts due under this Agreement, including without limitation, the Services Fee.

10.03 Transition Assistance.

(a) Upon a termination of the Agreement under Section 10.01 or a termination of certain Services under Section 3.04(b), at the request of any Recipient, the Service Provider will provide reasonable cooperation and transition assistance to such Recipient necessary to transfer the applicable Services to such Recipient or such Recipient's Affiliate; provided that, except for its obligations to transfer data and proprietary information under Section 10.03(b), nothing in this Agreement shall require the Service Provider to share any Service Provider Confidential Information with any Prohibited Person. In no event shall the Service Provider be required to provide transition assistance for more than 180 days after termination of the applicable Service. For the avoidance of doubt, under no circumstances shall

the Service Provider be obligated to provide transition assistance to any third party (i.e., an entity other than a Service Recipient or a Service Recipient's Affiliates). The Service Provider will not be obligated to provide any transition assistance (except as required under Section 10.03(b)) if the Service Provider terminates this Agreement pursuant to an Event of Default under Section 9.03. Each Recipient shall pay the Service Provider its reasonable costs for providing such transition assistance without mark-up, notwithstanding Section 5.01.

(b) The Service Provider shall provide reasonable cooperation and assistance to such Recipient necessary to transfer the data and proprietary information owned by such Recipient, if any, to such Recipient or such Recipient's Affiliate in a usable form upon a methodology to be reasonably agreed upon by the parties. The Service Provider shall continue to utilize its Service Provider Proprietary Information and Systems on each Recipient's behalf for the agreed upon transitional period to the extent necessary to transfer the applicable information and services to such Recipient or such Recipient's Affiliate.

ARTICLE XI.
NOTICES

All notices provided for in this Agreement or related to this Agreement, which either party desires to serve on the other, shall be in writing and shall be considered delivered upon receipt. Any and all notices or other papers or instruments related to this Agreement shall be sent by:

(a) United States registered or certified mail (return receipt requested), postage prepaid, in an envelope properly sealed;

(b) a facsimile transmission where written acknowledgment of receipt of such transmission is received and a copy of the transmission is mailed with postage prepaid; or

(c) a nationally recognized overnight delivery service;

provided for receipted delivery, addressed as follows:

RECIPIENTS:

Caesars Acquisition Company
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attention: Chief Executive Officer
Facsimile: (514) 635-1277

Caesars Growth Partners, LLC
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attention: Chief Executive Officer
Facsimile: (514) 635-1277

SERVICE PROVIDER:

Caesars Entertainment Operating Company, Inc.
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attention: General Counsel
Facsimile: (702) 407-6418

Any Recipient or the Service Provider may change the address or name of addressee applicable to subsequent notices (including copies of said notices as hereinafter provided) or instruments or other papers to be served upon or delivered to the other party, by giving notice to the other party as aforesaid, provided that notice of such change shall not be effective until the fifth (5th) day after mailing or facsimile transmission.

ARTICLE XII.
DISPUTE RESOLUTION

12.01 Disputes Submitted to Arbitration. Wherever any dispute arises between a Recipient and the Service Provider which is not otherwise resolved between the parties, the same shall be submitted to resolution by arbitration to be conducted in Las Vegas, Nevada, in accordance with the rules of the local arbitration commission or authority.

12.02 Selection of Arbitrators. Any party shall have the right to submit such dispute to arbitration by delivery of written notice to the other party stating that the party(ies) to the dispute delivering such notice desires to have the then unresolved controversy between the applicable Recipient(s) and the Service Provider reviewed by a board of three (3) arbitrators. Such notice shall also set forth the identity of the person selected by the notifying party as its arbitrator, and shall detail the dispute between the parties and such party's suggested resolution. Within twenty (20) days after receipt of such notice, the other party shall designate a person to act as arbitrator and shall notify the party requesting arbitration of such designation, the name and address of the person so designated, and the suggested resolution of such dispute by such party. The two (2) arbitrators designated as aforesaid shall promptly select a third arbitrator, and if they are not able to agree on such third (3rd) arbitrator, then either arbitrator, on five (5) days' notice in writing to the other, or both arbitrators, shall apply to the local arbitration authority to designate and appoint such third (3rd) arbitrator. The two (2) arbitrators selected by the parties shall then notify the Service Provider and the applicable Recipient(s) in writing promptly upon the selection of the third arbitrator. If the party upon whom such written request for arbitration is served shall fail to designate its arbitrator within twenty (20) days after receipt of such notice, then the suggested resolution of the dispute as set forth in the written notice delivered by the party requesting such arbitration shall become the resolution thereof, and shall be binding on the Service Provider and the applicable Recipient(s) hereunder.

12.03 Submission of Evidence. Within thirty (30) days following the date on which the parties shall have received notice of the appointment of the third (3rd) arbitrator, the parties shall submit to the arbitrator so appointed a full statement of their respective positions and their reasons in support thereof, in writing, with copies delivered to the other party. Upon receipt of such written statement from the other party, the party receiving the same may file with

the arbitrators a written rebuttal. Unless requested by the arbitrators, no hearing shall be required in connection with any such arbitration, and the arbitrators may elect to base their decisions on the written material submitted by the parties; provided, however, the parties shall submit to hearings, and be prepared to provide testimony, by themselves or by witnesses called on their behalf, if so requested by the arbitrators.

12.04 Decisions of Arbitrators. Following receipt of the written materials from each party, and following any hearings or testimony held in connection with such arbitration, the arbitrators shall render their decision, which decision shall adopt either the position of the Service Provider or the applicable Recipient(s) as previously submitted to the arbitrators, in full, without revision or alteration thereof, and without compromise. If more than one issue shall be submitted to the same arbitrators for resolution, each such issue shall be deemed a separate arbitration for all purposes hereof, such issues to be identified separately by the parties in their submission to arbitration, and each such issue shall be subject to a separate decision by the arbitrators.

12.05 Arbitration is Binding. The decision of a majority of the arbitrators shall be binding upon the Service Provider and the applicable Recipient(s) and shall be enforceable in any court of competent jurisdiction. Such decision and award may allocate the costs of such arbitration to one of the parties, equally or disproportionately between the parties.

12.06 Qualifications of Arbitrators. All arbitrators appointed hereunder shall be persons reasonably experienced regarding the management and operation of first-class casinos and companies offering Gaming activities of generally the same class and category as CEC, or reasonably experienced in the financial or economic evaluation or appraisal of the same, but no such arbitrator shall then be in the employ of any corporation or entity which, at the time of such arbitration, shall be an operator of any facility offering Gaming activities, a casino operator, an on-line gaming company, a casino management company or a horse racing facility management company.

ARTICLE XIII.
MISCELLANEOUS

13.01 Assignment. No party shall assign this Agreement or any interest therein without the express prior written consent of the other parties. Notwithstanding the preceding sentence, the Service Provider may assign or transfer this Agreement to any Affiliate of such Service Provider; provided, that a counterpart original of such assignment is delivered to the other parties on or before the effective date of such assignment, and provided further that such Affiliate expressly assumes and agrees to be bound by all of the terms and conditions of this Agreement. Except as otherwise provided herein, each provision hereof shall extend to and shall, as the case may require, bind and inure to the benefit of the parties' permitted successors and assigns and legal representatives.

13.02 Construction. The language in all parts of this Agreement shall be in all cases construed simply according to its fair meaning, and not strictly for or against the Recipients or the Service Provider. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing the same to be drafted.

13.03 Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Nevada without reference to its choice of law provisions.

13.04 Severability. Should any portion of this Agreement be declared invalid or unenforceable, then such portion shall be deemed to be severed from this Agreement and shall not affect the remainder thereof.

13.05 Attorneys' Fees. Should either party institute an action or proceeding to enforce any provisions hereof or for other relief due to an alleged breach of any provision of this Agreement, the prevailing party shall be entitled to receive from the other party all costs of the action or proceeding and reasonable attorneys' fees.

13.06 Entire Agreement. This Agreement covers in full each and every agreement of every kind or nature whatsoever between the parties hereto concerning this Agreement, and all preliminary negotiations and agreements, whether verbal or written, of whatsoever kind or nature are merged herein. No oral agreement or implied covenant shall be held to vary the provisions hereof, any statute, law or custom to the contrary notwithstanding.

13.07 Counterparts. This Agreement may be executed in counterparts, including via facsimile, and shall be deemed to have become effective when and only when all parties hereto have executed this Agreement, although it shall not be necessary that any single counterpart be signed by or on behalf of each of the parties hereto, and all such counterparts shall be deemed to constitute but one and the same instrument.

13.08 Force Majeure. Whenever this Agreement requires an act to be performed within a specified time period or to be completed diligently, such periods are subject to Unavoidable Delays. "Unavoidable Delays" are delays beyond the reasonable control of the party asserting the delay, and include delays caused by acts of God, acts of war, terrorist attack, civil commotions, riots, strikes, lockouts, acts of government in either its sovereign or contractual capacity, perturbation in telecommunications transmissions, inability to obtain suitable labor or materials, accident, fire, water damages, flood, earthquake, or other natural catastrophes. A party that incurs an Unavoidable Delay will be excused from performance of the affected act so long as the underlying reason for the Unavoidable Delay continues, other than with respect to a party's obligation to make payments that have become due and payable pursuant to this Agreement which shall not be subject to Unavoidable Delays.

13.09 No Warranties. The Service Provider shall use commercially reasonable efforts to render the services contemplated by this Agreement in good faith to each Recipient on the terms and standards set forth herein, including Section 4.01, but hereby explicitly disclaims any and all warranties, express or implied.

13.10 Headings. Headings or captions have been inserted for convenience of reference only and are not to be construed or considered to be a part hereof and shall not in any way modify, restrict or amend any of the terms or provisions hereof.

13.11 Waiver. The waiver by one party of any default or breach of any of the provisions, covenants or conditions hereof of the part of the other party to be kept and performed shall not be a waiver of any preceding or subsequent breach or any other provisions, covenants or conditions contained herein.

13.12 Consent to Jurisdiction. The parties hereto agree that, other than an arbitration proceeding arising pursuant to Article XII, any legal action or proceeding with respect to or arising out of this Agreement may be brought in or removed to the courts of the State of Nevada or of the United States of America for the District of Nevada. By execution and delivery of this Agreement, the parties hereto accept, for themselves and in respect of their property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts. The parties hereto irrevocably consent to the service of process out of any of the aforementioned courts in any manner permitted by law. The parties hereto hereby waive any right to stay or dismiss any action or proceeding under or in connection with this Agreement brought before the foregoing courts on the basis of forum non-conveniens.

13.13 Waiver of Jury Trial. THE PARTIES HERETO HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT AND THE RELATIONSHIP BETWEEN THE PARTIES HERETO THAT IS BEING ESTABLISHED. THE PARTIES HERETO ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. THE PARTIES HERETO FURTHER WARRANT AND REPRESENT THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

13.14 Amendments. This Agreement may be changed, modified, surrendered or terminated (and provisions hereof may be waived) only by an agreement in writing signed by the parties hereto. Any modification, amendment, waiver, discharge, surrender, termination or assignment in violation of this Section 13.14 shall be void *ab initio*.

* * * * *

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first above written.

SERVICE PROVIDER:

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.,
a Delaware corporation

By: /s/ Eric Hession
Name: Eric Hession
Title: Senior Vice President and Treasurer

RECIPIENTS:

CAESARS GROWTH PARTNERS, LLC,
a Delaware limited liability company

By: Caesars Acquisition Company, its managing member

By: /s/ Craig Abrahams
Name: Craig Abrahams
Title: Secretary and Chief Financial Officer

CAESARS ACQUISITION COMPANY,
a Delaware corporation

By: /s/ Craig Abrahams
Name: Craig Abrahams
Title: Secretary and Chief Financial Officer

[Management Services Agreement – Signature Page]

Exhibit 4

Exhibit 2.1

EXECUTION VERSION

TRANSACTION AGREEMENT

by and among

CAESARS ENTERTAINMENT CORPORATION,
CAESARS ENTERTAINMENT OPERATING COMPANY, INC.,
CAESARS LICENSE COMPANY, LLC,
HARRAH'S NEW ORLEANS MANAGEMENT COMPANY,
CORNER INVESTMENT COMPANY, LLC,
3535 LV CORP.,
PARBALL CORPORATION,
JCC HOLDING COMPANY II, LLC,
CAESARS ACQUISITION COMPANY, and
CAESARS GROWTH PARTNERS, LLC

Dated as of March 1, 2014

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This **TRANSACTION AGREEMENT**, dated as of March 1, 2014 (this "Agreement"), is entered into by and among Caesars Entertainment Corporation, a Delaware corporation ("Parent"), Caesars Entertainment Operating Company, Inc., a Delaware corporation ("CEOC"), Caesars License Company, LLC, a Nevada limited liability company ("CLC"), Harrah's New Orleans Management Company, a Nevada corporation ("New Orleans Property Manager"), Parball Corporation, a Nevada corporation ("Parball"), 3535 LV Corp., a Nevada corporation ("3535 LV"), Corner Investment Company, LLC, a Nevada limited liability company ("CIC"), JCC Holding Company II, LLC, a Delaware limited liability company ("JCC Holding" and, together with Parball, 3535 LV and CIC, the "Company Parties" and each a "Company Party"), Caesars Acquisition Company, a Delaware corporation ("CAC"), and Caesars Growth Partners, LLC, a Delaware limited liability company ("Growth Partners").

WHEREAS, Parent owns all of the outstanding capital stock of CEOC, which in turn owns all of the outstanding equity interests in each of the Company Parties;

WHEREAS, prior to the Closing, the Caesars Parties will effect a restructuring (the "Restructuring Transactions") pursuant to which, among other things, (i) CEOC will contribute (a) all of the outstanding equity interests in CIC to a newly formed and wholly owned limited liability company ("CIC NewCo Parent"); and (b) all of the outstanding equity interests in JCC Holding to a newly formed and wholly owned limited liability company (together with CIC NewCo Parent, the "NewCo Parent Sellers"); (ii) (a) each of 3535 LV, Parball and each Subsidiary of Parball will contribute all of their respective assets (other than, in the case of Parball, the equity interests of its Subsidiaries) and liabilities and assign the employment of, and any and all employment-related obligations (including but not limited to employment Contracts and any Labor Agreements to which 3535 LV, Parball or any Subsidiary of Parball is party) of, its employees (collectively, the "Assigned Employment Obligations") to newly formed and wholly owned limited liability companies (the "NewCo Subsidiary Sellers", and together with the NewCo Parent Sellers, the "NewCo Sellers") and (b) immediately following such contributions by each of 3535 LV, Parball and each Subsidiary of Parball, the NewCo Subsidiary Sellers will contribute all of their respective assets and liabilities and the Assigned Employment Obligations to newly formed and wholly owned limited liability companies (collectively, the "NewCo LLCs"); and (iii) the Caesars Parties will form or caused to be formed the New Property Managers, all as more fully described on Exhibit A hereto;

WHEREAS, subject to the conditions set forth herein, including receipt of the Gaming Licenses required therefor, Growth Partners or one or more of its designated direct or indirect Subsidiaries will purchase the following assets from Subsidiaries of Parent (the "Purchased Assets"): (i) from the NewCo Parent Sellers, all of the outstanding equity interests in each of CIC and JCC Holding (collectively, the "Purchased Company Party Interests"), (ii) from the NewCo Subsidiary Sellers, all of the outstanding equity interests in the NewCo LLCs (together with the Purchased Company Party Interests, the "Purchased Equity Interests"), (iii) from the Property Managers, the Management Fee Stream with respect to each Casino, and (iv) from CLC, the Caesars Parties and their respective Subsidiaries, the Purchased Intellectual Property; and

WHEREAS, upon consummation of the purchase and sale of the Purchased Assets, each Property Owner is entering into a Property Management Agreement with the applicable Property

Manager, pursuant to which, among other things, the Property Managers are providing management services to the applicable Casino and use of the Total Rewards® Program, together with the other related Intellectual Property arrangements contemplated thereunder and under the Services Joint Venture Arrangements, which the Parties acknowledge and agree are critical elements of the transaction such that Growth Partners would not have entered into this Agreement or the Ancillary Agreements absent the understanding and agreement of the Parties that that this Agreement and the Ancillary Agreements, together with the Services Joint Venture Arrangements, form part of a single integrated transaction.

NOW, THEREFORE, in consideration of the foregoing promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE I

DEFINED TERMS; INTERPRETATION

Section 1.1 Certain Definitions. As used in this Agreement, the following terms have the following meanings:

"144A Financing" has the meaning set forth in the definition of "Required Information".

"3535 LV" has the meaning set forth in the preamble.

"3535 LV NewCo" means the NewCo LLC into which all of the assets and liabilities and relevant Assigned Employment Obligations of 3535 LV were indirectly contributed.

"Accounts" has the meaning assigned to such term in the Disbursement Agreement.

"Accounts Receivable" means, as to each Specified Purchased Entity, all accounts receivable (including receivables and revenues for food, beverages, telephone and casino credit), notes receivable or overdue accounts receivable (net of applicable reserves), in each case, due and owing by any third party, in respect of such Specified Purchased Entity and its consolidated Subsidiaries.

"Actions" means any action, claim, demand, arbitration, charge, complaint, indictment, litigation, suit or other civil, criminal, administrative or investigative proceedings.

"Affiliate" means, with respect to any Person, any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such Person. For purposes of this definition, (i) with respect to any Caesars Party, the term "Affiliate" shall not include CAC or Growth Partners or any of their respective Subsidiaries and (ii) with respect to Growth Partners, the term "Affiliate" shall not include Parent or its direct or indirect controlled Subsidiaries.

"Affiliate Transaction" means any transaction, Contract, arrangement, understanding or other obligation between any Purchased Entity or its respective Subsidiaries, on the one hand, and any Caesars Party or its Affiliate (other than any Purchased Entity and its respective Subsidiaries), on the other.

"Aggregate Premium Cost" has the meaning set forth in Section 8.16(e).

"Agreement" has the meaning set forth in the preamble.

"Air Sources" has the meaning set forth in Section 8.17(a).

"Alternative Financing" has the meaning set forth in Section 8.13(a).

"Amended and Restated New Orleans Management Agreement" means the Existing New Orleans Management Agreement, as amended and restated in accordance with the Property Management Agreement Term Sheet.

"Ancillary Agreements" means this Agreement, including all Annexes, Schedules and Exhibits attached hereto, the Joinders, the Property Management Agreements, the IP Assignment Agreement, the Fee Stream Agreements and all other documents, agreements and instruments executed and delivered in connection herewith and therewith, in each case, as amended, modified or supplemented from time to time.

"Applicable Financing Lenders" has the meaning set forth in Section 8.13(b)(i).

"Approved Design Package" has the meaning set forth in Section 8.11(b).

"Assigned Employment Obligations" has the meaning set forth in the recitals.

"Audited Financial Statements" has the meaning set forth in Section 8.9.

"Auditor" has the meaning set forth in Section 3.5(b).

"Base Amount" has the meaning set forth in Section 3.1.

"Benefit Changeover Date" has the meaning set forth in Section 8.16(e).

"Bill's Credit Facility" means, collectively, (i) the Credit Agreement, dated as of November 2, 2012, by and among Parent, Corner Investment Propco, LLC, as borrower, the lenders party thereto and Credit Suisse AG, Cayman Islands Branch, as administrative agent and collateral agent, (ii) the Disbursement Agreement and (iii) all mortgages, deeds of trust, security agreements and other ancillary documents and agreements related thereto.

"Business Day" means any day that is not a Saturday, a Sunday or other day on which commercial banks in the City of New York, New York or Las Vegas, Nevada are required or authorized by Law to be closed.

"CAC" has the meaning set forth in the preamble.

"Caesars Benefit Plans" has the meaning set forth in Section 6.18(a).

"Caesars Disclosure Schedule" has the meaning set forth in Article V.

"Caesars Fundamental Representations" has the meaning set forth in Section 11.1(a)(i).

"Caesars Indemnified Persons" has the meaning set forth in Section 11.3.

"Caesars Parties" means, collectively, Parent, each Seller and each Company Party.

"Caesars Related Parties" has the meaning set forth in Section 12.11.

"Capital Expenditure Budgets" means, collectively, (i) the capital expenditure budget for Parball (or, following the Restructuring Transactions, Parball NewCo) set forth in Section 1.1(a) of the Caesars Disclosure Schedule and (ii) the capital expenditure budget for JCC Holding set forth in Section 1.1(b) of the Caesars Disclosure Schedule, in each case, as may be amended from time to time in accordance with Section 8.12.

"Cash" means, with respect to each Specified Purchased Entity and, if The Cromwell is open as of the Closing, CIC, all cash and cash equivalents of such Specified Purchased Entity and its Subsidiaries that would be reflected as such on a balance sheet prepared in accordance with GAAP.

"Casino" means each of the hotels and casinos commonly known as Bally's Las Vegas (located at 3645 S Las Vegas Boulevard, Las Vegas, NV 89109), The Quad Resort & Casino (located at 3535 S Las Vegas Boulevard, Las Vegas, NV 89109), The Cromwell (f/k/a Bill's Gamblin' Hall & Saloon) (located at 3595 S Las Vegas Boulevard, Las Vegas, NV 89109) and Harrah's New Orleans (located at 365 Canal St. Suite 900, New Orleans, LA 70130) and "Casinos" shall refer to all such hotels and casinos, collectively.

"CEOC" has the meaning set forth in the preamble.

"Chosen Court" has the meaning set forth in Section 12.5(b).

"CIC" has the meaning set forth in the preamble.

"CIC NewCo Parent" has the meaning set forth in the recitals.

"CLC" has the meaning set forth in the preamble.

"Closing" has the meaning set forth in Section 4.1.

"Closing Date" has the meaning set forth in Section 4.1.

"Closing Payment" has the meaning set forth in Section 3.1(a).

"Code" means the U.S. Internal Revenue Code of 1986, as amended.

"Commitment Letter" has the meaning set forth in Section 7.8.

"Company Intellectual Property" has the meaning set forth in Section 6.15(a).

"Company Parties" has the meaning set forth in the preamble.

"Company Real Property" means all Owned Real Property and Leased Real Property.

"Company Subsidiaries" has the meaning set forth in Section 6.1(b).

"Compliant" shall mean, with respect to the Required Information, that (i) such Required Information taken as a whole does not contain any untrue statement of a material fact regarding the Company Parties, or omit to state any material fact regarding the Company Parties necessary in order to make such Required Information not materially misleading under the circumstances, (ii) such Required Information complies in all material respects with all applicable requirements of Regulation S-K and Regulation S-X under the Securities Act for a registered public offering of debt securities on Form S-1 by the Company Parties and customarily included in private placements of debt securities under Rule 144A of the Securities Act and (iii) the financial statements and other financial information included in such Required Information would not be deemed stale or otherwise be unusable under customary practices for offerings and private placements of debt securities under Rule 144A of the Securities Act and are sufficient to permit the Company Parties' applicable independent accountants to issue comfort letters to the Financing Lenders and other financing sources providing the Financing, including as to customary negative assurances and change period, in order to consummate any offering of debt securities, which such accountants have confirmed they are prepared to issue, it being understood and agreed that the Caesars Parties make no representations or warranties as to any post-Closing period and have no obligation to determine whether any information as to any post-Closing time is "Compliant".

"Consents" means any consents, waivers, approvals, requirements, allowances, novations, authorizations, declarations, filings, registrations, findings of suitability, licenses, permits and notifications.

"Contract" means any agreement, contract, indenture, note, bond, lease, sublease, conditional sales contract, mortgage, license, sublicense, franchise agreement, undertaking, commitment or other binding arrangement (in each case, whether written or oral).

"control" means, as to any Person, the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise (and the terms "controlled by" and "under common control with" shall have correlative meanings).

"Controlled Group Liability" means any and all liabilities (i) under Title IV of ERISA, (ii) under Section 302 of ERISA, (iii) under Sections 412 and 4971 of the Code, (iv) as a result of a failure to comply with the continuation coverage requirements of Section 601 et seq. of ERISA and Section 4980B of the Code, and (v) under corresponding or similar provisions of foreign laws or regulations.

"Cromwell Casino Target Opening Date" means May 1, 2014.

"Cromwell Completion Date" means the date on which Growth Partners receives evidence of completion of all construction at The Cromwell in accordance with the Cromwell

Construction Plans and payment in full of all costs and expenses associated therewith together with copies of all applicable Lien waivers related thereto, including, without limitation, (i) the issuance by the architect for such project of a certificate of completion, and (ii) issuance by the applicable Governmental Entities of a certificate of occupancy.

"Cromwell Construction Contracts" has the meaning set forth in Section 6.24.

"Cromwell Construction Plans" means the Plans and Specifications, together with all related plans with respect to interior fit out, furnishings, fixtures and equipment.

"Cromwell Nightclub Target Opening Date" means June 1, 2014.

"Customer Deposits" means, with respect to any Specified Purchased Entity, all security and other deposits, advance or pre-paid rents or other amounts and key money or deposits (including any interest thereon) at the Casino owned, directly or indirectly, by such Specified Purchased Entity and the Front Money in respect of such Casino.

"Customer Related Intangible Rights" means lists or information with respect to current or prospective customers, or any customer-based intangible, as defined in Sections 197(d)(1)(C)(ii) and (iv) of the Code, including (i) the right to use the Total Rewards® Program and (ii) the license of certain Intellectual Property, in each case, as described in the Property Management Agreement Term Sheet and, following the Closing, the Property Management Agreements.

"Damages" means any loss, liability, prosecution, claim, demand, damage, judgment, fine, Tax, cost or expense (including reasonable costs of investigation and defense and legal and other professional expenses, interest, penalties and amounts paid in settlement), but excluding any punitive, special or multiple-based damages (other than any such damages that are paid to a third party in connection with a Third Party Claim).

"Deemed Purchased Assets" has the meaning set forth in Section 3.5(a).

"Design Package" has the meaning set forth in Section 8.11(b).

"Determination Date" has the meaning set forth in Section 3.4(b).

"Direct Claim" has the meaning set forth in Section 11.4(a)(i)(1).

"Disbursement Agreement" means the Master Disbursement Agreement, dated as of November 2, 2012, by and among Credit Suisse AG, Cayman Islands Branch, as the disbursement agent, Credit Suisse AG, Cayman Islands Brand, as the agent, administrative agent and collateral agent, and Corner Investment Propco, LLC, as the borrower.

"DOL" has the meaning set forth in Section 6.18(b).

"Environment" means ambient air, vapors, surface water, groundwater, wetlands, drinking water supply, land surface, or subsurface strata and biota.

"Environmental Condition" means the release into the Environment and/or presence in the Environment of any Hazardous Substance as a result of which any Company Party or its Subsidiaries (i) has or is reasonably likely to become liable to any Person for an Environmental Liability, (ii) is or was in violation of any Environmental Law, (iii) has or is reasonably likely to be required to incur response costs for compliance, investigation or remediation, or (iv) by reason of which the Company Real Property or other assets of any Company Party or its Subsidiaries, has been or may be reasonably likely to be subject to any Lien under Environmental Laws (other than a Permitted Lien); provided that none of the foregoing shall be an Environmental Condition if such matter was remediated or otherwise corrected prior to the date hereof in accordance with Environmental Law and to the satisfaction of the applicable Governmental Entity.

"Environmental Laws" means all applicable and legally enforceable federal, state and local statutes or laws, common law, judgments, orders, regulations, licenses, permits, enforceable guidance and policies, rules and ordinances relating to Hazardous Substances, pollution, restoration or protection of health, safety or the environment, including, but not limited to the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), Resource Conservation and Recovery Act (42 U.S.C. §6901 et seq.), Safe Drinking Water Act (42 U.S.C. §3000(f) et seq.), Toxic Substances Control Act (15 U.S.C. §2601 et seq.), Clean Air Act (42 U.S.C. §7401 et seq.), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §9601 et seq.) and other similar state and local statutes, in effect as of the date hereof, including any judicial or administrative interpretation thereof.

"Environmental Liabilities" means all Liabilities (including all reasonable fees, disbursements and expenses of counsel, expert and consulting fees and costs of investigations and feasibility studies and responding to government requests for information or documents), fines, penalties, restitution and monetary sanctions, interest, direct or indirect, known or unknown, absolute or contingent, resulting from any claim or demand, by any Person or entity, under Environmental Law.

"ERISA" has the meaning set forth in Section 6.18(a).

"ERISA Affiliate" has the meaning set forth in Section 6.18(d).

"Estimated Closing Cash" means, with respect to each Specified Purchased Entity (and, if The Cromwell is open as of the Closing, CIC), CEOC's good faith estimate of the Cash of such Specified Purchased Entity (and, if applicable, CIC) as of the Closing.

"Estimated Closing Cash Overage" means the amount, if any, by which the sum of Estimated Closing Cash for each Specified Purchased Entity (and, if The Cromwell is open as of the Closing, CIC) is greater than the sum of Target Cash for each Specified Purchased Entity (and, if applicable, CIC).

"Estimated Closing Cash Shortage" means the amount, if any, by which the sum of Estimated Closing Cash for each Specified Purchased Entity (and, if The Cromwell is open as of the Closing, CIC) is less than the sum of Target Cash for each Specified Purchased Entity (and, if applicable, CIC).

"Estimated Closing Indebtedness" means CEOC's good faith estimate of the aggregate amount of Indebtedness of the Purchased Entities and their Subsidiaries outstanding as of the Closing.

"Estimated Closing Net Working Capital" means, with respect to each Specified Purchased Entity, CEOC's good faith estimate of the Net Working Capital of such Specified Purchased Entity as of the Closing.

"Estimated Closing Net Working Capital Overage" means the amount, if any, by which the sum of Estimated Closing Net Working Capital for each Specified Purchased Entity is greater than the sum of Target Net Working Capital for each Specified Purchased Entity.

"Estimated Closing Net Working Capital Shortage" means the amount, if any, by which the sum of Estimated Closing Net Working Capital for each Specified Purchased Entity is less than the sum of Target Net Working Capital for each Specified Purchased Entity.

"Estimated Closing Payment" has the meaning set forth in Section 3.2.

"Estimated Closing Statement" has the meaning set forth in Section 3.2.

"Estimated Pre-Closing Quad Renovation Expenditures" means CEOC's good faith estimate of the Pre-Closing Quad Renovation Expenditures as of the Closing.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Excusable Delay" means (i) acts of God, fires, floods or storms, (ii) explosions, wars, terrorist acts or riots and (iii) strikes, lockouts or other industrial disturbances, in each case, not caused by an act or omission of the Caesars Parties or their Subsidiaries and that similarly affects other construction projects in the vicinity.

"Existing New Orleans Management Agreement" means the Third Amended and Restated Management Agreement, dated as of March 30, 2001, by and between Jazz Casino Company, LLC, as owner, and New Orleans Property Manager.

"Fee Stream Agreements" has the meaning set forth in Section 9.3(d)(iv).

"Final Closing Cash" means, with respect to each Specified Purchased Entity (and, if The Cromwell is open as of the Closing, CIC), the Cash of such Specified Purchased Entity (and, if applicable, CIC) as of the Closing as set forth in the Final Closing Statement.

"Final Closing Cash Overage" means the amount, if any, by which the Final Closing Cash for each Specified Purchased Entity (and, if The Cromwell is open as of the Closing, CIC) is greater than the Estimated Closing Cash for each Specified Purchased Entity (and, if applicable, CIC), which amount, if any, shall be payable by Growth Partners to CEOC in accordance with Section 3.4(c).

"Final Closing Cash Shortage" means the amount, if any, by which the Final Closing Cash for each Specified Purchased Entity (and, if The Cromwell is open as of the Closing, CIC) is less than the Estimated Closing Cash for each Specified Purchased Entity (and, if applicable, CIC), which amount, if any, shall be payable by CEOC to Growth Partners in accordance with Section 3.4(c).

"Final Closing Indebtedness" means the aggregate amount of Indebtedness of the Purchased Entities and their Subsidiaries outstanding as of the Closing as set forth in the Final Closing Statement.

"Final Closing Indebtedness Overage" means the amount, if any, by which the Final Closing Indebtedness is greater than the Estimated Closing Indebtedness, which amount, if any, shall be payable by CEOC to Growth Partners in accordance with Section 3.4(c).

"Final Closing Indebtedness Shortage" means the amount, if any, by which the Final Closing Indebtedness is less than the Estimated Closing Indebtedness, which amount, if any, shall be payable by Growth Partners to CEOC in accordance with Section 3.4(c).

"Final Closing Net Working Capital" means, with respect to each Specified Purchased Entity, the Net Working Capital of such Specified Purchased Entity as of the Closing as set forth in the Final Closing Statement.

"Final Closing Net Working Capital Overage" means the amount, if any, by which the Final Closing Net Working Capital for each Specified Purchased Entity is greater than the Estimated Closing Net Working Capital for each Specified Purchased Entity, which amount, if any, shall be payable by Growth Partners to CEOC in accordance with Section 3.4(c).

"Final Closing Net Working Capital Shortage" means the amount, if any, by which the Final Closing Net Working Capital for each Specified Purchased Entity is less than the Estimated Closing Net Working Capital for each Specified Purchased Entity, which amount, if any, shall be payable by CEOC to Growth Partners in accordance with Section 3.4(c).

"Final Closing Payment" has the meaning set forth in Section 3.4(a).

"Final Closing Statement" has the meaning set forth in Section 3.4(a).

"Final Determination" means the final resolution of any Tax (or other Tax matter) for a taxable period that, under applicable Law, is not subject to further appeal, review or modification through proceedings or otherwise, including (i) by the expiration of a statute of limitations or a period for the filing of claims for refunds, amending Tax Returns, appealing from adverse determinations, or recovering any refund (including by offset), (ii) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and non-appealable, (iii) by a closing agreement or an accepted offer in compromise under Section 7121 or 7122 of the Code, or comparable agreements under laws of other jurisdictions, or (iv) by execution of an Internal Revenue Service Form 870 or 870AD, or by a comparable form under the laws of other jurisdictions.

"Final Pre-Closing Quad Renovation Expenditures" means the Pre-Closing Quad Renovation Expenditures as set forth in the Final Closing Statement.

"Final Pre-Closing Quad Renovation Expenditures Overage" means the amount, if any, by which the sum of Final Pre-Closing Quad Renovation Expenditures is greater than the sum of Estimated Pre-Closing Quad Renovation Expenditures, which amount, if any, shall be payable by Growth Partners to CEOC in accordance with Section 3.4(c).

"Final Pre-Closing Quad Renovation Expenditures Shortage" means the amount, if any, by which the sum of Final Pre-Closing Quad Renovation Expenditures is less than the sum of Estimated Pre-Closing Quad Renovation Expenditures, which amount, if any, shall be payable by CEOC to Growth Partners in accordance with Section 3.4(c).

"Financial Statements" has the meaning set forth in Section 6.10.

"Financing" has the meaning set forth in Section 7.8.

"Financing Lenders" has the meaning set forth in Section 7.8.

"Flow of Funds" has the meaning set forth in Section 3.1(b).

"Front Money" means, with respect to each Casino, all money stored on deposit in the cage at such Casino belonging to, and stored in an account for, any Person who is not the Specified Purchased Entity that owns, directly or indirectly, such Casino or any of such Specified Purchased Entity's Subsidiaries.

"GAAP" means the accounting principles and procedures which are and shall be U.S. generally accepted accounting principles consistently applied on the date hereof.

"Gaming" or "Gaming Activities" means the conduct of gaming and gambling activities, race books and sports pools, or the use of gaming devices, equipment and supplies in the operation of a casino, simulcasting facility, card club or other enterprise, including slot machines, gaming tables, cards, dice, gaming chips, player tracking systems, cashless wagering systems, mobile gaming systems, online real money gaming, poker tournaments, inter-casino linked systems and related and associated equipment, supplies and systems.

"Gaming Authorities" means all international, national, foreign, domestic, federal, state, provincial, regional, local, tribal, municipal and other regulatory and licensing bodies, instrumentalities, departments, commissions, authorities, boards, officials, tribunals and agencies with authority over or responsibility for the regulation of Gaming within any Gaming Jurisdiction.

"Gaming Jurisdictions" means all jurisdictions, domestic and foreign, and their political subdivisions, in which Gaming Activities are or may be lawfully conducted, including all Gaming Jurisdictions in which the Caesars Parties or any of their Affiliates currently conducts or may in the future conduct Gaming Activities.

"Gaming Laws" means all laws, statutes and ordinances pursuant to which any Gaming Authority possesses regulatory, permit and licensing authority over the conduct of Gaming Activities, or the ownership or control of an interest in an entity which conducts Gaming Activities, in any Gaming Jurisdiction, all Orders, rules and regulations promulgated thereunder, all written and unwritten policies of the Gaming Authorities and all written and unwritten interpretations by the Gaming Authorities of such laws, statutes, ordinances, Orders, rules, regulations and policies.

"Gaming Licenses" means all licenses, permits, approvals, Orders, authorizations, registrations, findings of suitability, determinations of qualification, franchises, exemptions, waivers, concessions and entitlements issued by any Gaming Authority or under any Gaming Laws which are necessary to permit the consummation of the transactions contemplated by this Agreement.

"Governing Documents" means the legal document(s) by which any Person (other than an individual) establishes its legal existence or which govern its internal affairs. For example, the "Governing Documents" of a corporation are its certificate or articles of incorporation and by-laws, the "Governing Documents" of a limited partnership are its limited partnership agreement and certificate of limited partnership and the "Governing Documents" of a limited liability company are its operating agreement and certificate of formation or articles of organization.

"Governmental Entities" means, in any jurisdiction, any (a) federal, state, local, foreign or international government, (b) court, arbitral or other tribunal, (c) governmental or quasi-governmental authority of any nature (including any political subdivision, instrumentality, branch, department, official or entity) or (d) agency, commission, authority or body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature.

"Growth Indemnified Persons" has the meaning set forth in Section 11.2.

"Growth Partners" has the meaning set forth in the preamble.

"Growth Partners Disclosure Schedule" has the meaning set forth in Article VII.

"Growth Partners Fundamental Representations" has the meaning set forth in Section 11.1(b)(i).

"Growth Partners Operating Agreement" means the amended and restated limited liability company agreement of Growth Partners, dated as of October 21, 2013.

"Hazardous Substance" means any pollutant, chemical, substance and any toxic, infectious, carcinogenic, reactive, corrosive, ignitable or flammable chemical, or chemical compound, or hazardous substance, material or waste, whether solid, liquid or gas, that is subject to regulation, control or remediation under applicable Environmental Laws, or that otherwise results in any Environmental Liability, including any quantity of friable asbestos, urea formaldehyde foam insulation, PCBs, crude oil or any fraction thereof, all forms of natural gas, petroleum products or by-products or derivatives, and mold and other bio toxins.

"House Funds" means, with respect to each Purchased Entity, all cash and cash equivalents located at the Casino owned, directly or indirectly, by such Purchased Entity, including cash, negotiable instruments, and other cash equivalents located in cages, drop boxes, slot machines and other gaming devices, cash on hand for the manager's petty cash fund and cashiers' banks, coins and slot hoppers, carousels, slot vault and poker bank and cash in the registration, retail, restaurant and other non-gaming areas of the Company Real Property, as applicable, related to such Casino (including in vending machines, postage meters, pay phones, laundry machines and other cash-operated equipment), and all checks, travelers' checks, and bank drafts paid by guests of such Casino, but shall not include the Front Money in respect of such Casino.

"Improvements" means and includes all buildings (including building systems such as roof, HVAC, electrical, plumbing, sprinklers, and other fire-safety systems), structures, fixtures and other improvements now or hereafter located on, over, under or within any Company Real Property.

"Indebtedness" means, in respect of any Person, (i) indebtedness of such Person for borrowed money; (ii) obligations of such Person evidenced by bonds, debentures, notes, hedging and swap arrangements or other similar instruments; (iii) obligations of such Person in respect of letters of credit (whether drawn or undrawn) or other similar instruments (or reimbursement agreements in respect thereof) banker's acceptances or bank overdrafts; (iv) obligations of such Person to pay the deferred and unpaid purchase price of property (other than ordinary trade accounts payable); (v) lease obligations of such Person that are required to be capitalized in accordance with GAAP; (vi) indebtedness of third parties which is guaranteed by such Person or secured by a Lien on the assets of such Person; (vii) conditional sale or other title retention agreements with respect to property acquired; (viii) off-balance sheet financing, including synthetic leases and project financing; (ix) any account payable overdue by more than one hundred eighty (180) days; (x) all other liabilities or obligations of such Person (other than current liabilities) that are required to be reflected on a balance sheet in accordance with GAAP (but excluding, for the avoidance of doubt, any deferred Tax liabilities); and (xi) unpaid accrued interest, premiums, penalties, redemption costs and other charges in respect of on any of the foregoing items.

"Indemnified Person" means a Person whom Parent and Sellers, on the one hand, or Growth Partners and CAC, on the other hand, are required to indemnify under Article XI, as applicable.

"Indemnifying Person" means, in relation to an Indemnified Person, the Party to this Agreement that is required to indemnify such Indemnified Person under Article XI.

"Intellectual Property" means all intellectual property of every kind, foreign or domestic, including all patents, patent applications, inventions (whether or not patentable), processes, procedures, technologies, discoveries, apparatus, know-how, trade secrets, trademarks, trademark registrations and applications, domain name registrations, social media addresses and accounts, trade dress, service marks, service mark registrations and applications, trade names, and all goodwill associated with the foregoing, copyright registrations, copyrightable and copyrighted works, data and databases, software, rights of publicity, rights of privacy, moral rights, rights to personal information, customer lists and confidential marketing and customer information.

"IP Assignment Agreement" means the short-form Intellectual Property Assignment Agreement substantially in the form attached hereto as Exhibit B, conveying the Purchased Intellectual Property from CLC, the Caesars Parties and their respective Subsidiaries to Growth Partners or its designated Subsidiary.

"JCC Holding" has the meaning set forth in the preamble.

"Joinder" has the meaning set forth in Section 8.14.

"Knowledge" means, with respect to the Caesars Parties, the actual knowledge of the individuals listed on Section 1.1(c) of the Caesars Disclosure Schedule.

"Labor Agreement" has the meaning set forth in Section 6.19(b).

"Land Leases" has the meaning set forth in Section 6.14(b).

"Law" means all laws, principles of common law, statutes, constitutions, treaties, rules, regulations, ordinances, codes, rulings, orders, decisions, subpoenas, verdicts and licenses of all Governmental Entities.

"Leased Real Property" means all real property leased by any Company Party or its Subsidiaries pursuant to any of the Leases.

"Leases" has the meaning set forth in Section 6.14(b).

"Lender Liens" has the meaning set forth in Section 8.8.

"Lenders" has the meaning set forth in Section 8.8.

"Liabilities" means any direct or indirect liability, Indebtedness, obligation, commitment, expense, claim, deficiency, guaranty or endorsement of or by any Person of any type, whether accrued, absolute, contingent, matured, unmatured, liquidated, unliquidated, known or unknown.

"Lien" means any mortgage, deed of trust, pledge, encumbrance, option, right of first refusal or first offer, conditional sale, lien, security interest, conditional or installment sale agreement, charge, proxy, voting trust or agreement, transfer restriction or other restriction on the use, voting, receipt of income or other exercise of any attribution of ownership under any shareholder or similar agreement.

"Loan Obligations" has the meaning set forth in Section 8.8.

"Managed Facility" has the meaning set forth in the Property Management Agreement Term Sheet.

"Managed Facility Guest Data" has the meaning set forth in the Property Management Agreement Term Sheet.

"Management Employees" has the meaning set forth in Section 8.16(a).

"Management Fee" means any "Management Fees" as defined in the Property Management Agreement Term Sheet and, following the Closing, the Property Management Agreements.

"Management Fee Stream" means an amount equal to fifty percent (50%) of (i) the ongoing Management Fees payable to the applicable Property Manager under the applicable Property Management Agreement with respect to each Casino and (ii) any termination fee payable to such Property Manager upon the termination of such Property Management Agreement.

"Material Adverse Effect" means, with respect to any Company Party and its Subsidiaries, taken as a whole, changes, events, circumstances or effects that have had, will have or could reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of such Company Party and its Subsidiaries, taken as a whole; provided that none of the following, individually and in the aggregate, shall constitute or be taken into account in determining whether a Material Adverse Effect has occurred with respect to such Company Party and its Subsidiaries: (i) general conditions (or changes therein) in the (A) travel, hospitality or gaming industries, or in the jurisdiction where such Company Party and its Subsidiaries operates or (B) the financial, banking, currency or capital markets, (ii) any change in GAAP or applicable Law (other than a change in Gaming Law prohibiting or substantially restricting Gaming Activities which are currently permitted), (iii) any change, event or effect resulting from the entering into or public announcement of the transactions contemplated by this Agreement, (iv) any change, event or effect resulting from any act of terrorism, commencement or escalation of armed hostilities in the U.S. or internationally, and (v) the failure of such Company Party to meet any financial or other projections (provided that the underlying cause of any such failure to meet financial or other projections may be considered in determining whether a Material Adverse Effect has occurred); provided that the matters described in clauses (i), (ii) and (iv) above shall be considered in determining whether a Material Adverse Effect has occurred to the extent of any disproportionate impact on such Company Party and its Subsidiaries, taken as a whole, relative to other participants operating in the same industries and geographic markets as such Company Party and its Subsidiaries.

"Material Contract" has the meaning set forth in Section 6.16(a).

"Maximum Quad Renovation Expenditures" means $223,100,000.

"Mirror H&W Plans" has the meaning set forth in Section 8.16(b).

"Net Working Capital" means, with respect to each Specified Purchased Entity, the difference between (a) the current assets of such Specified Purchased Entity and its Subsidiaries, including the value of inventory, Accounts Receivable, and current prepaid expenses, but excluding Cash and (b) the current Liabilities of such Specified Purchased Entity and its Subsidiaries, including accounts payable, all accrued expenses, all Customer Deposits and all Progressive Liabilities; provided that current assets and current Liabilities shall be limited to the amounts that would be required to be reflected on a balance sheet prepared in accordance with

GAAP applied on a basis consistent with the past practices of such Specified Purchased Entity; provided further that there shall be excluded from current assets and current Liabilities the specific accounts or line items reflected on Exhibit C hereto as being excluded. For purposes of this Agreement, Net Working Capital shall exclude any Tax assets or Liabilities. For the avoidance of doubt, and notwithstanding anything contained herein or in Exhibit C to the contrary, any Liabilities held at Parent or its Affiliates (other than the Specified Purchased Entities or their respective Subsidiaries) through intercompany accounts shall be included in the current Liabilities of a Specified Purchased Entity to the extent such Liabilities would be reflected on a balance sheet of such Specified Purchased Entity prepared in accordance with GAAP.

"NewCo LLC" or "NewCo LLCs" has the meaning set forth in the recitals.

"NewCo Parent Sellers" has the meaning set forth in the recitals.

"NewCo Sellers" has the meaning set forth in the recitals.

"NewCo Subsidiary Sellers" or "NewCo Subsidiary Seller" has the meaning set forth in the recitals.

"New Orleans Property Manager" has the meaning set forth in the preamble.

"New Permit" has the meaning set forth in Section 8.17(a).

"New Property Management Agreements" means the Management Agreements with the New Property Managers contemplated by the Property Management Agreement Term Sheet.

"New Property Manager" means each of (i) the Bally's Manager, (ii) the Quad Manager, and (iii) the Cromwell Manager, in each case as defined in the Property Management Agreement Term Sheet.

"Order" means any outstanding order, decision, judgment, writ, injunction, stipulation, award or decree.

"Other Material IP" has the meaning set forth in Section 6.15(b).

"Outside Date" means June 30, 2014; provided that (1) if the Commitment Letter is amended to extend the termination date set forth therein beyond June 30, 2014, the Outside Date shall be the earlier of (i) August 31, 2014 and (ii) the termination date set forth in the amended Commitment Letter; and (2) if, on or prior to the later of (x) June 30, 2014, or (y) the then-current termination date set forth in an amended Commitment Letter, all conditions to Closing are satisfied or capable of being satisfied other than the condition set forth in Section 9.1(b) and the Financing has been consummated in escrow pending satisfaction of the condition set forth in Section 9.1(b), then the Outside Date shall be August 31, 2014.

"Owned Real Property" means all real property owned in fee by any Company Party or its Subsidiaries.

"Parball" has the meaning set forth in the preamble.

"Parball NewCo" means the NewCo LLC into which all of the assets and liabilities and relevant Assigned Employment Obligations of Parball were indirectly contributed.

"Parent" has the meaning set forth in the preamble.

"Party" means any party hereto, and "Parties" means all parties hereto.

"Pending Mirror H&W Plan" has the meaning set forth in Section 8.16(e).

"Permit" means all Consents, licenses, permits, certificates, authorizations, registrations, waivers, variances, exemptions, franchises and other approvals issued, granted, given, required or otherwise made available by any Governmental Entity.

"Permitted Lien" means, with respect to any Person, Liens (a) for Taxes, assessments and other governmental charges, if such Taxes, assessments or charges are not yet due and payable; (b) for inchoate workmen's, repairmen's or other similar Liens arising or incurred in the ordinary course of business in respect of obligations which are not overdue; (c) for easements, rights, of way, covenants, conditions and restrictions, reciprocal easement agreements and other agreements or encumbrances of record affecting title to any Owned Real Property or Leased Real Property or the leasehold estate in and to such Leased Real Property, or zoning, land use, building, entitlement or other land use or environmental Laws applicable to any Owned Real Property, Leased Real Property, or the leasehold estate in and to such Leased Real Property; (d) for all matters listed as exceptions to title to any Owned Real Property or Leased Real Property on any of the title policies listed in Section 6.14 of the Caesars Disclosure Schedule; (e) arising or incurred in the ordinary course of business (other than Liens securing Indebtedness of such Person or its Subsidiaries) that do not, individually or in the aggregate, materially impair the continued use and operation of the assets of such Person or its Subsidiaries in the conduct of their respective businesses as conducted as of the date hereof or the Closing Date; or (f) that are set forth in Section 1.1(d) of the Caesars Disclosure Schedule.

"Person" means an individual, firm, corporation (including any non-profit corporation), partnership (general or limited), limited liability company, joint venture, association, trust, Governmental Entity or other entity or organization.

"Plans and Specifications" has the meaning assigned to such term in the Disbursement Agreement.

"Pre-Closing Quad Renovation Expenditures" means the costs and expenses incurred by any Caesars Party or their respective Affiliates in connection with the construction and renovation of The Quad between February 6, 2014 and the Closing Date pursuant to and in accordance with the Quad Renovation Documents, in each case, to the extent such costs and expenses are not and do not become Liabilities of any Purchased Entity or its Subsidiaries at or following the Closing.

"Progressive Liabilities" means, with respect to each Specified Purchased Entity, the sum of (a) the face amounts of the progressive slot machine meters with an in house progressive

jackpot feature (if such slot machines are not removed by the vendor at or before the Closing) at the Casino owned, directly or indirectly, by such Specified Purchased Entity and (b) the face amounts of the meters for the table games with an in house progressive jackpot feature at such Casino.

"Property Employees" has the meaning set forth in Section 6.18(a).

"Property Employer" means any entity that employs a Property Employee.

"Property Management Agreements" means, collectively, the New Property Management Agreements and the Amended and Restated New Orleans Management Agreement, pursuant to which, among other things, (a) each Property Manager shall, as of the Closing, (i) manage the applicable Casino and (ii) provide such Casino with the use of the Total Rewards® Program and (b) CLC or its Affiliates shall, as of the Closing, license to Growth Partners or one or more of its designated direct or indirect Subsidiaries the certain Intellectual Property as described in the Property Management Agreement Term Sheet.

"Property Management Agreement Term Sheet" means the Management Agreement Term Sheet attached as Exhibit D hereto.

"Property Managers" means, collectively, the New Property Managers and New Orleans Property Manager.

"Property Owner" has the meaning set forth in the Property Management Agreement Term Sheet.

"Purchased Assets" has the meaning set forth in the recitals.

"Purchased Company Party Interests" has the meaning set forth in the recitals.

"Purchased Entities" means, collectively, CIC, JCC Holding and the NewCo LLCs.

"Purchased Equity Interests" has the meaning set forth in the recitals.

"Purchased Intellectual Property" means all Intellectual Property (in each case, whether registered, unregistered or subject to a pending application) used, or held for use, specifically at or in connection with the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries, including the Company Intellectual Property and the Quad Successor Name. For clarity, Purchased Intellectual Property shall not include (i) enterprise level intellectual property of the Property Manager and its affiliates, such as intellectual property in the Total Rewards® Program, or (ii) the name, trademark or service mark Bally's or Harrah's (including in the name, trademark or service mark Bally's Las Vegas and Harrah's New Orleans).

"Purchased Interests" mean, collectively, the Purchased Assets and all of the assets of each Purchased Entity and its Subsidiaries.

"Purchase Price" has the meaning set forth in Section 3.4(a).

"Purchase Price Allocation" has the meaning set forth in Section 3.5(a).

"Quad Completion Date" means the date on which Growth Partners receives evidence of completion of all construction and renovation at The Quad in accordance with the Quad Renovation Plans and payment in full of all costs and expenses associated therewith together with copies of all applicable Lien waivers related thereto, including, without limitation, the issuance by the architect for such project of a certificate of completion.

"Quad Renovation Budget" means the construction budget and construction schedule for the construction and renovation of The Quad pursuant to and in accordance with the Quad Renovation Plans, attached hereto as Exhibit E.

"Quad Renovation Contracts" has the meaning set forth in Section 6.25(a).

"Quad Renovation Documents" mean, collectively, the Quad Renovation Budget and the Quad Renovation Plans.

"Quad Renovation Expenditures Overage" means the amount, if any, by which the aggregate costs and expenses incurred on or after February 6, 2014 in connection with the construction and renovation of The Quad pursuant to and in accordance with the Quad Renovation Documents exceeds the Maximum Quad Renovation Expenditures; provided, that in the event that (x) CAC or Growth Partners requests any change orders, modifications or amendments with respect to the Quad Renovation Documents following the date hereof, (y) the Quad Renovation Documents are modified or amended pursuant to and in accordance with such request by CAC or Growth Partners, and (z) such requested change orders, modifications or amendments result in the incurrence of costs and expenses in connection with the construction and renovation of The Quad in excess of the Maximum Quad Renovation Expenditures, then such additional costs and expenses incurred as a result of such change orders, modifications or amendments shall not constitute "Quad Renovation Expenditures Overage" for purposes of Parent's and Sellers' indemnification obligations under Section 11.2(f) hereof unless otherwise agreed to in writing by the Parties.

"Quad Renovation Plans" means the plans and specifications for the construction and renovation of The Quad attached hereto as Exhibit F and the Approved Design Package.

"Quad Successor Name" means the name, trademark, service mark, and domain name for, and all other intellectual property rights in, the successor name to The Quad, upon selection and adoption thereof.

"Release Confirmation" has the meaning set forth in Section 8.8.

"Remaining Cromwell Costs" has the meaning set forth in Section 6.24.

"Representatives" means, with respect to any Person, such Person's Affiliates, directors, officers, employees, agents, consultants, advisors and other representatives, including legal counsel, accountants and financial advisors.

"Required Contingency" has the meaning assigned to such term in the Disbursement Agreement.

"Required Improvements" has the meaning set forth in Section 8.12.

"Required Information" means all financial statements, financial data, audit reports and other information of the Company Parties of the type required by Regulation S-X and Regulation S-K under the Securities Act for an offering of securities by the Company Parties registered on Form S-1 and customarily included in private placements of debt securities under Rule 144A of the Securities Act, to consummate the offerings of debt securities pursuant to Rule 144A under the Securities Act in lieu of the bridge financing contemplated by the Commitment Letter, assuming that such offering(s) were consummated at the same time during the Company Parties' fiscal year as such offering(s) of debt securities will be made, or as otherwise required in connection with the Financing and the transactions contemplated by this Agreement (the "144A Financing") or as otherwise necessary in order to assist in receiving customary "comfort" (including as to "negative assurance" comfort and change period) from the Company Parties' independent accountants in connection with the 144A Financing with respect to information prior to the Closing Date, it being understood and agreed that such information shall not include pro forma financial information or projections, which shall be the responsibility of CAC and Growth Partners (without waiver of the obligations of the Caesars Parties under Section 8.13).

"Restructuring Transactions" has the meaning set forth in the recitals.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Seller" or "Sellers" means (i) prior to the Restructuring Transactions, CEOC, CLC and New Orleans Property Manager, and (ii) following consummation of the Restructuring Transactions, CEOC, CLC, each Property Manager and the NewCo Sellers.

"Services Co." has the meaning set forth in the Services Joint Venture Term Sheet attached hereto as Exhibit H.

"Services Joint Venture Arrangements" has the meaning set forth in Section 8.18.

"Specified Purchased Entities" means, collectively, (i) JCC Holding, (ii) Parball NewCo and (iii) 3535 LV NewCo.

"Subsidiary" means, with respect to any Person, any corporation, entity or other organization whether incorporated or unincorporated, of which (a) such first Person, directly or indirectly, owns or controls at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions or (b) such first Person is a general partner or managing member.

"Surveys" has the meaning set forth in Section 9.3(d)(vii).

"Target Cash" means (i) with respect to Parball NewCo, $9,403,297, (ii) with respect to 3535 LV NewCo, $4,347,913, (iii) with respect to JCC Holding, $23,397,040, and (iv), with respect to CIC, $2,700,000.

"Target Net Working Capital" means (i) with respect to Parball NewCo, $(8,931,180), (ii) with respect to 3535 LV NewCo, $(4,177,370) and (iii) with respect to JCC Holding, $(11,117,630).

"Tax" or "Taxes" means (a) all taxes, charges, fees, levies, imposts, duties and other similar assessments, including any income, alternative minimum or add-on tax, estimated, gross income, gross receipts, sales, use, real property transfer, documentary transfer, controlling interest, transactions, intangibles, ad valorem, value-added, escheat, franchise, registration, title, license, capital, paid-up capital, profits, withholding, employee withholding, payroll, worker's compensation, unemployment insurance, social security, employment, excise, severance, stamp, transfer occupation, premium, recording, real property, personal property, federal highway use, commercial rent, environmental (including taxes under section 59A of the Code) or windfall profit tax, custom, duty or other tax, fee or other like assessment or charge, together with any interest, penalties, fines or additions to tax that may become payable in respect thereof imposed by any country, any state, county, provincial or local Governmental Entity or subdivision or agency thereof, (b) any liability for the payment of any amounts of the type described in clause (a) of this sentence as a result of being a member of an affiliated, consolidated, combined, unitary or aggregate group for any taxable period, and (c) any liability for the payment of any amounts of the type described in clause (a) or (b) of this sentence as a result of being a transferee of or successor to any Person or as a result of any express or implied obligation to assume such Taxes or to indemnify any other Person.

"Tax Return" means any return, report, certificate, form or similar statement or document (including any related or supporting information or schedule attached thereto and any information return, amended tax return, claim for refund or declaration of estimated tax) required or permitted to be supplied to, or filed with, a Governmental Entity in connection with the determination, assessment or collection of any Tax or the administration of any Laws relating to any Tax.

"The Cromwell" means the casino, hotel, restaurant, nightclub, new parking garage structure and various other support facilities being developed by CIC and its Subsidiaries and located at 3645 S Las Vegas Boulevard, Las Vegas, NV 89109.

"The Quad" means the hotel and casino commonly known as The Quad Resort & Casino (located at 3535 S Las Vegas Boulevard, Las Vegas, NV 89109).

"Third Party Claim" has the meaning set forth in Section 11.4(a)(i)(2).

"Title Policies" has the meaning set forth in Section 9.3(d)(vi).

"Title V Permit" has the meaning set forth in Section 8.17(a).

"Total Rewards® Program" has the meaning assigned to such term in the Property Management Agreement Term Sheet, and, following the Closing, the Property Management Agreements.

"Transfer Taxes" has the meaning set forth in Section 8.6.

"Transition Benefits" has the meaning set forth in Section 8.16(e).

"Transition Period" has the meaning set forth in Section 8.16(e).

"Union Plans" has the meaning set forth in Section 8.16(a).

"Unpaid Caesars Expenses" shall mean all fees, costs and expenses incurred by or allocated to any Purchased Entity or its Subsidiaries in connection with the transactions contemplated hereby to the extent not paid as of the Closing, except for any fees, costs or expenses (or portion thereof) that are required to be paid or reimbursed by CAC or Growth Partners as expressly provided herein.

"Warn Act" has the meaning set forth in Section 8.16(c).

Section 1.2 Rules of Construction. For the purposes of this Agreement, (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph, Annex, Exhibit and Schedule are references to the Articles, Sections, paragraphs, Annexes, Exhibits and Schedules to this Agreement unless otherwise specified; (c) the terms "hereof," "herein," "hereby," "hereto" and derivative or similar words refer to this entire Agreement, including the Annexes, Exhibits and Schedules hereto; (d) references to "$" mean U.S. dollars; (e) the word "including" and words of similar import when used in this Agreement mean "including without limitation," unless otherwise specified; (f) the word "or" shall not be exclusive; (g) references to "written" or "in writing" include in electronic form; (h) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (i) the Parties have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties thereto and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or the Ancillary Agreements; (j) a reference to any Person includes such Person's successors and permitted assigns; (k) any reference to "days" means calendar days unless Business Days are expressly specified; and (l) when calculating the period of time before which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded and if the last day of such period is not a Business Day, the period shall end at the close of business on the next succeeding Business Day.

ARTICLE II

SALE AND PURCHASE OF PURCHASED ASSETS

Section 2.1 Purchased Assets. Upon the terms and subject to the conditions of this Agreement, including the receipt of all Gaming Licenses, on the Closing Date, the applicable Seller shall sell, transfer, convey, assign and deliver to Growth Partners or one or more of its designated direct or indirect Subsidiaries, and Growth Partners or such designated direct or indirect Subsidiaries shall purchase and acquire from the applicable Seller, free and clear of all Liens (other than Permitted Liens), all of such Seller's right, title and interest in and to the Purchased Assets, in consideration for the payment by Growth Partners of the Purchase Price as set forth below.

ARTICLE III

PURCHASE PRICE; ADJUSTMENTS

Section 3.1 Closing Payment.

(a) Closing Payment. As consideration for the transactions contemplated by this Agreement, at the Closing, Growth Partners shall pay or cause to be paid to Sellers or their designee(s), by wire transfer of immediately available funds, an aggregate amount equal to the sum of (a) $2,000,000,000 (the "Base Amount"), plus (b) the Estimated Closing Payment (which can be a positive or negative number), plus (c) the Estimated Pre-Closing Quad Renovation Expenditures, minus (d) the Estimated Closing Indebtedness (the resulting amount, the "Closing Payment").

(b) Flow of Funds. At least three (3) days prior to the Closing Date, Sellers shall deliver to Growth Partners a memorandum setting forth the accounts and wire instructions of Sellers or their designee(s) for purposes of funding the Closing Payment (the "Flow of Funds").

Section 3.2 Estimated Closing Statement. No less than three (3) nor more than five (5) Business Days prior to the Closing Date, CEOC shall prepare and deliver to Growth Partners a written closing statement (the "Estimated Closing Statement"), including (a) the Estimated Closing Net Working Capital of each Specified Purchased Entity, including the resulting Estimated Closing Net Working Capital Overage (if any) or Estimated Closing Net Working Capital Shortage (if any) for all Specified Purchased Entities (in the aggregate), which shall be prepared in good faith and on a basis consistent with the preparation of the Financial Statements of the relevant Company Party and on a basis consistent with the calculation of Net Working Capital for the relevant Specified Purchased Entity as set forth on Exhibit C, (b) the Estimated Closing Cash of each Specified Purchased Entity (and, if applicable, CIC), including the resulting Estimated Closing Cash Overage (if any) or Estimated Closing Cash Shortage (if any) for all Specified Purchased Entities (and, if applicable, CIC) (in the aggregate), and (c) a reasonably detailed schedule setting forth (i) the Estimated Pre-Closing Quad Renovation Expenditures and (ii) the Estimated Pre-Closing Indebtedness, in each case, including appropriate backup documentation to support such amounts. Any Estimated Aggregate Closing

Net Working Capital Overage or Estimated Aggregate Closing Cash Overage set forth in the Estimated Closing Statement shall increase the amount paid by Growth Partners at the Closing and any Estimated Aggregate Closing Net Working Capital Shortage or Estimated Aggregate Closing Cash Shortage set forth in the Estimated Closing Statement shall reduce the amount payable to Sellers at the Closing, in each case, pursuant to Section 3.1 hereof (the amount of such increase or decrease, the "Estimated Closing Payment").

Section 3.3 House Funds. Growth Partners and CEOC shall mutually agree upon a procedure, consistent with the counting of House Funds in the ordinary course of business and in accordance with applicable Laws, for counting and determining House Funds with respect to each Casino as of the Closing.

Section 3.4 Final Adjustments.

(a) No more than ninety (90) days after the Closing Date, Growth Partners shall prepare and deliver to CEOC a written statement (the "Final Closing Statement"), including (i) the Final Closing Net Working Capital for each Specified Purchased Entity, including the resulting Final Closing Net Working Capital Overage (if any) or Final Closing Net Working Capital Shortage (if any) for all Specified Purchased Entities (in the aggregate), and including a detailed breakdown of the various amounts of each component of Net Working Capital for each Specified Purchased Entity, which shall be prepared in good faith and on a basis consistent with the preparation of the Financial Statements for the relevant Company Party and the calculation of Net Working Capital for the relevant Specified Purchased Entity as set forth on Exhibit C, (ii) the Final Closing Cash for each Specified Purchased Entity (and, if applicable, CIC), including the resulting Final Closing Cash Overage (if any) or Final Closing Cash Shortage (if any) for all Specified Purchased Entities (and, if applicable, CIC) (in the aggregate) and (iii) a reasonably detailed schedule setting forth (x) the Final Pre-Closing Quad Renovation Expenditures, including the resulting Final Pre-Closing Quad Renovation Expenditures Overage (if any) or Final Pre-Closing Quad Renovation Expenditures Shortage (if any), and (y) the Final Closing Indebtedness, including the resulting Final Closing Indebtedness Overage (if any) or Final Closing Indebtedness Shortage (if any), in each case, including appropriate backup documentation to support such amounts. Any such amounts determined pursuant to the Final Closing Statement shall be paid to either CEOC or Growth Partners pursuant to Section 3.4(c) hereof (the "Final Closing Payment"). The Closing Payment, as adjusted by the Final Closing Payment, is the "Purchase Price".

(b) If CEOC disagrees with the calculation of any amounts on the Final Closing Statement, CEOC shall, within thirty (30) Business Days after its receipt of the Final Closing Statement, notify Growth Partners of such disagreement in writing, setting forth in detail the particulars of such disagreement. If CEOC does not provide such notice of disagreement within the thirty (30) Business Day period, CEOC shall be deemed to have accepted the Final Closing Statement and the calculation of all amounts set forth thereon, which shall be final, binding and conclusive for purposes of this Agreement and not subject to any further recourse by CEOC or its Affiliates. If any such notice of disagreement is timely provided, Growth Partners and CEOC shall use reasonable best efforts for a period of ten (10) Business Days (or such longer period as they may mutually agree) to resolve any disagreements with respect to the calculation of any and all amounts set forth on the Final Closing Statement. If, at the end of such

period, the Parties are unable to fully resolve the disagreements, the Auditor shall resolve any remaining disagreements. The Auditor shall be instructed to (i) consider only such matters as to which there is a disagreement, (ii) determine, as promptly as practicable, whether the disputed amounts set forth on the Final Closing Statement were prepared in accordance with the standards set forth in this Agreement, and (iii) deliver, as promptly as practicable, to CEOC and Growth Partners its determination in writing. The resolution for each disputed item contained in the Auditor's determination shall be made subject to the definitions and principles set forth in this Agreement, and shall be limited to a determination of whether the position of CEOC or Growth Partners is more nearly consistent and in accordance with the terms of this Agreement. CEOC and Growth Partners shall bear their own expenses in the preparation and review of the Estimated Closing Statement and the Final Closing Statement, except that the fees and expenses of the Auditor shall be paid one-half by Growth Partners and one-half by CEOC. The determination of the Auditor shall be final, binding and conclusive for purposes of this Agreement and not subject to any further recourse by Growth Partners, CEOC or their respective Affiliates absent manifest error. Any dispute with respect to the Final Closing Statement will not affect any undisputed amounts in the Final Closing Statement or the related payments contemplated by Section 3.4(c) hereof. The date on which an amount set forth on the Final Closing Statement is finally determined in accordance with this Section 3.4(b) is hereinafter referred to as the "Determination Date."

(c) Any amounts determined to be due and owing to CEOC from Growth Partners or to Growth Partners from CEOC, as applicable, pursuant to this Section 3.4 shall be paid by CEOC to Growth Partners or by Growth Partners to CEOC, as applicable, within two (2) Business Days after the applicable Determination Date.

(d) CEOC will provide Growth Partners and its accountants and other Representatives reasonable access to any of CEOC's books and records and relevant employees not otherwise available to Growth Partners as a result of the transactions contemplated hereby, to the extent reasonably related to Growth Partners' review of the Estimated Closing Statement and Growth Partners' preparation of the Final Closing Statement.

Section 3.5 Allocation of Purchase Price.

(a) CEOC and Growth Partners agree that the transactions contemplated by this Agreement shall be treated for federal and applicable state and local income or franchise Tax purposes as an acquisition of (i) the Management Fee Stream, (ii) the Purchased Intellectual Property, (iii) a prepaid license with respect to the Customer Related Intangible Rights, (iv) the Managed Facility Guest Data, as described in the Property Management Agreement Term Sheet and pursuant to the terms of the Property Management Agreements, and (v) all of the assets of each Purchased Entity and those Subsidiaries of the Purchased Entities classified as disregarded entities for U.S. federal income Tax purposes (clauses (i) through (v), collectively, the "Deemed Purchased Assets").

(b) No more than sixty (60) days after the Determination Date, Growth Partners shall prepare and deliver to CEOC a written statement setting forth the allocation of the Purchase Price (as determined for federal income Tax purposes, taking into account any additional amounts payable pursuant to Section 3.4 and any assumed Liabilities that are required

to be treated as part of the Purchase Price for federal income Tax purposes) among the Deemed Purchased Assets (and any other assets that are considered to be acquired for federal income Tax purposes) in accordance with Section 1060 of the Code and the Treasury Regulations thereunder (the "Purchase Price Allocation"). The Caesars Parties shall deliver to Growth Partners any documentation reasonably requested by Growth Partners in connection with the preparation of the Purchase Price Allocation. Growth Partners and CEOC shall endeavor in good faith to agree on the Purchase Price Allocation. If Growth Partners and CEOC have not agreed on the Purchase Price Allocation within ninety (90) days following the Determination Date, then any disputed matter(s) will be finally and conclusively resolved by an independent accounting firm of recognized national standing reasonably acceptable to Growth Partners and CEOC with no existing relationship with any of the Parties (the "Auditor") in accordance with this Agreement, as promptly as practicable, and such resolution(s) will be reflected in the Purchase Price Allocation, provided that the resolution for each disputed item contained in the Auditor's determination shall be made subject to the definitions and principles set forth in this Agreement, and shall be limited to a determination on whether the position of CEOC or Growth Partners is more nearly consistent and in accordance with the terms of this Agreement. Growth Partners and CEOC shall each use its reasonable best efforts to furnish to the Auditor such work papers and other documents and information pertaining to each disputed item as the Auditor may request. CEOC and Growth Partners shall bear their own expenses in the preparation and review of the Purchase Price Allocation, except that the fees and expenses of the Auditor shall be paid one-half by Growth Partners and one-half by CEOC. Growth Partners and CEOC shall file all Tax Returns (including, but not limited to, IRS Form 8594) consistent with the Purchase Price Allocation, and shall not take any position inconsistent with the Purchase Price Allocation prior to a Final Determination; provided that the Purchase Price Allocation shall be adjusted by any other amounts paid under this Agreement following the Determination Date that affect the Purchase Price for federal income Tax purpose.

Section 3.6 Withholding. Growth Partners shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement such amounts as Growth Partners is required to deduct and withhold with respect to the making of such payment under the Code, or any provision of state, local or foreign Tax Law. To the extent that such amounts are so withheld and paid over to the proper Governmental Entity by Growth Partners, such withheld and deducted amounts will be treated for all purposes of this Agreement as having been paid to the respective Seller or other Person in respect of which such deduction and withholding was made by Growth Partners. Growth Partners shall deliver to such Seller or other Person, upon request, a receipt or other documentation evidencing the payment of any such withheld and deducted amounts to the appropriate Governmental Entity. If Growth Partners determines that it is required by Law to deduct and withhold any amount as described in this Section 3.6, Growth Partners shall notify CEOC of any such requirement as soon as reasonably practical after such determination is made by Growth Partners.

ARTICLE IV

CLOSING

Section 4.1 Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Skadden, Arps, Slate, Meagher & Flom LLP,

300 South Grand Avenue, Suite 3400, Los Angeles, CA 90071, or such other place as the Parties may mutually agree, on the third (3rd) Business Day (or on such other date as is agreed to among the Parties) following the satisfaction or waiver of the conditions set forth in Article IX (other than any conditions that by their terms are to be satisfied or waived at the Closing, but subject to the satisfaction or waiver of such conditions) (the "Closing Date").

ARTICLE V

REPRESENTATIONS OF Parent AND SELLERS

Except as set forth in the disclosure schedule delivered to Growth Partners prior to the execution of this Agreement (the "Caesars Disclosure Schedule") (provided that disclosure in any section of the Caesars Disclosure Schedule shall apply to any other section to the extent that the relevance of such disclosure to such other section is readily apparent on its face), Parent and each Seller represents and warrants, jointly and severally, to Growth Partners as follows:

Section 5.1 Organization and Qualification. Parent and each Seller is duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization, and has all requisite corporate or limited liability company power and authority to own, lease and operate its properties and to carry on its businesses as presently conducted. Parent and each Seller is duly licensed or qualified to do business and is in good standing in each jurisdiction where the conduct of its business requires such licensure or qualification except where the failure to be so licensed or qualified or in good standing has not had or would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of Parent and each Seller to perform their respective obligations under this Agreement and each Ancillary Agreement to which it is a party or to consummate the transactions contemplated hereby or thereby.

Section 5.2 Power and Authority; Authorization. Parent and each Seller has all requisite corporate or limited liability company power and authority to execute, deliver and perform its obligations under this Agreement and the other Ancillary Agreements to which it is or will be a party, and to consummate the transactions contemplated by this Agreement and the other Ancillary Agreements to which it is or will be a party. Parent's and each Seller's execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the consummation by Parent and Sellers of the transactions contemplated hereby and thereby have been recommended by the special committee of the Board of Directors of Parent and have been duly authorized by all action on the part of Parent and each Seller.

Section 5.3 Due Execution and Enforceability. This Agreement and each other Ancillary Agreement to which Parent or any Seller is or will be a party has been duly and validly executed and delivered by Parent and such Seller, as applicable, and, assuming the due authorization, execution and delivery of this Agreement and each respective Ancillary Agreement by the other parties hereto and thereto, constitutes the legal, valid and binding obligation of Parent and each Seller, as applicable, enforceable against Parent and each Seller, as applicable, in accordance with its terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

Section 5.4 Consents and Approvals; No Violations. Except as set forth on Section 5.4 of the Caesars Disclosure Schedule, no Consent from any Governmental Entity is required to be made or obtained by Parent or any Seller in connection with the execution, delivery and performance by it of its obligations under this Agreement and the other Ancillary Agreements to which it is or will be a party, or the consummation by it of the transactions contemplated hereby and thereby, except for such Consents as may be required under the Laws of any jurisdiction in which any Seller conducts any business or owns any assets, the failure of which to make or obtain would not, individually or in the aggregate, be reasonably likely to result in any Company Party or its Subsidiaries incurring a material Liability or any Company Party or its Subsidiaries being unable to conduct its respective businesses in substantially the same manner as such business is presently conducted. Neither the execution and delivery of this Agreement or the Ancillary Agreements by Parent or any Seller nor the performance by Parent or any Seller of its obligations nor the consummation of the transactions contemplated hereby or thereby will (a) violate, result in a breach of, or constitute a default under their respective Governing Documents, (b) violate, result in a breach of, constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration or result in the loss of a material benefit) under, or require any consent or waiver under, any of the material terms, conditions or provisions of any material Contract to which Parent or any Seller is a party, (c) result in the creation of any Lien on any of the Purchased Interests (other than Permitted Liens) or (d) violate or infringe in any material respect any Law or Order applicable to Parent or any Seller or any of the Purchased Interests.

Section 5.5 Ownership; Title.

(a) CEOC is the sole record and beneficial owner of all of the outstanding equity interests in each of the Company Parties and, following the Restructuring Transactions, each of the NewCo Sellers shall be the sole record and beneficial owner of its respective Purchased Equity Interests, in each case, free and clear of all Liens.

(b) Each Seller has, or will have following the consummation of the Restructuring Transactions, good and marketable title to its respective Purchased Assets, free and clear of any Liens. At the Closing, each Seller will transfer to Growth Partners or its designee good and marketable title to its respective Purchased Assets, free and clear of any Liens.

(c) No Seller is party to any option, warrant, purchase right or other Contract (other than this Agreement) obligating such Seller to sell, transfer, pledge or otherwise dispose of its respective Purchased Assets. Neither CEOC nor any Seller is a party to any voting trust, proxy or other agreement or understanding with respect to the Purchased Equity Interests.

Section 5.6 Litigation. Except as set forth on Section 5.6 of the Caesars Disclosure Schedule, as of the date hereof there are no Actions, at law or in equity, by any Person nor any arbitrations, or administrative or other proceedings by or before any Governmental Entity pending, or, to the Knowledge of the Caesars Parties, threatened against or adversely affecting Parent or any Seller that would reasonably be expected to have, individually or in the aggregate,

a material adverse effect on the ability of Parent and each Seller to perform their respective obligations under this Agreement and each Ancillary Agreement to which they are a party or to consummate the transactions contemplated hereby or thereby.

Section 5.7 Financial Advisor Opinions. The Board of Directors of Parent and the special committee of the Board of Directors of Parent have received (i) the written opinion of Centerview Partners, LLC to the effect that, as of the date thereof and based on and subject to the limitations and assumptions set forth therein, (a) the Base Amount is fair, from a financial point of view to Parent, and (b) the Base Amount is reasonably equivalent to the aggregate of the enterprise value of the Purchased Entities and the value of the Management Fee Stream, and (ii) the written opinion of Duff & Phelps, LLC to the effect that, as of the date thereof and based on and subject to the limitations and assumptions set forth therein, the sale of the Purchased Assets in exchange for the Base Amount is on terms that are no less favorable to CEOC or such relevant restricted subsidiary, as applicable, than would be obtained in a comparable arm's length transaction with a Person that is not an Affiliate.

ARTICLE VI

REPRESENTATIONS OF THE COMPANY PARTIES

Except as set forth in the Caesars Disclosure Schedule (provided that disclosure in any section of the Caesars Disclosure Schedule shall apply to any other section to the extent that the relevance of such disclosure to such other section is readily apparent on its face), each of the Company Parties, jointly and severally, represents and warrants to Growth Partners as follows:

Section 6.1 Organization and Qualification; Subsidiaries.

(a) Each Company Party is duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization, and has all requisite corporate or limited liability company power and authority to own, lease and operate its properties and to carry on its businesses as presently conducted. Each Company Party is duly licensed or qualified to do business and is in good standing in each jurisdiction where the conduct of its business requires such licensure or qualification, except where the failure to be so licensed or qualified or in good standing has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect in respect of such Company Party. The Caesars Parties have made available to Growth Partners prior to the date hereof, as applicable, complete and accurate copies of the Governing Documents of each Company Party and, to the extent in existence, the stock or interest record book, the minute book and other corporate or similar organizational records of each Company Party.

(b) Section 6.1(b) of the Caesars Disclosure Schedule sets forth the entire respective authorized and issued and outstanding equity interests of each Company Party and lists all of the direct and indirect Subsidiaries of each Company Party as of the date hereof and as of the date the Restructuring Transactions are consummated (collectively, the "Company Subsidiaries" and each individually, a "Company Subsidiary") and for each Company Subsidiary, (i) its state of organization, (ii) the type of entity it is, and (iii) the outstanding number and type of its limited liability company interests, shares of capital stock, or other equity

interests (or, in the case of the entities to be formed in the Restructuring Transactions, the anticipated number and type of limited liability company interests) and the owner of such equity interests. Each Company Subsidiary is or will be following the Restructuring Transactions, as applicable, duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization, and has or will have following the Restructuring Transactions, as applicable, all requisite corporate or limited liability company power and authority to own, lease and operate its properties and to carry on its businesses as presently conducted. Each Company Subsidiary is or will be following the Restructuring Transactions, as applicable, duly licensed or qualified to do business and is in good standing in each jurisdiction where the conduct of its business requires such licensure or qualification, except where the failure to be so licensed or qualified or in good standing has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect in respect of the relevant Company Party. The Caesars Parties have made available to Growth Partners prior to the date hereof or will make available to Growth Partners following the Restructuring Transactions with respect to the NewCo LLCs, as applicable, complete and accurate copies of the Governing Documents of each Company Subsidiary and, to the extent in existence, the stock or interest record book, the minute book and other corporate or similar organizational records of each Company Subsidiary.

Section 6.2 Power and Authority; Authorization. Each Company Party has all requisite corporate or limited liability company power and authority to execute, deliver and perform this Agreement and the other Ancillary Agreements to which such Company Party is or will be a party, and to consummate the transactions contemplated by this Agreement and the other Ancillary Agreements to which it is or will be a party. Each Company Party's execution and delivery of this Agreement and each Ancillary Agreement to which such Company Party is a party and the consummation by each Company Party of the transactions contemplated hereby and thereby have been duly authorized by all action on the part of such Company Party.

Section 6.3 Due Execution and Enforceability. This Agreement and each other Ancillary Agreement to which each Company Party is or will be a party has been duly and validly executed and delivered by such Company Party and, assuming the due authorization, execution and delivery of this Agreement and each respective Ancillary Agreement by the other parties hereto and thereto, constitutes the legal, valid and binding obligation of such Company Party, enforceable against such Company Party in accordance with its terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

Section 6.4 Ownership and Title. Except with respect to Owned Real Property and Leased Real Property (which are addressed in Section 6.14 below), each Company Party or their respective Subsidiaries own, and following the Restructuring Transactions, each Purchased Entity will own, good and marketable title to, or hold pursuant to valid and enforceable leases, all of the assets shown to be owned by them on the Financial Statements for such Company Party (except for such property sold or disposed of subsequent to the date thereof in the ordinary course of business) free and clear of all Liens (other than Permitted Liens).

Section 6.5 Capitalization.

(a) All of the issued and outstanding equity interests of each Company Party and each of the Company Subsidiaries set forth on Section 6.1(b) of the Caesars Disclosure Schedule have been duly authorized, validly issued and, to the extent applicable, are fully paid and non-assessable. No equity interests of any Company Party or its Subsidiaries have been issued in violation of any applicable federal, state or foreign securities Laws or any preemptive or similar rights. The Purchased Company Party Interests constitute all of the issued and outstanding equity interests of CIC and JCC Holdings and, following the Restructuring Transactions, the Purchased Equity Interests shall constitute all of the issued and outstanding equity interests of the Purchased Entities. There are no options, warrants, conversion privileges, subscription or purchase rights or other rights presently outstanding to purchase or otherwise acquire any equity interests in any Company Party or its Subsidiaries or any right to participate in the profits or other proceeds of any Company Party or its Subsidiaries, and there are no commitments, contracts, agreements, arrangements or understandings by any Caesars Party to issue any equity interests of any Company Party or its Subsidiaries other than in connection with the Restructuring Transactions. There are no outstanding or authorized stock-appreciation, phantom stock or similar rights with respect to any Company Party or its Subsidiaries. There are no voting trusts, proxies or any other agreements or understandings with respect to the voting of the equity interests in any Company Party or its Subsidiaries. Except for this Agreement and the Ancillary Agreements, there are no Contracts between any Company Party or its Subsidiaries, respectively, and any other Person with respect to the acquisition, disposition or voting of, or any other matters pertaining to, any of the equity interests of any Company Party or its Subsidiaries, respectively.

(b) None of the Company Parties nor any of their respective Subsidiaries own any direct or indirect equity interest, participation or voting right in any other Person (other than the Company Subsidiaries) or any options, warrants, convertible securities, exchangeable securities, subscription rights, preemptive rights, rights of first refusal, conversion rights, exchange rights, repurchase rights, stock appreciation rights, phantom stock, profit participation or other similar rights in or issued by any other Person (other than the Company Subsidiaries).

Section 6.6 Consents and Approvals; No Violations. Except as set forth on Section 6.6 of the Caesars Disclosure Schedule, no material Consent from any Governmental Entity is required to be made or obtained by any Company Party or its Subsidiaries in connection with the execution, delivery and performance by such Company Party of its respective obligations under this Agreement and the other Ancillary Agreements to which such Company Party is or will be a party, or the consummation by such Company Party of the transactions contemplated hereby and thereby, except for such other Consents as may be required under the Laws of any jurisdiction in which any Company Party conducts any business or owns any assets, the failure of which to make or obtain would not, individually or in the aggregate, be reasonably likely to result in any Company Party or its Subsidiaries incurring a material Liability or any Company Party or its Subsidiaries being unable to conduct its respective businesses in substantially the same manner as such business is presently conducted. Neither the execution and delivery of this Agreement and the Ancillary Agreements by each Company Party nor the performance by each Company Party of their obligations nor the consummation of the transactions contemplated hereby or thereby will (a) violate, result in a breach of, or constitute a default under their respective Governing Documents or the Governing Documents of their respective Subsidiaries, (b) violate, result in a breach of, constitute (with or without due notice or lapse of time or both) a default (or

give rise to any right of termination, amendment, cancellation or acceleration or result in the loss of a material benefit) under, or require any consent or waiver under, any of the terms, conditions or provisions of any Material Contract, (c) result in the creation of any Lien on any of the Purchased Interests (other than Permitted Liens) or (d) violate or infringe in any material respect any Law or Order applicable to any Company Party or its Subsidiaries or any of the Purchased Interests.

Section 6.7 Gaming Licenses. (a) There have been no proceedings to rescind or suspend the Gaming Licenses applicable to the Casinos since January 1, 2011, and to the Knowledge of the Caesars Parties, there are no facts, which if known to the regulators under the Gaming Laws would be reasonably likely to result in the rescission or suspension of any such Gaming Licenses that would, in either case, prohibit the operation of any Casino following the Closing Date. (b) To the Knowledge of the Caesars Parties, no Gaming Authority is investigating or has concluded that any Caesars Party, or any of their respective directors, officers, key employees or Persons performing management functions similar to officers and partners, has breached any relevant Gaming Law or any applicable conduct restriction in relation to any of the Casinos.

Section 6.8 Compliance with Law; Permits; No Default.

(a) None of the Caesars Parties is or since January 1, 2011 has been in default with respect to or in violation of any Laws or Orders (including Gaming Laws) applicable to a Purchased Asset, in each case in any material respect.

(b) The Caesars Parties and, to the Knowledge of the Caesars Parties, each of their respective directors, officers, key employees and Persons performing management functions similar to officers and partners, have all material Permits applicable to a Purchased Asset (including all Permits, findings of suitability, exemptions and waivers under Gaming Laws) required to own, lease and operate their properties, and business as currently conducted. Since January 1, 2011, there has occurred no violation of, suspension, reconsideration, imposition of material penalties or fines, imposition of adverse conditions or requirements or default (with or without notice or lapse of time or both) under any such Permit other than expirations of Permits in the ordinary course of business that would not be, individually or in the aggregate, material to any Casino. The Caesars Parties are in compliance with the terms of all such Permits in all material respects.

Section 6.9 Brokers. No agent, broker, investment banker, financial advisor or other firm or Person is or shall be entitled, as a result of any action, agreement or commitment of the Caesars Parties to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby.

Section 6.10 Financial Statements.

(a) The Caesars Parties have furnished Growth Partners with true, correct and complete copies of the unaudited financial statements for each Company Party and its consolidated Subsidiaries, as set forth on Section 6.10 of the Caesars Disclosure Schedule (the "Financial Statements"). Such Financial Statements (i) have been based upon the information

contained in the books and records of the relevant Company Party and its Subsidiaries, which have been maintained in material compliance with applicable legal and accounting requirements, and (ii) present fairly in all material respects the financial condition and results of operations of the relevant Company Party and its Subsidiaries as of the times and for the periods referred to therein in accordance with GAAP (subject to normal year-end audit adjustments and the absence of disclosures normally made in footnotes to audited financial statements) and (iii) reflect fairly in all material respects the allocation of costs incurred by Parent or its Affiliates (other than the relevant Company Party and its Subsidiaries) for the benefit of the applicable Casino on a consistent basis for the periods referred to therein.

(b) Parent and CEOC have, with respect to each Company Party, devised and maintained systems of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization, (ii) transactions are recorded as necessary to permit the preparation of the Financial Statements in conformity with GAAP, to the extent applicable, or Parent's, CEOC's or such Company Party's (as applicable) internal accounting principles and to maintain proper accountability for items, (iii) access to its property and assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for items is compared with the actual levels at reasonable intervals and appropriate action is taken with respect to any differences.

(c) None of FHR Corporation, LVH Corporation or Flamingo-Laughlin, Inc. have, and none of the NewCo LLCs into which the assets and liabilities of such entities will be indirectly contributed will have, any assets or Liabilities (other than de minimis Liabilities).

Section 6.11 No Undisclosed Liabilities. Except (i) as set forth in the Financial Statements and (ii) for Liabilities incurred since December 31, 2013 in the ordinary course of business consistent with past practice that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect in respect of any Company Party, none of the Company Parties or their respective Subsidiaries have any Liabilities.

Section 6.12 Litigation. There are no material Actions, at law or in equity, by any Person or by or before any Governmental Entity pending, or, to the Knowledge of the Caesars Parties, threatened against or adversely affecting any of the Purchased Interests or any of the Caesars Parties in respect of the Purchased Interests. None of the Purchased Interests nor any of the Caesars Parties in respect of the Purchased Interests is subject to any outstanding material Order entered in any lawsuit or proceeding.

Section 6.13 Taxes.

(a) All income and other material Tax Returns required to be filed by or with respect to the Company Parties and their respective Subsidiaries have been timely filed in accordance with applicable Law, and all such Tax Returns are true, correct and complete in all material respects. None of the Company Parties or their respective Subsidiaries is currently the beneficiary of any extension of time within which to file any income or other material Tax Return. Each Company Party and its Subsidiaries have timely paid all material Taxes required to be paid by them in accordance with applicable Law.

(b) There are no Tax audits, assessments, disputes or other proceedings currently pending or, to the Knowledge of the Caesars Parties, threatened in writing against any Company Party or its Subsidiaries. No claim has been made or threatened in writing in a jurisdiction where any Company Party or its Subsidiaries do not file Tax Returns that any Company Party or its Subsidiaries are or may be subject to taxation in that jurisdiction.

(c) There are no Liens for Taxes on the Purchased Assets or on the assets of any entity the equity interests of which are Purchased Assets other than Liens for current Taxes not yet due and payable.

(d) None of the Company Parties or their respective Subsidiaries is party to any Contract relating to the sharing, allocation or indemnification of Taxes other than a Contract entered into in the ordinary course of business that does not relate primarily to Taxes, and none of the Company Parties or their respective Subsidiaries has any liability for Taxes of any Person as a transferee or successor, by any such Contract or by applicable Law.

(e) None of the Purchased Assets (i) are property required to be treated as owned by another person pursuant to the provisions of Section 168(f)(8) of the Internal Revenue Code of 1954, as amended and in effect immediately prior to the enactment of the Tax Reform Act of 1986, (ii) constitute "tax-exempt use property" within the meaning of Section 168(h) of the Code, (iii) are "tax-exempt bond financed property" within the meaning of Section 168(g) of the Code, (iv) secure any debt the interest of which is tax-exempt under Section 103(a) of the Code or (v) are subject to a "section 467 rental agreement" within the meanings of Section 467 of the Code.

(f) None of Growth Partners, the Purchased Entities or their respective Subsidiaries will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any of the following undertaken by or with respect to any of the Caesars Parties or their respective Affiliates: (i) a change in method of accounting for a taxable period ending on or prior to the Closing Date, (ii) a deferred intercompany transaction or excess loss account under Section 1502 of the Code and the regulations promulgated thereunder (or any corresponding or similar provision of state, local or non-U.S. Law), (iii) an installment sale made or open transaction entered into on or prior to the Closing Date, (iv) a prepaid amount received on or prior to the Closing Date, or (v) an election made pursuant to Section 108(i) of the Code.

(g) Each of CIC, Corner Investment Holdings, LLC, Corner Investment Propco, LLC, JCC Holding, Jazz Casino Co. LLC and JCC Fulton Development, LLC is, and since its inception has always been, properly classified as a disregarded entity for U.S. federal and relevant state income Tax purposes, and will continue to be so classified following the Restructuring Transactions. Each of the Purchased Entities and any Subsidiary thereof will be properly classified as a disregarded entity for U.S. federal income Tax purposes and relevant state income Tax purposes, and will continue to be so classified following the Restructuring Transactions.

Section 6.14 Company Real Property.

(a) Owned Real Property. Section 6.14(a) of the Caesars Disclosure Schedule contains a complete list and description of all Owned Real Property, and describes the record owner thereof as of the date hereof.

(i) The Caesars Parties have made available to Growth Partners true and complete copies of the title insurance policies, title insurance reports and surveys for the Owned Real Property in the possession of any Caesars Party and described on Section 6.14(a) of the Caesars Disclosure Schedule.

(ii) The relevant Company Party or one of its Subsidiaries, as applicable, holds valid and insurable (at ordinary rates) fee simple title to the Owned Real Property, free and clear of all Liens other than the applicable Permitted Liens.

(iii) There are no Actions or unsatisfied Orders pending (or, to the Knowledge of the Caesars Parties, overtly contemplated or threatened) against any Company Party or its Subsidiaries or otherwise relating to the Owned Real Property or the interests of any Company Party or its Subsidiaries therein, which would be reasonably likely to materially impair the use, ownership, improvement, development and/or operation of any Owned Real Property.

(iv) There are no pending condemnation, eminent domain, or similar Actions pending or, to the Knowledge of the Caesars Parties, threatened with regard to the Owned Real Property.

(v) To the Knowledge of the Caesars Parties, there are no material violations or alleged material violations of any Laws with respect to the Owned Real Property, including but not limited to zoning and the Americans with Disabilities Act matters. To the Knowledge of the Caesars Parties, there are no material inquiries, complaints, proceedings or investigations (excluding routine, periodic inspections) pending regarding compliance of the Owned Real Property with any such Laws.

(vi) None of the Company Parties or their respective Subsidiaries have filed notices of protest or appeal against, or commenced proceedings to recover, real property tax assessments against any of the Owned Real Property.

(b) Leased Real Property. Section 6.14(b) of the Caesars Disclosure Schedule contains a correct and complete list of all ground leases, master leases, and other leases pursuant to which the Company Parties or any of their respective Subsidiaries acquired a leasehold estate in and to the Leased Real Property (collectively, the "Land Leases"), including, with respect to each such Land Lease, the identity of the landlord or sublandlord, the identity of the Company Party or Subsidiary tenant party to such Land Lease, the addresses of the premises subject thereto and the date of such Land Lease. The Caesars Parties have made available to Growth Partners true and complete copies (in all material respects) of all Land Leases, including, all amendments, guarantees and other material agreements related thereto, and the Land Leases constitute the entire agreement between the relevant Company Party or its Subsidiaries, on the one hand, and each landlord or sublandlord, on the other hand, with respect to the Leased Real Property. The Caesars Parties have also made available to Growth Partners true and complete copies of all

leases, subleases, licenses, use agreements, occupancy agreements and other agreements (including all amendments, guarantees and other agreements related thereto) pursuant to which the Company Parties or any of their respective applicable Subsidiaries grant a lease, license, use or occupancy right to any portion of the Company Real Property to any Person (collectively, together with the Land Leases, the "Leases").

(i) The Leases are (assuming the due authorization, execution and delivery thereof by the other parties thereto) valid, binding and enforceable with respect to the relevant Company Party or its Subsidiaries, as applicable, and, to the Knowledge of the Caesars Parties, the other parties thereto, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

(ii) No Company Party or any of their respective Subsidiaries has received or given written notice of any material default under any of the Leases. To the Knowledge of the Caesars Parties, no material default by any third party to any of the Leases has occurred and is currently continuing beyond any applicable notice and cure period. There does not exist any event that, with notice or lapse of time or both, would constitute a material default by any Company Party or its Subsidiaries or, to the Knowledge of the Caesars Parties, by any third party to any of the Leases.

(iii) The consummation of the transactions contemplated by this Agreement or the Ancillary Agreements will not, to the Knowledge of the Caesars Parties, in connection with any Lease, (A) impose any material penalty or material additional fee upon any Company Party or its Subsidiaries, or (B) cause a material breach or default with respect to such Lease.

(iv) None of the Company Parties or their respective Subsidiaries have assigned the Leases or subleased all or any portion of the premises leased thereunder. None of the Company Parties or their respective Subsidiaries have made any material alterations, additions or Improvements to the premises leased under the Leases that are expressly required to be removed pursuant to the applicable Lease at the termination of the applicable Lease term.

(c) Improvements. All material Improvements located on, under, over or within the Company Real Property (including elevators), and all other aspects of each parcel of Company Real Property that are material, individually or in the aggregate, to such parcel of Company Real Property, (i) to the Knowledge of the Caesars Parties, substantially conform to all applicable state and local Laws, including zoning and building ordinances and health and safety ordinances, and to the Knowledge of the Caesars Parties, such Company Real Property is zoned for the various purposes for which the Company Real Property and Improvements thereon are presently being used, and (ii) are in good operating condition and repair and are structurally sound and free of any material patent defects.

Section 6.15 Intellectual Property.

(a) Section 6.15(a) of the Caesars Disclosure Schedule lists, and identifies the current owner of, all of (i) the trademark and service mark registrations and applications, (ii) Internet domain name registrations (iii) social media addresses and accounts, (iv) copyright registrations and applications, and (v) all issued patents or patent applications, in each case that are owned by CLC, any Caesars Party or their respective Subsidiaries, and, in each case used, or held for use, specifically at or in connection with the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries (collectively, the "Company Intellectual Property"). To the Knowledge of the Caesars Parties, no Company Intellectual Property is now being challenged in any opposition or cancellation proceeding and, to the Knowledge of the Caesars Parties, no such proceeding is or has been threatened in writing with respect thereto. To the Knowledge of the Caesars Parties, all Company Intellectual Property is subsisting, valid and enforceable, and no abandonment, cancellation, or forfeiture of any of the Company Intellectual Property is pending or threatened in writing. To the Knowledge of the Caesars Parties, within the past three (3) years, none of the Caesars Parties or their respective Affiliates have received any written notice or claim challenging the validity or enforceability of any Company Intellectual Property that remains pending or unresolved. Except as set forth on Section 6.15(a) of the Caesars Disclosure Schedule, CLC, the Caesars Parties or their respective Subsidiaries own exclusively and beneficially and of record, free and clear of all Liens (except for any Permitted Liens), all Company Intellectual Property, and access to and use of such Company Intellectual Property shall be provided to the Casinos and the related businesses of the Company Parties and their respective Subsidiaries pursuant to the Property Management Agreements.

(b) Section 6.15(b) of the Caesars Disclosure Schedule lists, and identifies the current owner of, all Intellectual Property other than Company Intellectual Property that is material to the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries (collectively, the "Other Material IP"). The Other Material IP is (i) owned by CLC or Property Manager and access to and use of such Other Material IP shall be provided to the Casinos and the related businesses of the Company Parties and their respective Subsidiaries pursuant to the Property Management Agreements (or agreements ancillary thereto), (ii) owned by a third party and access to and use of such Other Material IP shall be provided to the Casinos and the related businesses of the Company Parties and their respective Subsidiaries pursuant to a Material Contract, or (iii) Purchased Intellectual Property (other than Company Intellectual Property).

(c) Except as set forth on Section 6.15(c) of the Caesars Disclosure Schedule, none of CLC, any Caesars Party or their respective Affiliates has received, within the past three (3) years, any written notice or claim challenging ownership of any Company Intellectual Property by CLC, any Caesars Party or their respective Affiliates, in each case that remains pending or unresolved as of the date hereof. CLC, the Caesars Parties or their respective Affiliates own or possess adequate and enforceable rights to use all Company Intellectual Property and all Other Material IP that is used in connection with the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries, as currently operated, without material restrictions, additional payment or other obligation, or material conditions on use, and, at the Closing, access to and use of such Company Intellectual Property and Other Material IP shall be provided to the Casinos and the related businesses of the Company Parties and their respective Subsidiaries pursuant to the Property Management Agreements.

(d) Except as set forth on Section 6.15(d) of the Caesars Disclosure Schedule: (i) to the Knowledge of the Caesars Parties, the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries has not infringed upon, misappropriated or violated, and does not infringe upon, misappropriate or violate, any Intellectual Property of any third party, in each case, in any material respect; (ii) none of the Caesars Parties or their respective Affiliates has received, within the past three (3) years, any written notice or claim asserting that any such infringement, misappropriation, or violation is or may be occurring or has or may have occurred that remains pending or unresolved; (iii) to the Knowledge of the Caesars Parties, no third party is misappropriating or infringing any Purchased Intellectual Property or Other Material IP; and (iv) to the Knowledge of the Caesars Parties, each Company Party and its Subsidiaries has at all times complied in all material respects with all applicable Laws, as well as its own rules, policies, and procedures, relating to privacy, data protection, and the collection, retention, protection, and use of personal information, and no material claims have been asserted or threatened alleging any such violation.

Section 6.16 Material Contracts.

(a) Except (x) as set forth on Section 6.16(a) of the Caesars Disclosure Schedule and (y) solely with respect to subsections (i), (v) and (vi) of this Section 6.16(a), for any Contract to which CEOC or an Affiliate of Parent (other than any Company Party or its Subsidiaries) is party or by which CEOC or an Affiliate of Parent (other than any Company Party or its Subsidiaries) is bound which is binding upon any Company Party or its Subsidiaries in substantially the same manner as such Contract is binding upon other Subsidiaries of CEOC or Parent, (other than, in the case of any Contracts described in the foregoing clause (y), any Contracts which involve any payments directly by or to any Company Party or its Subsidiaries, including through an allocation to any Company Party or its Subsidiaries, in excess of the amounts set forth in subsections (i), (v) and (vi) of this Section 6.16(a)), none of the Company Parties or their respective Subsidiaries is a party to or bound by any of the following Contracts as of the date of this Agreement (each a "Material Contract"):

(i) any Contract that, by its terms, requires payments by any Company Party or its Subsidiaries in excess of $750,000 per annum or $1,500,000 in the aggregate for the stated term of such Contract or which may not be terminated by such Company Party or its Subsidiaries within twelve (12) months from the date of this Agreement without such Company Party or its Subsidiaries being obligated to pay any penalty, premium or additional payments in amounts greater than $750,000 in respect of such Contract;

(ii) any Contract for Indebtedness of any Company Party or its Subsidiaries or any Contract granting any Person a Lien (other than a Permitted Lien) on all or any part of the Purchased Interests;

(iii) (A) any Contract pursuant to which CLC or any Company Party or its Subsidiaries has agreed to any material restriction on the right of CLC or any Company Party or its Subsidiaries to use or enforce any Purchased Intellectual Property or Other Material IP, other than with respect to commercially available software, or (B) any material Contract pursuant to which CLC or any Company Party or its Subsidiaries

agrees to license, encumber, transfer or sell rights in or with respect to any Purchased Intellectual Property, other than any non-exclusive licenses entered into by CLC or any Company Party or its Subsidiaries in the ordinary course of business;

(iv) any Contract containing any covenant materially limiting the ability of any Company Party or its Subsidiaries to engage in any line of business or in any territory or to compete with any business or Person or that otherwise materially limits any Company Party or its Subsidiaries to conducting its business in the manner it is currently conducted;

(v) any joint venture, partnership or similar Contract, which involves a sharing of revenues, profits, cash flows, expenses or losses with other Persons in excess of $750,000 annually;

(vi) any Contract that involves royalties payable to another Person in excess of $750,000 annually;

(vii) any Contract pursuant to which any Company Party or its Subsidiaries has acquired a business or entity (or any equity interest therein), or assets of a business or entity, whether by way of merger, consolidation, purchase of stock, purchase of assets or exclusive license and pursuant to which the Company has any continuing material obligations as of the date hereof; or

(viii) any other Contract or obligation not listed in clauses (i) through (vii) that is otherwise material to any Company Party or its Subsidiaries.

(b) (i) Each Material Contract is valid and binding upon each of the Company Parties or their respective Subsidiaries party thereto (and, to the Knowledge of the Caesars Parties, on all other parties thereto), in accordance with its terms and is in full force and effect, (ii) there is no breach or violation of or default by any Company Party or its Subsidiaries or, to the Knowledge of the Caesars Parties, by any other party under any material provision of the Material Contracts, whether or not such breach, violation or default has been waived, and (iii) no event has occurred with respect to any Company Party or its Subsidiaries or, to the Knowledge of the Caesars Parties, any other party, which, with notice or lapse of time or both, would constitute a breach, violation or default of, or give rise to a right of termination, modification, cancellation, foreclosure, imposition of a Lien, prepayment or acceleration under, any material provision of the Material Contracts. None of the Caesars Parties or any of their respective Affiliates has received any written notice (or, to the Knowledge of the Caesars Parties, any oral or other notice) of the intention of any Person to terminate, nor has there been any termination of, any Material Contract. The Caesars Parties have made available to Growth Partners a true, correct and complete copy of all Material Contracts, together with all amendments, waivers or other changes thereto.

Section 6.17 Environmental Matters. Except as would not, individually or in the aggregate, be reasonably likely to result in any Company Party or its Subsidiaries incurring a material Liability, (a) there are no Environmental Liabilities, (b) there are no Environmental Conditions, (c) there is no pending or, to the Knowledge of the Caesars Parties, threatened

enforcement action regarding an Environmental Condition or compliance with Environmental Laws with respect to the Company Real Property or the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries, (d) no Hazardous Substance is located on the Company Real Property except for amounts permitted under Environmental Laws, (e) in the past five (5) years none of the Company Parties or their respective Subsidiaries have received a written notice from any Governmental Entity or third party alleging a violation of any Environmental Law which has not been addressed and cured in accordance with applicable Environmental Law, and (f) each Company Party and its Subsidiaries is in compliance with all applicable Environmental Laws. Except as set forth on Section 6.17 to the Caesars Disclosure Schedule, each Company Party and its Subsidiaries possess all material licenses, permits, certificates, registrations, approvals, authorizations and consents from any Governmental Entity required under Environmental Laws with respect to the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries. The Caesars Parties have made available to Growth Partners true and complete copies of (i) all material licenses, permits, certificates, registrations, approvals, authorizations and consents from any Governmental Entity issued to any of the Caesars Parties under Environmental Laws with respect to the Company Real Property or the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries, (ii) all written notices received by any of the Caesars Parties from any Governmental Entity or third party alleging a material violation of any Environmental Law with respect to the Company Real Property or the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries and (iii) any other material assessments, reports, and documents concerning environmental matters relating to the Company Parties, their respective Subsidiaries or their respective operations and activities.

Section 6.18 Employee Benefits.

(a) Other than those plans, programs, arrangements, commitments, practices and contracts referred to in clauses (i), (ii), and (iii) below maintained by a labor organization pursuant to a Labor Agreement set forth on Section 6.19(b) of the Caesars Disclosure Schedule (the "Union Plans"), Section 6.18(a) of the Caesars Disclosure Schedule sets forth an accurate and complete list of all (i) "employee welfare benefit plans," within the meaning of Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations thereunder ("ERISA"); (ii) "employee pension benefit plans," within the meaning of Section 3(2) of ERISA; and (iii) material bonus, stock option, stock purchase, restricted stock, incentive, fringe benefit, profit-sharing, pension or retirement, deferred compensation, medical, life insurance, disability, accident, salary continuation, employment, consulting, change-in-control, retention, severance, accrued leave, vacation, sick pay, sick leave, supplemental retirement, unemployment and any other compensation or benefit plans, programs, agreements, arrangements, commitments and/or practices (whether or not insured) for current or former employees of any Caesars Party or its Subsidiaries who perform work at the Company Real Property or perform services primarily related to the operation of the Casinos or the related businesses of each Company Party and its Subsidiaries (the "Property Employees") (all of the foregoing plans, programs, arrangements, commitments, practices and Contracts referred to in (i), (ii) and (iii) above are referred to as the "Caesars Benefit Plans"). Except as set forth on Section 6.18(a) of the Caesars Disclosure Schedule and other than their status as a participating employer in the Union Plans and the Caesars Benefit Plans that are sponsored or maintained by Parent or CEOC, none of the Company Parties or their respective Subsidiaries sponsor, maintain,

or otherwise have any obligations with respect to, nor have any Company Party or its Subsidiaries ever sponsored, maintained, or otherwise had any obligation with respect to, any employee benefit plan, program, agreement, arrangement, commitment, practice or Contract.

(b) Except as disclosed in Section 6.18(b) of the Caesars Disclosure Schedule, (i) each Caesars Benefit Plan has been operated in material accordance with its terms and applicable Law; (ii) each Caesars Benefit Plan that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS as to its qualified status, and, to the Knowledge of the Caesars Parties, no fact or event has occurred that could affect adversely the qualified status of any such Caesars Benefit Plan; (iii) no action or other administrative proceeding has been brought, or to the Knowledge of the Caesars Parties, is threatened, against or with respect to any such Caesars Benefit Plan, including but not limited to, by any Property Employee (other than routine benefits claims), any audit or inquiry by the IRS or United States Department of Labor ("DOL"), or any termination or similar proceeding by the DOL or the Pension Benefit Guaranty Corporation with respect to which any Company Party or its Subsidiaries is reasonably expected to have any liability; and (iv) no Caesars Benefit Plan is a multiemployer pension plan (as defined in Section 3(37) of ERISA), multiple employer plan (within the meaning of Section 4063 or 4064 of ERISA or Section 413(c) of the Code) or other pension plan subject to Title IV of ERISA or Section 412 of the Code. There does not now exist, nor do any circumstances exist that could result in, any Controlled Group Liability that would be a Liability of Growth Partners and its Affiliates (including, following the Closing, the Company Parties and their respective Subsidiaries).

(c) Except as set forth on Section 6.18(c) of the Caesars Disclosure Schedule, neither the execution or delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement will, either alone or in conjunction with any other event, (i) result in any payment or benefit becoming due or payable, or required to be provided, to any Property Employee, (ii) result in the acceleration of the time of payment or funding of any such benefit or compensation, or (iii) result in any "excess parachute payment" within the meaning of Section 280G(b)(1) of the Code.

(d) With respect to each Union Plan that is a multiemployer pension plan (as defined in Section 3(37) of ERISA): (i) no Caesars Party nor any entity that would be deemed a "single employer" within the meaning of Section 4001(b) of ERISA with a Caesars Party (each, an "ERISA Affiliate") has made or suffered a complete withdrawal or a partial withdrawal, as such terms are respectively defined in Sections 4203 and 4205 of ERISA (or any liability resulting therefrom has been satisfied in full); (ii) no event has occurred that presents a material risk of a partial withdrawal; (iii) the transactions contemplated by this Agreement will not result in any contingent liability under Section 4204 of ERISA; and (iv) no circumstances exist that present a material risk that any such plan will go into reorganization.

(e) No Caesars Benefit Plan which is not a multiemployer pension plan (as defined in Section 3(37) of ERISA) is subject to Section 302 of ERISA and Section 412 of the Code. All contributions required to be made with respect to any Union Plan or Caesars Benefit Plan on or prior to the Closing Date have been timely made.

(f) No Union Plan or Caesars Benefit Plan is subject to the Laws of a country other than the United States.

Section 6.19 Labor Matters.

(a) As of the date hereof, the Company Parties, CEOC or their respective Subsidiaries or Affiliates are the employer of each current Property Employee. Each employee of the Company Parties and their Subsidiaries is a Property Employee. The Caesars Parties have previously delivered to Growth Partners a complete and correct (in all material respects) list as of a recent date (and without regard to the employment transfer contemplated by Section 8.16 and the consummation of the Restructuring Transactions) of each employee of the Company Parties (or any of their Subsidiaries), including each such employee's name, title, employing entity, salary or hourly rate (as applicable), and exempt or non-exempt status.

(b) Except as set forth on Section 6.19(b) of the Caesars Disclosure Schedule, (i) none of the Property Employers or the Company Parties or their respective Subsidiaries is a party to or is otherwise bound by, or is otherwise obligated with respect to, any collective bargaining agreement, labor union contract, trade union agreement or foreign works council contract (any such arrangement, a "Labor Agreement"); (ii) there are no Labor Agreements that pertain to the Property Employees; and (iii) no Property Employees are represented by any labor organization with respect to their employment by any Property Employer. There is no pending or, to the Knowledge of the Caesars Parties, threatened strike, slowdown, work stoppage, or lockout by or with respect to any Property Employees, and no such strike, slowdown, work stoppage, lockout, or, to the Knowledge of the Caesars Parties, threat thereof, has occurred in the past five years. No labor union, labor organization, or group of Property Employees has made a pending demand for recognition or certification, and there are no representation or certification proceedings pending or, to the Knowledge of the Caesars Parties, threatened to be brought or filed. To the Knowledge of the Caesars Parties, there are no labor union organizing activities with respect to any Property Employees.

(c) Except as set forth on Section 6.19(c)(i) of the Caesars Disclosure Schedule, there are no material claims, charges, administrative proceedings, complaints, disputes, grievances, arbitrations or controversies pending or, to the Knowledge of the Caesars Parties, threatened by or on behalf of any labor union, Property Employee, applicant for employment at any Property Employer or Company Party, or current or former consultant or independent contractor whose services are or were performed for any Property Employer or Company Party. None of the Caesars Parties or their respective Affiliates has received notice of the intent of any Governmental Entity (including but not limited to the Equal Employment Opportunity Commission, the National Labor Relations Board, the U.S. Department of Labor, the U.S. Occupational Health and Safety Administration, the Workers Compensation Appeals Board, or any similar state agencies) to conduct an investigation or audit related to Property Employees or employment practices, or notice that any such audit or investigation is in progress. Except as set forth on Section 6.19(c)(ii) of the Caesars Disclosure Schedule, no matter set forth on Section 6.19(c)(i) of the Caesars Disclosure Schedule (A) requests class-wide relief or relief on behalf of more than one Property Employee or (B) seeks damages or other relief in excess of $250,000.

(d) Each Property Employer and each Company Party and its Subsidiaries is, and since January 1, 2011 has been, in compliance in all material respects with all applicable laws respecting employment and employment practices, including, without limitation, terms and conditions of employment, health and safety, wages and hours, exempt/non-exempt classifications, classifications of employees and independent contractors, child labor, immigration, employment discrimination, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers' compensation, labor relations, employee leave issues and unemployment insurance.

(e) Each Property Employer and each Company Party and its Subsidiaries is, and since January 1, 2011 has been, in material compliance with all applicable employee licensing requirements and has taken commercially reasonable measures to ensure that each Property Employee who is required to have a gaming or other license under any Gaming Law or other Law maintains such license in current and valid form.

(f) With respect to the transactions contemplated by this Agreement, any notice to employees or their representatives required by applicable Law or any Labor Agreement has been or prior to the Closing will be given, and any bargaining obligations have been or prior to the Closing will be satisfied.

Section 6.20 Tangible Personal Property; Sufficiency of Assets.

(a) Each Company Party and its Subsidiaries has good and valid title to, or, in the case of leased properties and assets, valid leasehold interests in, all of its material tangible personal properties and assets used or held for use in the operation of the Casino owned, directly or indirectly, by such Company Party and the related businesses of such Company Party and its Subsidiaries, free and clear of any Liens, other than Permitted Liens.

(b) Collectively, the facilities, machinery, equipment, fixtures, vehicles, and other tangible personal properties owned, leased or used by any Company Party or its Subsidiaries (i) are adequate in all material respects for the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries in the ordinary course of business, consistent with past practice, (ii) are in good operating condition, subject to normal wear and tear, and are reasonably fit and usable for the purposes for which they are being used, and (iii) comply in all material respects with, and are being operated and otherwise used in material compliance with, all applicable Law.

(c) The Purchased Interests and the Purchased Intellectual Property, together with the services and the Intellectual Property licenses provided under the Property Management Agreements, constitute all of the assets and services necessary to conduct the operation of the Casinos and the related businesses of each Company Party and its Subsidiaries in substantially the manner as each is currently conducted or proposed to be conducted.

Section 6.21 Minimum Cash. Each Casino (other than The Cromwell), as of the Closing, and the Cromwell, as of the opening date of the casino located at The Cromwell, will have an amount of House Funds at least equal to the minimum bankroll required by applicable Gaming Laws, if any.

Section 6.22 Absence of Changes. Since January 1, 2013, each Company Party and each of its Subsidiaries has conducted its business (including the operation of the Casino owned, directly or indirectly, by such Company Party) in the ordinary course of business consistent with past practice, and there has not been any event, occurrence, state of circumstances or facts or change that has had or that would be reasonably expected, individually or in the aggregate, (x) to have a Material Adverse Effect in respect of such Company Party or Subsidiary or (y) to materially impair or materially delay the Closing.

Section 6.23 Insurance Coverage. Each Company Party and its Subsidiaries maintain adequate insurance coverage in accordance with reasonable commercial standards or as otherwise required under the terms of Parent's or CEOC's financing or debt agreements, including material insurance policies and fidelity bonds and self-insurance programs. There is no material claim by any Company Party, its Subsidiaries or any of their respective Affiliates pending under any of such policies or bonds as to which coverage has been questioned, denied or disputed by the underwriters of such policies or bonds. There is no pending claim that would reasonably be expected to exceed the policy limits. Except for such policies that are covered by a premium financing agreement, all premiums due and payable under all such policies and bonds have been paid and each Company Party and its Subsidiaries is otherwise in compliance in all material respects with the terms of such policies and bonds. None of the Caesars Parties have any Knowledge of a threatened termination of, or material premium increase with respect to, any of such policies.

Section 6.24 The Cromwell.

(a) The Caesars Parties have made available to Growth Partners prior to the date hereof complete and accurate copies of the Disbursement Agreement, the Cromwell Construction Plans, the general contractors agreement, the architect's agreement and all other material contracts relating to construction of The Cromwell (the "Cromwell Construction Contracts"), in each case, as in effect on the date hereof. There is no breach or violation of or default by any Company Party or its Subsidiaries or, to the Knowledge of the Caesars Parties, by any other party under any material provision of any Cromwell Construction Contract, whether or not such breach, violation or default has been waived and each Caesars Party and, to the Knowledge of the Caesars Parties, each other party thereto is in material compliance with its obligations under each Cromwell Construction Contract.

(b) The construction and development of The Cromwell has been conducted in accordance with the Cromwell Construction Plans in all material respects. The Cromwell Construction Plans have been approved to the extent required by any Governmental Entity, including any Gaming Authority, and the proposed Improvements as shown in the Cromwell Construction Plans comply in all material respects with applicable Law.

(c) The hotel and casino at The Cromwell are anticipated to be completed on or before the Cromwell Casino Target Opening Date and the restaurant and nightclub at The Cromwell is anticipated to be completed on or before the Cromwell Nightclub Target Opening Date. Section 6.24(c) of the Caesars Disclosure Schedule sets forth, as of the date hereof, all remaining costs and expenses associated with the construction, development and opening of the Cromwell, including the House Funds required by Section 8.10(d), any Required Contingency

and any funds required to fund pre-opening services, including purchasing initial furnishings, fixtures and equipment and supplies (collectively, the "Remaining Cromwell Costs"). The aggregate amounts on deposit in the Accounts equal or exceed the sum of the aggregate Remaining Cromwell Costs.

Section 6.25 The Quad Renovation.

(a) The Caesars Parties have made available to Growth Partners prior to the date hereof complete and accurate copies of the Quad Renovation Documents, the architect's agreements and all other material contracts relating to the construction and renovation of The Quad (the "Quad Renovation Contracts"), in each case, as in effect on the date hereof. There is no breach or violation of or default by any Company Party or its Subsidiaries or, to the Knowledge of the Caesars Parties, by any other party under any material provision of any Quad Renovation Contract, whether or not such breach, violation or default has been waived and each Caesars Party and, to the Knowledge of the Caesars Parties, each other party thereto is in material compliance with its obligations under each Quad Renovation Contract.

(b) The construction and renovation of The Quad has been conducted in accordance with the Quad Renovation Documents in all material respects. The Quad Renovation Plans have been approved to the extent required by any Governmental Entity, including any Gaming Authority, and the proposed Improvements as shown in the Quad Renovation Plans comply in all material respects with applicable Law. The construction and renovation of The Quad pursuant to the Quad Renovation Plans has not commenced as of the date hereof.

Section 6.26 Affiliate Transactions. Except for any transactions or arrangements expressly contemplated by the Property Management Agreement Term Sheet, and following the Closing, the Property Management Agreements, or otherwise necessary to enable CEOC, the applicable Property Manager or any other applicable Affiliate of Parent to perform its obligations under the terms of the applicable Property Management Agreement, in each case that are entered into and performed in compliance with the standards for Affiliate Transactions that are prescribed by the terms of such Property Management Agreement, and except for any transactions or arrangements entered into pursuant to the Services Joint Venture Arrangements, as of the Closing Date there will be no Affiliate Transactions to which any Purchased Entity or any of its Subsidiaries is a party.

ARTICLE VII

REPRESENTATIONS OF CAC AND GROWTH PARTNERS

Except as set forth in the disclosure schedule delivered to the Caesars Parties prior to the execution of this Agreement (the "Growth Partners Disclosure Schedule") (provided that disclosure in any section of the Growth Partners Disclosure Schedule shall apply to any other section to the extent that the relevance of such disclosure to such other section is readily apparent on its face), each of CAC and Growth Partners represents and warrants, jointly and severally, to the Caesars Parties as follows:

Section 7.1 Organization and Qualification. Each of CAC and Growth Partners is duly organized, validly existing and in good standing under the Laws of the State of Delaware, and has all requisite corporate and limited liability company, as applicable, power and authority to own, lease and operate its properties and to carry on its businesses as presently conducted. Each of CAC and Growth Partners is duly licensed or qualified to do business and is in good standing in each jurisdiction where the conduct of its business requires such licensure or qualification except where the failure to be so licensed or qualified or in good standing has not had or would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on the ability of CAC or Growth Partners to perform its obligations under this Agreement and each Ancillary Agreement to which it is a party or to consummate the transactions contemplated hereby or thereby.

Section 7.2 Power and Authority; Authorization. Each of CAC and Growth Partners has all requisite corporate and limited liability company, as applicable, power and authority to execute, deliver and perform its obligations under this Agreement and the other Ancillary Agreements to which it is or will be a party, and to consummate the transactions contemplated by this Agreement and the other Ancillary Agreements to which it is or will be a party. Each of CAC's and Growth Partners' execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the consummation by CAC and Growth Partners of the transactions contemplated hereby and thereby have been recommended by the special committee of the Board of CAC and have been duly authorized by all action on the part of CAC and Growth Partners.

Section 7.3 Due Execution and Enforceability. This Agreement and each other Ancillary Agreement to which CAC or Growth Partners is or will be a party has been duly and validly executed and delivered by CAC or Growth Partners, as applicable, and, assuming the due authorization, execution and delivery of this Agreement and each respective Ancillary Agreement by the other parties hereto and thereto, constitutes the legal, valid and binding obligation of CAC and Growth Partners, as applicable, enforceable against CAC and Growth Partners, as applicable, in accordance with its terms, subject to the effect of any applicable Laws relating to bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance or preferential transfers, or similar Laws relating to or affecting creditors' rights generally and subject, as to enforceability, to the effect of general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at Law).

Section 7.4 Consents and Approvals; No Violations. No material Consent from any Governmental Entity, including any Gaming Authority, is required to be made or obtained by Growth Partners in connection with the execution, delivery and performance by it of its obligations under this Agreement and the other Ancillary Agreements to which it is or will be a party, or the consummation by it of the transactions contemplated hereby and thereby. Neither the execution and delivery of this Agreement and the Ancillary Agreements by CAC or Growth Partners nor the performance by CAC or Growth Partners of its obligations nor the consummation of the transactions contemplated hereby or thereby will (a) violate, result in a breach of, or constitute a default under their respective Governing Documents, (b) violate, result in a breach of, constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, amendment, cancellation or acceleration or result in the loss of a material benefit) under, or require any consent or waiver under, any of the terms, conditions or provisions of any material Contract to which CAC or Growth Partners is a party or (c) violate or infringe any Law or Order applicable to CAC or Growth Partners.

Section 7.5 No Other Representations or Warranties. Each of CAC and Growth Partners agrees that neither the Caesars Parties nor any of their Affiliates or advisors has made and shall not be deemed to have made, nor has CAC or Growth Partners or their respective Affiliates relied on, any representation or warranty, express or implied, with respect to the Caesars Parties, their respective Subsidiaries, their business or the transactions contemplated by this Agreement, other than those representations and warranties explicitly set forth in Article VI of this Agreement or in the Ancillary Agreements.

Section 7.6 Fairness Opinion. The Board of Directors of CAC and the special committee of the Board of Directors of CAC, as the managing member of Growth Partners, have received the written opinion of Lazard Frères & Co. LLC to the effect that, as of the date thereof and based on and subject to the limitations and assumptions set forth therein, the Purchase Price is fair, from a financial point of view, to Growth Partners.

Section 7.7 Brokers. No agent, broker, investment banker, financial advisor or other firm or Person is or shall be entitled, as a result of any action, agreement or commitment of CAC or Growth Partners to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby.

Section 7.8 Financing. CAC and Growth Partners have delivered to Parent and Sellers a duly executed copy of that certain commitment letter entered into with Citigroup Global Markets Inc., Citibank, N.A., Citicorp USA, Inc., Citicorp North America, Inc., Credit Suisse AG, Deutsche Bank AG New York Branch and Cayman Islands Branch and UBS AG, Stamford Branch (collectively, with their Representatives, the "Financing Lenders"), dated as of March 1, 2014 (as the same may be amended or replaced pursuant to Section 8.13(a) and including any executed commitment letter or similar agreement for Alternative Financing, in each case, pursuant to Section 8.13(a), including all exhibits, schedules and annexes thereto, collectively, the "Commitment Letter"), pursuant to which Financing Lenders have agreed, subject to the terms and conditions set forth therein, to provide, or cause to be provided, the amount of the debt financing stated therein for Growth Partners in connection with the consummation of the transactions contemplated by this Agreement (the "Financing"). The Commitment Letter (as to Growth Partners and, as to Growth Partners' knowledge, the other parties thereto) is in full force and effect as of the date hereof. Assuming the funding of the Financing on the Closing Date in accordance with the terms and conditions of the Commitment Letter, the aggregate proceeds of the Financing together with Growth Partners' cash on hand shall be sufficient to enable Growth Partners to pay the Purchase Price and all fees and expenses necessary or related to the consummation of the transactions contemplated by this Agreement required to be paid by Growth Partners.

Section 7.9 Legal Proceedings. Except as set forth on the Growth Partners Disclosure Schedule, as of the date hereof there are no Actions or other legal proceedings pending or, to CAC's or Growth Partners' knowledge, threatened against or by CAC or Growth Partners or any Affiliate of CAC or Growth Partners that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

ARTICLE VIII

ADDITIONAL AGREEMENTS

Section 8.1 Consents; Gaming Licenses.

(a) Each of the Parties shall cooperate with each other and use their commercially reasonable best efforts to (i) as promptly as practicable, take, or cause to be taken, all appropriate action, and do or cause to be done, all things necessary, proper or advisable under applicable Law or otherwise to consummate and make effective the transactions contemplated by this Agreement as promptly as practicable; (ii) obtain any Consents from, and all declarations, filings and registrations with, any Governmental Entity (including any Gaming Authority) required in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions governed herein; and (iii) make all necessary registrations, declarations and filings, and thereafter make any other submissions with respect to this Agreement, as required under any applicable Law.

(b) Without limiting the generality of Section 8.1(a), the Parties and their respective Subsidiaries, as necessary, shall, no later than twenty-five (25) days following the date hereof, prepare and cause to be filed all required initial applications and documents in connection with obtaining and maintaining the Gaming Licenses (including where appropriate indications of further information to come by supplementary filing) required in connection with the transactions contemplated by this Agreement. Growth Partners, on the one hand, and the Caesars Parties, on the other hand, agree to comply with the terms and conditions of all such Gaming Licenses (including the maintenance of any existing Gaming Licenses) and to promptly and in good faith respond to, and to cause their respective officers, managers, directors, members, stockholders and Affiliates to promptly and in good faith respond to, all requests for information by any Gaming Authority in connection with such applications and otherwise cooperate in good faith with each other and such Gaming Authorities. Each Party will notify the other promptly of receipt of material comments or material requests from any Gaming Authority that relate to Gaming Licenses. Growth Partners, on the one hand, and the Caesars Parties, on the other hand, agree to promptly advise each other upon receiving any communication from any Gaming Authority that causes such Party to believe that there is a reasonable likelihood that any Gaming Licenses required from such Gaming Authority will not be obtained or that the receipt of any such approval will be materially delayed. For the avoidance of doubt, notwithstanding the foregoing, in no event shall any Caesars Party in its reasonable judgment be required to take any action, or to refrain from taking any action, that would be reasonably likely to interfere with or be adverse or damaging to CEOC's ongoing relationship with any Gaming Authority.

(c) Each of the Caesars Parties shall use its commercially reasonable efforts to obtain prior to the Closing all Consents under each Contract listed or described on Section 9.3(c) of the Caesars Disclosure Schedule. Any penalty, fee or consideration in connection with obtaining any such Consent shall be paid by CEOC.

Section 8.2 Conduct of Business.

(a) Except to the extent required by this Agreement or any Ancillary Agreement, during the period from the date of this Agreement to the Closing or the date on which this Agreement is terminated pursuant to Section 10.1, each of the Caesars Parties shall, and will cause each of its Subsidiaries to, conduct their respective businesses with respect to the Purchased Interests and the properties and businesses underlying such Purchased Interests in the ordinary course of business consistent with past practice and in compliance with Law, in each case in all material respects.

(b) Without limiting the generality of the foregoing, except as expressly provided by this Agreement or as disclosed on Section 8.2 of the Caesars Disclosure Schedule, during the period from the date of this Agreement to the Closing or the date on which this Agreement is terminated pursuant to Section 10.1, without the prior written consent of Growth Partners (which consent shall not be unreasonably withheld, conditioned or delayed), each Company Party and its Subsidiaries shall not, and Parent and Sellers shall cause each Company Party and its Subsidiaries not to:

(i) modify, amend or terminate any material provision of any Cromwell Construction Contract or any Quad Renovation Contract or waive, release or assign any rights under any Cromwell Construction Contract or any Quad Renovation Contract, provided that the prior written consent of Growth Partners shall not be required unless any proposed modifications or amendments of any Cromwell Construction Contract or any Quad Renovation Contract would reasonably be expected to have the effect of (x) increasing the then-current budget with respect to the construction of The Cromwell or the construction and renovation of The Quad by more than five percent (5%) or (y) extends the then-current substantial completion date with respect to the construction of The Cromwell or the construction and renovation of The Quad by more than thirty (30) days; provided further that except to the extent expressly provided in the definition of Quad Renovations Expenditures Overage, any such modification or amendment without the prior written consent of Growth Partners shall not relieve the Caesars Parties from any obligations under this Agreement or from its indemnification obligations under Article XI;

(ii) sell, transfer, lease, dispose of, grant or otherwise authorize the sale, transfer, lease, disposition, grant of, any of its material properties or assets, except for (1) sales in the ordinary course of business consistent with past practice, (2) leases of any part of any Company Real Property that (x) are terminable, without the payment of any consideration for early termination, on no more than thirty (30) days' notice, or (y) involve space leases, kiosk leases, and vendor licenses which have base annual rental revenue not exceeding $500,000 in the aggregate; or (3) sales outside the ordinary course of business which have an anticipated annual rental value not exceeding $750,000 in the aggregate;

(iii) incur any Liabilities, except for Liabilities incurred in the ordinary course of business consistent with past practice not exceeding $1,000,000 individually or $2,000,000 in the aggregate;

(iv) enter into any Contract that would be a Material Contract or modify, amend, terminate or renew any of the Material Contracts or waive, release or assign any material rights or claims related to any Materials Contracts;

(v) place any Lien on its material properties, other than Permitted Liens or a Lien created in the ordinary course of business consistent with past practice;

(vi) amend its Governing Documents, or any terms of its outstanding equity interests or other securities;

(vii) enter into any material transaction outside of the ordinary course of business with any Caesars Party or its Affiliates (other than any Company Party or its Subsidiaries);

(viii) into any settlement, consent decree or other agreement or arrangement with a third party or Governmental Entity other than (i) as does not involve the institution of mandated new procedures or other business conduct or the imposition of equitable or similar relief on such Company Party or its Subsidiaries and (ii) is not reasonably likely to result in the revocation, limitation or suspension of any material Permit applicable to a Purchased Asset;

(ix) issue or sell or encumber any of its equity interests or any securities convertible into, or rights to acquire, any of its equity interests;

(x) purchase any equity interests in or securities of, or make any other investment in or, except in the ordinary course of business, loans or advances to, any Person;

(xi) except in the ordinary course of business consistent with past practice, acquire any assets which have a value in the aggregate in excess of $500,000, other than capital expenditures expressly contemplated by the Capital Expenditure Budgets, the Quad Renovation Budget or the Cromwell Construction Plans;

(xii) make any capital expenditures, capital additions or capital improvements in excess of $500,000 individually or $1,000,000 in the aggregate, other than capital expenditures expressly contemplated by the Capital Expenditure Budgets, the Quad Renovation Budget or the Cromwell Construction Plans;

(xiii) engage in any line of business outside the ordinary course of business of the Casinos consistent with past practice;

(xiv) make any material change to its financial accounting methods, principles or practices, except as may be required by Law or by GAAP;

(xv) make, change or revoke any material Tax election, materially change any of its methods of reporting income or deductions for Tax purposes, compromise any material Tax liability or settle any material Tax claim, audit or dispute, or file any materially amended Tax Return; or

(xvi) enter into a Contract to do any of the foregoing, or to authorize or announce an intention to do any of the foregoing.

Section 8.3 Access to Information.

(a) During the period from the date of this Agreement to the earlier of the Closing or the date on which this Agreement is terminated pursuant to Section 10.1, upon reasonable notice and subject to applicable Laws relating to the exchange of information and Gaming Laws, each Caesars Party shall, and shall cause each of its Subsidiaries to, afford to Growth Partners and its Representatives reasonable access during normal business hours to all of its and its Subsidiaries' properties (including the Casinos), books and records, Contracts and authorized Representatives with respect to the Purchased Interests and the properties and businesses underlying the Purchased Interests. Growth Partners shall, and shall cause its Subsidiaries and their respective Representatives to, use reasonable efforts to prevent such access and inspection from materially interfering with the business operations of the Caesars Parties.

(b) During the period from the Closing Date to the fourth (4th) anniversary of a Liquidation Event (as defined in the Growth Partners Operating Agreement) or for such longer period as may be required by applicable Law, Parent and each Seller shall retain all original accounting books and records relating to the Purchased Interests and the properties and businesses underlying the Purchased Interests for the period prior to the Closing Date. Growth Partners and their Representatives shall have the reasonable right to inspect and to make copies (at their own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of Parent or any Seller. Parent and each Seller shall provide reasonable cooperation in connection with any such inspection and, if requested by Growth Partners, Parent and each Seller shall provide access to such employees with knowledge of the books and records to assist in such investigations.

Section 8.4 Further Assurances. In addition to the actions specifically provided for elsewhere in this Agreement, at any time and from time to time after the execution of this Agreement and/or following the Closing, (a) at Growth Partners' reasonable request, Parent and each Seller shall do, execute, acknowledge and deliver, or will cause its Subsidiaries or Affiliates to do, execute, acknowledge and deliver, all and every such further acts and assurances as Growth Partners reasonably may require to convey, transfer and vest in Growth Partners (or its designated direct or indirect Subsidiary) the Purchased Assets or to confirm Growth Partners' (or its designated direct or indirect Subsidiary's) title to the Purchased Assets, (b) at the Caesars Parties' reasonable request in the event that the Caesars Parties reasonably determine that the condition to Closing set forth in Section 9.1(b) will not be capable of being satisfied prior to the then-current Outside Date, Growth Partners and CAC shall use reasonable best efforts to request that the Financing Lenders amend the Commitment Letter such that the termination date contained therein is extended to a date that is later than the date on which the Caesars Parties reasonably expect the condition to Closing set forth in Section 9.1(b) to be capable of being satisfied (but in any event no later than August 31, 2014), provided that Growth Partners and CAC shall not be required to accept any such amendment if the terms and conditions (other than the extended termination date) of the amended Commitment Letter are less favorable to Growth Partners and CAC as compared to the terms of the original Commitment Letter, and (c) the

Parties shall do, execute, acknowledge and deliver, or will cause its Subsidiaries or Affiliates to do, execute, acknowledge and deliver, all and every such further acts and assurances as reasonably required to carry out the provisions hereof and the transactions contemplated by this Agreement.

Section 8.5 Public Announcements. No Party to this Agreement nor any Affiliate or Representative of such Party shall issue or cause the publication of any press release or public announcement in respect of this Agreement or the transactions contemplated by this Agreement without the prior written consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed), except as may be required by applicable Law or stock exchange rules (upon the advice of counsel) in which case the Party required to publish such press release or public announcement shall use reasonable efforts to provide the other Party a reasonable opportunity to comment on such press release or public announcement in advance of such publication.

Section 8.6 Transfer Taxes and Tax Refunds.

(a) All transfer, recording, documentary, sales, use, stamp, registration and other such Taxes (including real estate transfer or similar Tax that arise from any indirect transfer of property as a result of the transfer of the transactions contemplated by this Agreement) and related fees (including any penalties, interest and additions to Tax) incurred with respect to the transactions contemplated by this Agreement ("Transfer Taxes") shall be paid one-half by Growth Partners and one-half by Sellers. Each Party shall indemnify, defend and hold the other Parties harmless from and against the portion of any Transfer Taxes for which such other Parties are liable pursuant to this Section 8.6. The Party responsible under applicable Law for filing the Tax Returns pertaining to and paying such Transfer Taxes shall (i) timely file such Tax Returns and remit to the applicable Governmental Authority payment of the Transfer Taxes required to be remitted therewith and (ii) promptly provide a copy of such Tax Return to the other Party or Parties, and such other Party or Parties shall promptly reimburse the Party that paid such Transfer Taxes for one-half of the amount of such Transfer Taxes that were paid. Each of the Parties shall cooperate as requested in preparing, executing and filing all such Tax Returns and related documentation on a timely basis as may be required to comply with the provisions of any applicable Law. Notwithstanding the foregoing or anything else herein to the contrary, and for the avoidance of doubt, any amounts paid or that become payable pursuant to the matters described on Section 11.2(h) of the Caesars Disclosure Schedule shall not constitute a Transfer Tax for purposes of this Agreement.

(b) Sellers shall be entitled to any refund or credit of or against Taxes with respect to a taxable period (or portion thereof) prior to the Closing Date (and any interest or penalty rebate with respect to such refund or credit) of any Purchased Entity and its Subsidiaries, except to the extent that such refund or credit is attributable to the carryback of a Tax attribute of Growth Partners or any of its direct or indirect Subsidiaries from a taxable period (or portion thereof) after the Closing Date. Growth Partners shall be entitled to any refund or credit of or against any Taxes of any Purchased Entity and its Subsidiaries (and any interest or penalty rebate with respect to such refund or credit) other than refunds or credits to which such Purchased Entity would be entitled under the preceding sentence. Each Party shall forward, and shall cause its Affiliates to forward, to the Party entitled to a refund or credit of Taxes pursuant to this

Section 8.6(b), the amount of such refund or credit within ten (10) days after such refund or credit is received or applied against another Tax liability, as the case may be, in each case net of reasonable costs (including Taxes, if any) incurred by the Party receiving such refund or credit.

Section 8.7 Certain Notifications.

(a) From the date of this Agreement until the Closing, each of the Parties shall promptly notify the other Parties in writing, as soon as practical after it becomes known to such Party, of:

(i) any breach by such Party of any of its representations, warranties, covenants or obligations contained in this Agreement;

(ii) any fact, circumstance, event or action which will result in, or would reasonably be expected to result in, the failure of such Party to timely satisfy any of the closing conditions specified in Article IX hereof; and

(iii) any pending or, to the knowledge of such Party, threatened action, suit, arbitration or other proceeding or investigation by any Governmental Entity or any other Person (i) challenging or seeking Damages in connection with the Closing or any other transaction contemplated by this Agreement or (ii) seeking to restrain or prohibit the consummation of the Closing.

(b) Nothing contained in this Section 8.7 shall prevent the Parties from giving such notice, using such efforts or taking any action to cure any of the foregoing. No notice given pursuant to this Section 8.7 shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein or the Parties' rights to indemnification hereunder.

Section 8.8 Lien Release. Each of the Caesars Parties shall use their reasonable best efforts to facilitate and encourage the making of any filings, releases, discharges, deeds and other documents necessary to evidence the release by all financial institutions and other Persons (the "Lenders") of all Liens (other than Permitted Liens) on the Purchased Equity Interests or any property or assets of the Company Parties or their respective Subsidiaries relating to Indebtedness owed by any of the Caesars Parties or their Subsidiaries ("Lender Liens"), and all obligations (including guarantee obligations) of the Company Parties and their respective Subsidiaries in respect of such Indebtedness ("Loan Obligations"), before or substantially simultaneously with the Closing. Each of the Caesars Parties shall request that the Lenders deliver letters or similar written confirmation (each, a "Release Confirmation"), before or substantially simultaneously with the Closing, confirming that (a) all Lender Liens shall be, upon the Closing Date, released by all lenders thereunder and (b) all Loan Obligations shall be, upon the Closing Date, released. Each of the Caesars Parties shall keep Growth Partners reasonably informed (orally and in writing) on a current basis regarding any material developments relating to their request for Release Confirmations. Notwithstanding the foregoing, the Parties acknowledge and agree that the Indebtedness outstanding under the Bill's Credit Facility will remain outstanding at Closing and, for the avoidance of doubt, the Liens securing such Indebtedness will not be released.

Section 8.9 Financial Statements.

(a) Prior to the Closing, Parent or Sellers shall deliver to Growth Partners copies of the audited financial statements of the Company Parties and their consolidated Subsidiaries taken as a whole (and not, for the avoidance of doubt, with respect to each Company Party and its consolidated Subsidiaries on an individual basis) as of December 31, 2012 and December 31, 2013 and for the two fiscal year periods ending on such dates prepared by Deloitte & Touche LLP (the "Audited Financial Statements"). If the Closing occurs, Growth Partners shall reimburse Sellers for one-half of the costs, fees, expenses and other amounts payable to Deloitte & Touche LLP in connection with the preparation of the Audited Financial Statements.

(b) Between the date hereof and the Closing, Parent or Sellers shall deliver to Growth Partners as promptly as practicable (and in any event within thirty (30) days) after the end of each calendar month unaudited financial statements of each Company Party and its Subsidiaries that substantially conform to the requirements of the Financial Statements.

Section 8.10 The Cromwell.

(a) From the date of this Agreement through and including the Cromwell Completion Date, the Caesars Parties shall, and prior to the Closing shall cause CIC and its Subsidiaries to, diligently construct and develop The Cromwell in accordance with the Cromwell Construction Plans, as such Cromwell Construction Plans are updated or amended pursuant to this Section 8.10.

(b) From the date of this Agreement through and including the Cromwell Completion Date, the Caesars Parties shall, and prior to the Closing shall cause CIC and its Subsidiaries to (i) keep Growth Partners reasonably informed of and allow Growth Partners to attend and participate in construction meetings, (ii) conduct meetings with Growth Partners as reasonably requested by Growth Partners to discuss the construction and development of The Cromwell, (iii) keep Growth Partners reasonably informed of any proposed update or amendment to the Cromwell Construction Plans and (iv) have the right to make updates and amendments to the Cromwell Construction Plans to reflect (A) the actual progress of such construction and development and (B) changes thereto made in the ordinary course of business; provided that any such amendment that is materially inconsistent with the Cromwell Construction Plans shall require the prior written consent of Growth Partners (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) The Caesars Parties shall promptly notify Growth Partners of any material change or deviation from the Cromwell Construction Plans or any fact, circumstance, event or action which will result in, or would reasonably be expected to result in, any material change or deviation from the Cromwell Construction Plans or any delay in the Cromwell Completion Date, the Cromwell Casino Target Opening Date or the Cromwell Nightclub Target Opening Date.

(d) At least five (5) business days prior to the anticipated opening date for The Cromwell, or at such earlier time as requested by Property Manager pursuant to the Property Management Agreement with respect to The Cromwell, CEOC shall cause The Cromwell to have an amount of House Funds at least equal to $2,700,000. In the event that, at any time, and

from time to time, the aggregate amounts on deposit in the Accounts do not equal or exceed the Remaining Cromwell Costs, CEOC shall promptly pay to CIC in immediately available funds the amount of such deficit.

Section 8.11 The Quad Renovation.

(a) From the date of this Agreement through and including the Quad Completion Date, the Caesars Parties shall, and prior to the Closing shall cause 3535 LV to, at the expense of Growth Partners (except as otherwise provided herein), (i) diligently conduct the construction and renovation of The Quad in accordance with the Quad Renovation Documents, (ii) keep Growth Partners reasonably informed of and allow Growth Partners to attend and participate in construction and renovation meetings, (iii) conduct meetings with Growth Partners as reasonably requested by Growth Partners to discuss the construction and renovation of The Quad, (iv) keep Growth Partners reasonably informed of any proposed update or amendment to the Quad Renovation Documents and (v) deliver to Growth Partners as promptly as practicable (and in any event within ten (10) days) after the end of each calendar month a schedule setting forth the aggregate Pre-Closing Quad Renovation Expenditures.

(b) Within forty-five (45) days of the date hereof, the Caesars Parties shall deliver to Growth Partners a copy of each portion of the development and design package for the construction and renovation of The Quad, including plans with respect to interior fit out, furnishings, fixtures and equipment (the "Design Package"). Growth Partners shall have thirty (30) days following receipt of the Design Package (or any portion thereof) to review or approve the Design Package or such portion thereof. If Growth Partners does not deliver to the Caesars Parties written comments on, or written objections to, the Design Package (or such portion thereof) within such thirty (30) day period, Growth Partners shall be deemed to have approved the Design Package (or portion thereof) as presented. If, on the other hand, Growth Partners provides timely written comments or written objections to the Design Package (or portion thereof), Growth Partners and the Caesars Parties shall use good faith efforts to resolve any such comments and/or objections in a timely manner. Following resolution of any comments and/or objections (as evidenced by written agreement of the Parties), such Design Package (or such portion thereof) shall be, for all purposes of this Agreement, the "Approved Design Package."

(c) The Caesars Parties shall promptly notify Growth Partners of any proposed change or deviation from the Quad Renovation Documents or any fact, circumstance, event or action which will result in, or would reasonably be expected to result in, any material change or deviation from the Quad Renovation Documents or any delay in the completion of the construction and renovation of The Quad. The Caesars Parties shall not amend or modify, in any material respect, the Quad Renovation Documents without the prior written consent of Growth Partners.

Section 8.12 Capital Expenditure Budget. From the date of this Agreement through the earlier of Closing or the termination of this Agreement pursuant to Section 10.1, each Caesars Party shall, and shall cause the applicable Company Party and its Subsidiaries to, make the capital expenditures, capital additions and/or capital improvements (collectively, the "Required Improvements") reflected in the Capital Expenditure Budgets. The Required Improvements shall be completed with the quality and to a standard comparable to the Casino in which such Required Improvement is being made.

Section 8.13 Financing.

(a) Prior to the Closing, each of CAC and Growth Partners will use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to obtain the Financing as contemplated by and in accordance with the terms and conditions of the Commitment Letter (as modified by the flex provisions of the related fee letter and as otherwise modified, so long as such modification would not (i) impose new or additional material conditions or reasonably be expected to prevent, or materially delay or impair, the availability of the Financing or (ii) adversely impact the ability of CAC and Growth Partners to timely consummate the Closing (it being understood that any modification that is entered into for the purpose of adding lenders, lead arrangers, bookrunners, syndication agents or similar entities that have not executed the Commitment Letter as of the date hereof or for the purpose of extending the termination date set forth in the Commitment Letter shall be permitted)), provided, however, that if the Financing becomes unavailable to CAC and Growth Partners on the terms and conditions set forth in the Commitment Letter or the Commitment Letter shall be terminated for any reason (other than due to a material breach by the Caesars Parties of any material provision of this Agreement which prevents or renders impracticable the consummation of the Financing), each of CAC and Growth Partners shall use its reasonable best efforts to obtain alternative financing on terms and conditions satisfactory to CAC and Growth Partners and, to the extent required under applicable Law, approved by the relevant Gaming Authorities (the "Alternative Financing"). It is understood and agreed that "reasonable best efforts" as used in this Section 8.13(a) shall not require CAC or Growth Partners to obtain the Alternative Financing if the terms and conditions of such financing (including all terms, termination rights, flex provisions and funding conditions) are less favorable, taken as a whole, to CAC, Growth Partners and its Subsidiaries as compared to the terms of the Commitment Letter. Each of the Caesars Parties shall, at CAC's and Growth Partners' cost and expense, provide such cooperation as is reasonably requested by CAC and Growth Partners in connection with obtaining any such Financing (or any Alternative Financing) or the 144A Financing, pursuant to Section 8.13(b). Upon the request of Parent or a Seller, CAC and Growth Partners shall apprise Parent and such Seller of material developments relating to the Financing or any Alternative Financing and reasonably promptly shall, upon the written request of Parent and CEOC, provide copies of all definitive documents agreed with the Financing Lenders or otherwise related to the Financing or any Alternative Financing to Parent or a Seller, subject to customary redaction of fee amounts and other economic terms (including interest rates).

For purposes of this Agreement, references to "Financing" shall include the financing contemplated by the Commitment Letter as amended, modified, waived or replaced in accordance with this Section 8.13(a) and references to "Commitment Letter" shall include the Commitment Letter as amended, modified, waived or replaced in accordance with this Section 8.13(a).

(b) Prior to the Closing, each of the Caesars Parties shall provide, and shall use its reasonable best efforts to cause its Representatives, in each case, with appropriate

seniority and expertise, including its or their accounting firms, to provide, at CAC and Growth Partners' sole cost and expense, all cooperation reasonably requested by CAC and Growth Partners in connection with the arrangement of the Financing (including any Alternative Financing) and the 144A Financing, including by, in each case upon reasonable advance notice and on a reasonable number of occasions:

(i) assisting in the preparation for and participation in the marketing efforts in connection with the syndication of the financing contemplated by the Commitment Letter or the Alternative Financing (including a reasonable number of lender meetings and conference calls) or the 144A Financing, other meetings, presentations, drafting sessions, road shows, due diligence sessions (including accounting due diligence sessions) and sessions with the Financing Lenders, any lenders providing Alternative Financing or any initial purchasers of the 144A Financing (such lenders and initial purchasers, together with the Financing Lenders, the "Applicable Financing Lenders"), other prospective lenders and investors and ratings agencies, and assisting CAC and Growth Partners in obtaining ratings as contemplated by the Financing, the Alternative Financing, and the 144A Financing, if any;

(ii) cooperating with CAC, Growth Partners and the Applicable Financing Lenders, including, as applicable, reasonably assisting with the preparation of rating agency presentations, pro forma financial information and financial statements, bank information memoranda, lender presentations, offering documents, private placement memoranda, prospectuses and similar documents and other customary marketing materials for the Financing and the 144A Financing (including, as applicable, delivering customary representation letters, authorization letters, confirmations and undertakings as contemplated by the Commitment Letter or replacement thereof (including with respect to the presence or absence of material non-public information and the accuracy of the information contained in the disclosure and marketing materials related to the Financing (including any Alternative Financing)));

(iii) as promptly as reasonably practicable, (A) furnishing CAC, Growth Partners and the Applicable Financing Lenders and their respective Representatives with the Required Information, (B) informing CAC and Growth Partners if the chief executive officer, chief financial offer, treasurer or controller of the Caesars Parties or any director or member of the Caesars Parties shall have actual knowledge of any facts as a result of which a restatement of any financial statements for such financial statements to comply with GAAP is, to such person's actual knowledge, probable;

(iv) both before the Closing and, to the extent reasonably necessary to allow CAC and Growth Partners to consummate a securities offering or comply with SEC requirements after the Closing (but in either case at CAC's and Growth Partners' cost and expense), providing appropriate representations with respect to information for periods prior to the Closing customary in connection with the preparation of financial statements and other financial data of the Company Parties and requesting accountants' consents in connection with the use of the Company Parties' financial statements for periods prior to the Closing in offering documents, prospectuses, Current Reports on Form 8-K and other documents to be filed with the SEC;

(v) using reasonable best efforts to provide (y) within forty-five (45) days of the end of each of the first three fiscal quarters of the current fiscal year and any subsequent fiscal year ending prior to the Closing Date, quarterly financial statements which for the avoidance of doubt shall include the comparable period in the prior fiscal year of the Company Parties which have been "reviewed" by auditors in accordance with Statements on Auditing Standards 100, and (z) within ninety (90) days of the end of each of the most recently completed fiscal year and each subsequent fiscal year ending prior to the Closing Date, audited financial statements of the Company Parties for such fiscal year;

(vi) with respect solely to the Purchased Entities, executing and delivering as of (but not before) the Closing any pledge and security documents, other definitive financing documents, or other certificates, customary (e.g., local counsel) legal opinions or documents as may be reasonably requested by CAC and Growth Partners and otherwise facilitating the pledging of collateral of the Purchased Entities (including, providing reasonable and customary information required in connection with the pledging and identification of real property and intellectual property of the Purchased Entities and cooperation in connection with CAC and Growth Partners' efforts to obtain environmental assessments and title insurance with respect thereto);

(vii) assisting CAC and Growth Partners to obtain waivers, consents, estoppels and approvals from other parties to material leases, encumbrances and Contracts relating to the Company Parties (or the Purchased Entities) and to arrange discussions among CAC, Growth Partners and the Applicable Financing Lenders and their respective Representatives with other parties to material leases, encumbrances and Contracts as of the Closing;

(viii) (A) permitting the Applicable Financing Lenders to evaluate the Company Parties' (or Purchased Entities') current assets, cash management and accounting systems, policies and procedures relating thereto for the purposes of establishing collateral arrangements as of the Closing and assisting with other collateral audits and due diligence examinations and (B) establishing bank and other accounts and blocked account agreements and lock box arrangements to the extent necessary in connection with the Financing (including any Alternative Financing) or the 144A Financing, if any;

(ix) reasonably facilitating the taking of all corporate, limited liability company or other similar actions by the Caesars Parties that are reasonably necessary to permit the consummation of the Financing (including any Alternative Financing) and the 144A Financing, if any, and to permit the proceeds thereof, together with the cash at the Purchased Entities and their Subsidiaries, if any (not needed for other purposes), to be made available on the Closing Date to consummate the transactions contemplated by this Agreement, provided, that for the avoidance of doubt, any costs, fees or expenses incurred or required to be paid in connection with the consummation of the Financing or any Alternative Financing shall not constitute Unpaid Caesars Expenses hereunder and the Caesars Parties shall have no liability or obligation in connection therewith;

(x) providing at least five (5) Business Days prior to the Closing Date all documentation and other information about the Company Parties as is required by applicable "know your customer" and anti-money laundering rules and regulations including the USA PATRIOT Act to the extent requested at least ten (10) Business Days prior to the anticipated Closing Date; and

(xi) cooperating with CAC and Growth Partners to satisfy the conditions precedent to the Financing (including any Alternative Financing) to the extent within the control of the Caesars Parties.

The foregoing notwithstanding, (A) Persons who are directors or members of the Caesars Parties prior to the Closing Date in their capacity as such shall not be required to pass resolutions or consents to approve or authorize the execution of the Financing (including any Alternative Financing), (B) no obligation of the Caesars Parties or any of their respective Representatives undertaken pursuant to the foregoing shall be effective until the Closing Date and no officer or director of any Caesars Party (other than, as of the Closing, the Company Parties) shall be required to execute any documents, including, without limitation, any registration statement to be filed as specifically set forth above, including with the SEC, any pledge or security documents or other definitive financing documents (except with respect to the representation letters or authorization letters specified above) and (C) none of the Caesars Parties nor any of their respective Representatives shall be required to pay any commitment or other similar fee or incur any other liability, cost or expense in connection with the Financing (including any Alternative Financing) or 144A Financing, if any, and CAC or Growth Partners shall pay on behalf of any Caesars Party, or promptly reimburse any Caesars Party for, any fee or reasonable expense documented out-of-pocket incurred solely in connection with the Financing or any Alternative Financing or with any action taken in compliance with this Section 8.13; provided that, for the avoidance of doubt, the costs, fees, expenses and other amounts payable to Deloitte & Touche LLP in connection with the preparation of the Audited Financial Statements shall be treated in accordance with Section 8.9 (a). CAC and Growth Partners shall indemnify and hold harmless the Caesars Parties and their respective Representatives from and against any and all Damages arising out of any claim by a third party (other than Damages which are the subject matter of any successful indemnification claim pursuant to Section 11.2 by a Growth Indemnified Person against the Caesars Parties) suffered or incurred by them in connection with the arrangement of the Financing or any Alternative Financing in compliance with this Section 8.13 and any information utilized in connection therewith (other than information provided by or on behalf of the Caesars Parties or their respective Representatives), in each case, except to the extent suffered or incurred as a result of bad faith, gross negligence or willful misconduct of, or material breach of this Agreement by, the Caesars Parties.

Nothing contained in this Section 8.13(b) or otherwise shall require any Caesars Party (other than, from and after the Closing, any Company Party) to be an issuer, guarantor, pledgor or other obligor with respect to the Financing (including any Alternative Financing) or the 144A Financing, if any. Each of the Caesars Parties hereby expressly authorizes the use of the financial statements and other information to be provided pursuant to this Section 8.13(b) for purposes of the Financing (including any Alternative Financing).

(c) Each of the Caesars Parties hereby consents to the use of its logos in connection with the Financing (including any Alternative Financing); provided that such logos shall be used by CAC, Growth Partners and the Financing Lenders in a manner that is not intended to, or reasonably likely to, harm or disparage the Caesars Parties or the reputation or goodwill of the Caesars Parties.

(d) Prior to and through the Closing, the Caesars Parties shall use reasonable best efforts to periodically update any Required Information provided to CAC and Growth Partners as may be necessary so that such Required Information is (i) Compliant and (ii) meets the applicable requirements set forth in the definition of "Required Information". For the avoidance of doubt, CAC and Growth Partners may, to most effectively access the financing markets, require the cooperation of the Caesars Parties under this Section 8.13 at any time, and from time to time and on multiple occasions, between the date hereof and the Closing; provided that CAC and Growth Partners shall comply with Section 8.13(b) with respect to any requests for cooperation and shall use their reasonable best efforts to limit interference with the ongoing operations of the Caesars Parties. The Caesars Parties shall timely file SEC documents and other materials with the SEC to the extent required by the SEC in accordance with Law to the extent such SEC documents relate specifically to the Company Parties or any of their Subsidiaries. In addition, if, in connection with a marketing effort contemplated by the Commitment Letter, CAC and Growth Partners reasonably request the Caesars Parties to file a Current Report on Form 8-K pursuant to the Exchange Act that contains material non-public information with respect to the Company Parties or any of their Subsidiaries, which CAC and Growth Partners reasonably determine to include in a customary offering memorandum for the Financing, then Caesars Parties shall file a Current Report on Form 8-K containing such material non-public information.

(e) Prior to the Closing, the Caesars Parties shall use their reasonable best efforts to cause their independent auditors to provide, consistent with customary practice, (A) consent to SEC filings and offering memoranda that include or incorporate the Company Parties' consolidated financial information and their reports thereon, in each case, to the extent such consent is required, customary auditors reports and customary comfort letters (including "negative assurance" comfort) with respect to financial information relating to the Company Parties or their Subsidiaries in connection with the 144A Financing, if any, (B) reasonable assistance in the preparation of pro forma financial statements by CAC and Growth Partners and (C) reasonable assistance to and cooperation with CAC and Growth Partners, including attending accounting due diligence sessions, in connection with the Financing (including any Alternative Financing), the 144A Financing and the other transactions contemplated by this Agreement.

Section 8.14 Restructuring Transactions; Intercompany Liabilities.

(a) Not less than five (5) Business Days prior to the Closing, CEOC shall consummate the Restructuring Transactions and shall provide Growth Partners satisfactory evidence thereof, together with a copy of all documents, agreements and instruments executed in connection therewith. Immediately following the consummation of the Restructuring Transactions, CEOC shall cause (i) the NewCo Sellers to execute and deliver to CAC and Growth Partners a joinder to this Agreement, in the form attached as Exhibit G hereto (the "Joinder"); and (ii) each of the Property Managers to execute and deliver to CAC and Growth Partners a Joinder.

(b) CEOC shall ensure that following consummation of the Restructuring Transactions, and as of the Closing, (i) each of the NewCo LLCs shall own or otherwise have both (x) the rights to use, to the same extent as the relevant Company Party or Company Subsidiary as applicable, did immediately prior to the Restructuring Transactions, all of the assets that were used or held for use by such Company Party or Company Subsidiary in their respective businesses conducted by them immediately prior to the Restructuring Transactions, and (y) the services of the applicable Property Employees and (ii) none of the NewCo LLCs, CIC, JCC Holding or any of their respective Subsidiaries shall have any Liabilities (A) owing to Parent or any of its Affiliates other than Liabilities (i) reflected on the Estimated Closing Statement and the Final Closing Statement and (ii) taken into consideration for purposes of calculating Estimated Closing Net Working Capital and Final Closing Net Working Capital, or (B) for Taxes for which the transferor may be liable pursuant to Treasury Regulation section 1.1502-6, similar provisions of state or local law, or otherwise as a result of being a member of a consolidated, combined, unitary or similar group.

Section 8.15 Amendments and Terminations. Prior to the Closing, the Caesars Parties shall (a) terminate the agreements set forth on Section 8.15(a) of the Growth Partners Disclosure Schedule and receive a binding release of all claims thereunder and (b) amend the agreements set forth on Section 8.15(b) of the Growth Partners Disclosure Schedule, in the manner set forth therein, in the case of each of clauses (a) and (b), in form and substance satisfactory to Growth Partners. The Caesars Parties shall provide Growth Partners satisfactory evidence thereof, together with a copy of all documents, agreements and instruments executed in connection therewith.

Section 8.16 Employee and Benefit Plan Matters.

(a) Each of the Parties shall cooperate and use commercially reasonable best efforts to, as promptly as practicable following the date hereof, identify any Property Employee who provides a supervisory function to one or more of the Casinos, on the one hand, and to other facilities owned or operated by the Caesars Parties (other than the Purchased Entities or their Subsidiaries) on the other hand (such employees, the "Management Employees"). The Caesars Parties shall, and shall cause each of their respective Subsidiaries to, transfer and assign the employment of, and all employment-related obligations (including but not limited to employment Contracts) of, any Management Employees employed by any of the Company Parties or the Purchased Entities (or their respective Subsidiaries) to Services Co. effective as of the Closing Date (or, if Services Co. has not then been established, to CEOC or one of its Affiliates), such that, as of the Closing Date, none of the Purchased Entities or their respective Subsidiaries is an employer of any Management Employees. The Caesars Parties shall, and shall cause each of their respective Subsidiaries to, transfer and assign the employment of, and all employment-related obligations (including but not limited to employment Contracts) of, any Property Employees (other than Management Employees) employed by the Caesars Parties or their Subsidiaries (other than the Purchased Entities or their respective Subsidiaries) to the Purchased Entities or their respective Subsidiaries prior to the Closing Date, such that, as of the Closing Date, a Purchased Entity or its Subsidiary is the employer of the then-current Property Employees.

(b) Prior to the Closing, Parent or CEOC, as applicable, shall, in a manner which complies with all applicable Laws, (i) amend its defined contribution savings and retirement plans as necessary or appropriate to both (x) constitute a plan maintained by more than one employer within the meaning of Section 413(c) of the Code and (y) identify each applicable Company Party or its Subsidiaries, as applicable, as an employer maintaining such plan and (ii) subject to Section 8.16(e), take such actions as are necessary so that, effective at the Closing, the Property Employees who were participating in the Caesars Benefit Plans that provide medical, dental, vision, disability and other health and welfare benefits immediately prior to the Closing will participate in plans that are substantially similar, mutatis mutandis, to those covering the Property Employees under the Caesars Benefit Plans immediately prior to the Closing (the "Mirror H&W Plans"); which Mirror H&W Plans may, in the discretion of CEOC, be sponsored after the Closing by an applicable Purchased Entity or its Subsidiary or an ERISA Affiliate of them, provided, however, that no Mirror H&W Plan shall constitute a multiple employer welfare arrangement. Notwithstanding anything in this Section 8.16(b) to the contrary, on and after the Closing, Growth Partners shall cause its Subsidiaries to continue to provide those Property Employees who are covered by a Labor Agreement with those pension, health and welfare and fringe benefits provided under the Union Plans in accordance with the terms of each such Labor Agreement, and, except as set forth on Section 8.16(b) of the Caesars Disclosure Schedule, such Property Employees covered by such Labor Agreements shall not be eligible to participate in or otherwise receive benefits under the pension and Mirror H&W Plans hereinabove described for the Property Employees not covered by a Labor Agreement.

(c) In connection with the actions contemplated by this Section 8.16 and the consummation of the transactions contemplated by this Agreement, including the Restructuring Transactions, CEOC shall, or shall cause each Property Employer to, at its own expense, give all notices and other information required to be given to and satisfy any bargaining obligations prior to the Closing with respect to, any Property Employee, any labor or trade union, works council or any other employee representative body, and/or any applicable Governmental Entity, whether under the Worker Adjustment and Retraining Notification Act or any similar state or local law (the "WARN Act"), the National Labor Relations Act, as amended, the Code, the Consolidated Omnibus Budget Reconciliation Act of 1986, any other applicable Laws, or a Labor Agreement. Neither CEOC nor any of its Subsidiaries or any Property Employer will take any action with respect to any Property Employees prior to the Closing that would constitute a plant closing or mass layoff within the meaning of, or otherwise trigger notice, compensation, or other obligations under the WARN Act. With respect to any Property Employees whose employment transfers pursuant to Section 8.16(a), the entity employing such persons shall pay to such persons all wages accrued through and ending with the effective date of such transfer, any severance or other contractual liability that is triggered by such transfer, and shall provide for the withholding and remittance of all applicable Tax withholdings for any such amounts.

(d) Nothing contained herein shall be construed as requiring any of the Parties or their respective Affiliates to continue any specific employee benefit plans or to continue the employment of any specific person. The provisions of this Section 8.16 are solely for the benefit of the Parties to this Agreement, and no current or former director, officer, employee or independent contractor or any other person shall be a third-party beneficiary of this Section 8.16, and nothing herein shall be construed as an amendment to any compensation or benefit plan or arrangement for any purpose.

(e) Notwithstanding anything in Section 8.16(b)(ii) to the contrary, in the event that any Mirror H&W Plan is not fully implemented and effective as of the Closing such that the requirements contained in Section 8.16(b)(ii) cannot be satisfied as of the Closing (any such plan, a "Pending Mirror H&W Plan"), then for the period (the "Transition Period") commencing on the Closing and ending at midnight on such date as such Pending Mirror H&W Plan is fully implemented and effective and capable of providing the coverage described in Section 8.16(b)(ii) or such other date as the Parties may mutually determine, but in no event later than December 31, 2014 (the "Benefit Changeover Date"), the applicable Caesars Party sponsoring each Transition Benefit agrees to make available coverage (including COBRA coverage), employee call centers and claims processing services to and in respect to the Property Employees who are employees of the Purchased Entities immediately prior to and following the Closing; provided, however, that the Caesars Parties shall indemnify and hold Growth Partners harmless against any Liabilities associated with the provision of Transition Benefits, except as specifically contemplated by this Section 8.16(e). For purposes of this Section 8.16 (e), the "Transition Benefits" shall mean those particular medical, dental, vision, disability and other health and welfare plans in which Property Employees participate immediately prior to the Closing which would otherwise be provided under a Pending Mirror H&W Plan and which will be provided upon the full implementation and effectiveness thereof, and such additional benefits which the parties otherwise mutually agree to include within the definition of "Transition Benefits" as soon as practicable following the date hereof. The applicable Caesars Party or its service provider administering each Transition Benefit shall honor any claims for benefits under such Transition Benefits which are incurred prior to the Benefit Changeover Date and which are presented to such administrator in accordance with the terms of the particular plan, program, policy or arrangement establishing the particular Transition Benefit; provided, however, that such claims are presented prior to the expiration of the twelve (12) month period beginning on the Benefit Changeover Date. Growth Partners shall reimburse the applicable Caesars Party for the actual aggregate employer and employee premium cost, including any monthly service charges imposed by the applicable Caesars Party's service provider which are paid directly by the applicable Caesars Party ("Aggregate Premium Cost"), of providing such Transition Benefits during the Transition Period within forty-five (45) days after the applicable Caesars Party submits written proof of such Aggregate Premium Cost to Growth Partners. To the extent a particular Transition Benefit is administered by a third party service provider, the applicable Caesars Party shall use commercially reasonable efforts to obtain such service provider's consent to the substitution of Growth Partners or one of its Subsidiaries as the party legally responsible for providing the particular Transition Benefit on and after the Closing but otherwise continuing to treat the particular Transition Benefit as administered by the applicable Caesars Party and its service providers throughout the Transition Period.

Section 8.17 Permits and Other Filings.

(a) From the Closing Date until Growth Partners elects otherwise, in Growth Partners' sole discretion, CEOC will retain responsibility for compliance in all respects with the Part 70 Operating Permit for Source 257 issued by Clark County Department of Air Quality to CEOC (the "Title V Permit") and cause the Title V Permit to be retained in CEOC's name for the air pollution sources associated with the operations of the Purchased Assets and the hotel and casino commonly known as Planet Hollywood (the "Air Sources") until such time as Clark County or another Governmental Entity with jurisdiction over the Title V Permit requires that a

Permit (or Permits) for the Air Sources be issued directly to Growth Partners or its designated Subsidiary for the Air Sources (a "New Permit"), including filing for and diligently pursuing, at CEOC's sole cost and expense, current renewal of the Title V Permit in accordance with Environmental Law as soon as practicable following the execution of this Agreement; provided that any election by Growth Partners pursuant to this Section 8.17(a) shall be subject to the approval of the relevant Governmental Entities, and in accordance with Section 8.17(d) of this Agreement.

(b) From the Closing Date up to and including the date that a New Permit or New Permits are issued for all of the Air Sources, in the event that Growth Partners determines that it will voluntarily seek to obtain New Permits for the Air Sources, and provided that the relevant Governmental Entities have no objection to such New Permits being sought, CEOC will reasonably cooperate with Growth Partners, including by executing such documents and instruments as may be reasonably necessary or desirable to cause Growth Partners or its designated Subsidiary to obtain a New Permit or become the successor to the Title V Permit (as it relates to the Air Sources), as the applicable Governmental Entity may require. Costs and expenses incurred to obtain New Permits for the Air Sources shall be paid by Growth Partners; provided that any costs and expenses relating to air sources owned by CEOC or other third parties shall be paid by CEOC. With respect to costs and expenses that cannot be directly attributed to particular air sources regulated by the Title V Permit, such costs and expenses shall be allocated between the parties pro rata based on the number of rooms at the facilities regulated under the Title V Permit that each party owns or otherwise controls.

(c) Growth Partners agrees to reimburse CEOC for fee payments and any other direct costs incurred by CEOC, including reasonable consultants' fees and annual emission fees, in connection with the maintenance of the Title V Permit for the Air Sources from the Closing Date up to and including the date that a New Permit is issued or Growth Partners becomes the successor to the Title V Permit. Growth Partners further agrees to reasonably cooperate with CEOC, including by executing such documents and instruments as may be necessary to comply with any and all quarterly or annual reporting and/or testing obligations under the Title V Permit for the Air Sources and reimburse CEOC for CEOC's costs in connection therewith.

(d) Growth Partners and CEOC shall use commercially reasonable efforts to cooperate under this Section 8.17, as necessary to obtain, modify or renew permits for the Air Sources, including but not limited to, consulting with each other on any issues that require regulatory approval and could have a material adverse impact on the operations of CEOC or Growth Partners with respect to the Air Sources, cooperating with the relevant Governmental Entities, participating in the public comment process, and working with interested parties and neighboring landowners, for so long as any permits for the Air Sources are required by Law or held by CEOC or Growth Partners.

(e) If, at any time, CEOC receives a notice of violation or other noncompliance or liability relating to the Title V Permit for the Air Sources, CEOC shall reasonably promptly notify Growth Partners of CEOC's receipt of such notice, and CEOC shall indemnify Growth Partners for any costs associated with defending and/or paying fines or other losses or Damages associated with any such notice to the extent that such fines or other liabilities

result from the gross negligence or willful misconduct of CEOC or a breach of any Property Management Agreement by any Property Manager. If Growth Partners determines, in its reasonable discretion, that CEOC will not cause such violation to be cured in a timely fashion, Growth Partners shall have the right to cure or cause to be cured such violation; provided, however, that CEOC shall have the right to contest in good faith any such violation, and Growth Partners shall not take any action to cure, or cause to be cured, such violation until the good faith contest of such violation by CEOC has been completed; provided, further, however, that notwithstanding the foregoing, Growth Partners shall have the right to cure, or cause to be cured, such violation if Growth Partners determines that failure to cure such violation will be reasonably likely to result in Growth Partners being "permit-blocked" in any state or under the federal Applicant Violator System or any equivalent state or local Law.

Section 8.18 Services Joint Venture. Each Property Owner is entering into the applicable Property Management Agreement with the applicable Property Manager at the Closing, pursuant to which, among other things, the Property Managers are providing management services to the applicable Casino and access to the Total Rewards® Program on the terms contemplated herein, which the Parties acknowledge, together with the related Intellectual Property arrangements contemplated under the Property Management Agreement Term Sheet, are critical elements of the transaction such that Growth Partners would not have entered into this Agreement or the Ancillary Agreements without the fundamental understanding that this Agreement and the Ancillary Agreements, together with the Services Joint Venture Arrangements, taken as a whole, represent a single, integrated transaction. In furtherance of the foregoing, the Parties covenant and agree to use reasonable best efforts to establish a mutually satisfactory services joint venture arrangement, based on good faith negotiations, as reflected in the Services Joint Venture Term Sheet attached hereto as Exhibit H (the "Services Joint Venture Arrangements") with such other terms as the Parties may agree, as promptly as practicable following the date hereof with the intention of being in place as of the Closing Date, subject to the receipt of any necessary regulatory approvals with respect to any portion of such arrangements for which approval is required, provided, however, that the Services Joint Venture Arrangements shall not become effective prior to the Closing.

ARTICLE IX

CONDITIONS TO CLOSING

Section 9.1 Conditions to Obligations of Each Party to Close. The respective obligations of each Party to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver, at or prior to the Closing Date, of each of the following conditions:

(a) No Injunctions, Illegality or Litigation. No Law or Order issued by any Governmental Entity (including any Gaming Authority) shall have been adopted, promulgated or issued that would prohibit, restrain, enjoin or render unlawful the consummation of the transactions contemplated by this Agreement, and there shall be no pending Action by any Governmental Entity of competent jurisdiction seeking any such Law or Order.

(b) Gaming Licenses. Any and all Gaming Licenses shall have been obtained, which Gaming Licenses shall have been granted without the imposition of limitations, restrictions or conditions materially adverse to the Parties, and such Gaming Licenses shall be in full force and effect.

(c) Financial Advisor Opinions. The Board of Directors of Parent and the special committee of the Board of Directors of Parent shall have received, as of a date that is reasonably proximate to the Closing Date, (x) the opinion described in Section 5.7(i)(b) in substantially the form delivered on or prior to the date hereof, and (y) an opinion that, collectively, (A) the sale of the Purchased Assets in exchange for the Base Amount pursuant to this Agreement, and (B) the transactions contemplated by the Property Management Agreements and the Services Joint Venture Arrangements, are on terms that are (i) no less favorable to CEOC or such relevant restricted subsidiary, as applicable, than would be obtained in a comparable arm's length transaction with a person that is not an affiliate and (ii) not materially less favorable to CEOC or such relevant restricted subsidiary, as applicable, than those that could have been obtained in a comparable transaction by CEOC or such relevant restricted subsidiary with an unrelated person, in the case of clauses (x) and (y) of this Section 9.1(c), either from the financial advisor named in Section 5.7 or such other independent, nationally recognized financial advisor as selected by Parent and approved by Growth Partners (such approval not to be unreasonably withheld, conditioned or delayed).

Section 9.2 Conditions to the Obligations of the Caesars Parties. The respective obligations of the Caesars Parties to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver, at or prior to the Closing Date, of each of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of CAC and Growth Partners set forth in Section 7.1 (Organization and Qualification), Section 7.2 (Power and Authority; Authorization), Section 7.3 (Due Execution and Enforceability), and Section 7.7 (Brokers) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as if made on and as of the Closing Date, and (ii) each of the other representations and warranties of CAC and Growth Partners contained in this Agreement shall be true and correct as of the Closing Date as if made on and as of the Closing Date except (x) in each case of each of clauses (i) and (ii), representations and warranties that are made as of a specific date shall be tested only on and as of such date, and (y) in the case of clause (ii) only, where the failure of such representations and warranties to be so true and correct (without giving regard to any "material", or "material adverse effect" or any other materiality qualifications set forth therein) does not have, and would not reasonably be expected to have individually or in the aggregate, a material adverse effect on the ability of each of CAC and Growth Partners to perform its obligations under this Agreement and each Ancillary Agreement to which it is a party or to consummate the transactions contemplated hereby or thereby.

(b) Covenants and Agreements. The covenants and agreements of CAC and Growth Partners to be performed or complied with on or before the Closing Date in accordance with this Agreement shall have been performed and complied with in all material respects.

(c) Closing Deliverables. At the Closing, CAC or Growth Partners, as applicable, shall deliver, or cause to be delivered, to the Caesars Parties:

(i) a certificate, dated as of the Closing Date and signed on behalf of Growth Partners by an executive officer of Growth Partners (or executive officer of its managing member), stating that the conditions specified in Section 9.2(a) and Section 9.2(b) have been satisfied;

(ii) the Ancillary Agreements intended to be executed at or in connection with the Closing, duly executed by the parties thereto (other than the Caesars Parties);

(iii) payment to each Seller or its designee, by wire transfer, to an account or accounts designated in the Flow of Funds, in immediately available funds, of an aggregate amount equal to the Closing Payment; and

(iv) such other appropriately executed documents, instruments and agreements as may be necessary to consummate the transactions contemplated by this Agreement, in a form reasonably acceptable to the Caesars Parties, in each case which are requested by the Caesars Parties in writing at least two (2) Business Days prior to Closing.

Section 9.3 Conditions to the Obligations of CAC and Growth Partners. The obligations of CAC and Growth Partners to effect the transactions contemplated by this Agreement shall be subject to the satisfaction or waiver, at or prior to the Closing Date, of each of the following conditions:

(a) Representations and Warranties. (i) The representations and warranties of the Caesars Parties set forth in Section 5.1 (Organization and Qualification), Section 5.2 (Power and Authority; Authorization), Section 5.3 (Due Execution and Enforceability), Section 5.5 (Ownership; Title); Section 6.1 (Organization and Qualification; Subsidiaries), Section 6.2 (Power and Authority; Authorization), Section 6.3 (Due Execution and Enforceability), Section 6.4 (Ownership and Title), Section 6.5 (Capitalization), and Section 6.9 (Brokers) shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as if made on and as of the Closing Date, and (ii) each of the other representations and warranties of the Caesars Parties contained in this Agreement shall be true and correct as of the Closing Date as if made on and as of the Closing Date except (x) in each case of each of clauses (i) and (ii), representations and warranties that are made as of a specific date shall be tested only on and as of such date, and (y) in the case of clause (ii) only, where the failure of such representations and warranties to be so true and correct (without giving regard to any "material", or "Material Adverse Effect" or any other materiality qualifications set forth therein) does not have, and would not reasonably be expected to have individually or in the aggregate, a Material Adverse Effect in respect of any Company Party.

(b) Covenants and Agreements. The covenants and agreements of each of the Caesars Parties to be performed or complied with on or before the Closing Date in accordance with this Agreement shall have been performed and complied with in all material respects.

(c) Consents and Notices. All of the Consents set forth on Section 9.3(c) of the Growth Partners Disclosure Schedule shall have been obtained.

(d) Closing Deliverables. At the Closing, the Caesars Parties shall deliver, or cause to be delivered, to Growth Partners:

(i) a certificate, dated as of the Closing Date and signed on behalf of the Caesars Parties by an executive officer of each Caesars Party, stating that the conditions specified in Section 9.3(a), Section 9.3(b) and Section 9.3(h) have been satisfied;

(ii) the other Ancillary Agreements intended to be executed at or in connection with the Closing to which any of the Caesars Parties is a party, duly executed by such Person, as applicable, each in form reasonably acceptable to Growth Partners;

(iii) a duly executed certificate from CEOC, prepared in accordance with Treasury Regulation Section 1.1445-2(b)(2)(iv), in form and substance reasonably acceptable to Growth Partners and on the basis of which Growth Partners shall not be required to deduct or withhold any amounts under Section 1445 of the Code from any amounts payable pursuant to this Agreement, provided that the failure of CEOC to provide such certificate shall not prevent or delay the Closing, and that in the event of such failure Growth Partners shall be entitled to withhold any amounts that may be required consistent with Section 3.6 hereof;

(iv) a fee stream agreement in respect of each Management Fee Stream in a form reasonably acceptable to Growth Partners (collectively, the "Fee Stream Agreements");

(v) (1) to the extent the Purchased Equity Interests are certificated, certificates evidencing such Purchased Equity Interests, duly endorsed in blank or with stock powers duly executed in proper form for transfer, and with any required stock transfer stamps affixed thereto and (2) to the extent the Purchased Equity Interests are not certificated, confirmations of book-entry transfer with respect to such Purchased Equity Interests;

(vi) with respect to each Owned Real Property and each ground leased Leased Real Property, an American Land Title Association extended coverage owner's policy of title insurance (or local equivalent) (with an effective date not earlier than the Closing Date) in favor of the applicable property owning entity (a) showing marketable fee simple (or leasehold) title to such Company Real Property vested in the applicable property owning entity, (b) containing no exceptions other than the Permitted Liens, (c) stating liability coverage in such amounts as shall be determined by Growth Partners and (d) with such endorsements as Growth Partners may reasonably request (including, without limitation, a non-imputation endorsement as to the Knowledge of the Caesars Parties) (collectively, the "Title Policies"), understanding that all costs and expenses of the Title Policies shall be paid at Closing by Parent or Sellers;

(vii) with respect to each Owned Real Property and each ground leased Leased Real Property, an updated and current as-built survey for such Company Real Property, in form and substance satisfactory to the Growth Partners in its sole and absolute discretion, made in accordance with ALTA/ACSM minimum technical standards and the laws of the State where the applicable Casino is located, certified to the property owning entity and Growth Partners and any other persons or entities as Growth Partners may reasonably request, showing such entire Company Real Property, all adjoining streets and roads (including, without limitation, the points of ingress and egress thereto), the exact location by metes and bounds and the exact dimensions of such Company Real Property, a legal description of such Company Real Property, the exact location of any Improvements, setback lines, protrusions, encroachments, parking spaces and easements on and upon such Company Real Property, together with all rights-of-way and other matters relating to such Company Real Property (collectively, the "Surveys"), understanding that all costs and expenses of the Surveys shall be paid at Closing by Parent or Sellers; and

(viii) such other appropriately executed documents, instruments and agreements as may be necessary to consummate the transactions contemplated by this Agreement, in a form reasonably acceptable to Growth Partners, in each case which are requested by Growth Partners at least two (2) Business Days prior to Closing.

(e) Consummation of Restructuring Transactions. The Restructuring Transactions shall have been consummated and Growth Partners shall have received satisfactory evidence thereof, together with a copy of all documents, agreements and instruments executed in connection therewith, including the Joinders executed by each NewCo Seller and each Property Manager.

(f) Financing. CAC and Growth Partners shall have obtained the Financing on the terms set forth in the Commitment Letter (as may be modified by the flex provisions in the related fee letter and otherwise in accordance with Section 8.13(a)), or the Alternative Financing on terms and conditions satisfactory to CAC and Growth Partners and, to the extent required under applicable Law, approved by the relevant Gaming Authorities.

(g) Release Confirmations. Growth Partners shall have obtained the Release Confirmations and any other documents as may be necessary to evidence the release of the Lender Liens and the Loan Obligations.

(h) No Material Adverse Change. Since the date hereof, no event, change or circumstance shall have occurred that has caused or would reasonably be expected to cause, either individually or in the aggregate, a Material Adverse Effect in respect of any Company Party.

Section 9.4 Frustration of Closing Conditions. None of the Parties may rely on the failure of any condition set forth in Section 9.1, 9.2 or 9.3, as the case may be, if such failure was caused by such Party's failure to comply with any provision of this Agreement.

ARTICLE X

TERMINATION

Section 10.1 Termination. This Agreement may be terminated at any time, prior to the Closing:

(a) by mutual written consent of Growth Partners and CEOC;

(b) by either Growth Partners or CEOC:

(i) if the Closing shall not have occurred on or before the Outside Date; provided that the right to terminate this Agreement under this Section 10.1(b)(i) shall not be available to any Party to this Agreement whose breach or failure (or whose Affiliate's breach or failure) to perform any material covenant or obligation under this Agreement has been the cause of or has resulted in the failure of the transactions contemplated by this Agreement to occur on or before such date;

(ii) if any Order issued, or Law adopted, promulgated or issued by a Governmental Entity (including any Gaming Authority) permanently restrains, enjoins or prohibits or makes illegal the consummation of the transactions contemplated by this Agreement in a manner that would give rise to the failure of a condition set forth in Section 9.1(a), and such Order becomes effective (and final and nonappealable) (except for Orders relating to Gaming Laws, which shall be governed by Section 9.1(b)); or

(iii) if any Gaming Authority that must grant a Gaming License required by Section 9.1(b) shall have denied such grant in a manner that would give rise to the failure of a condition set forth in Section 9.1(b) and such denial shall have become final and nonappealable.

(c) by CEOC if Growth Partners shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, and such breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 9.2(a) or Section 9.2(b) and (ii) (x) cannot be cured prior to the Outside Date or (y) has not been cured prior to the date that is thirty (30) days from the date that Growth Partners is notified by CEOC of such breach or failure to perform; provided that CEOC shall not have the right to terminate this Agreement pursuant to this Section 10.1(c) if the Caesars Parties are then in material breach of any of their representations, warranties, covenants or other agreements set forth herein in a manner that would cause any condition set forth in Section 9.3(a) or Section 9.3(b) not to be satisfied;

(d) by Growth Partners if any of the Caesars Parties shall have breached or failed to perform in any material respect any of its respective representations, warranties, covenants or other agreements contained in this Agreement, and such breach or failure to perform (i) would give rise to the failure of a condition set forth in Section 9.3(a) or Section 9.3(b) and (ii) (x) cannot be cured prior to the Outside Date or (y) has not been cured prior to the date that is thirty (30) days from the date that CEOC is notified by Growth Partners of such

breach or failure to perform; provided that Growth Partners shall not have the right to terminate this Agreement pursuant to this Section 10.1(d) if Growth Partners is then in material breach of any of its representations, warranties, covenants or other agreement set forth herein in a manner that would cause any condition set forth in Section 9.2(a) or Section 9.2(b) not to be satisfied; or

(e) by Growth Partners if there shall have occurred a material adverse effect on the Purchased Interests, taken as a whole.

Section 10.2 Notice of Termination. In the event of termination of this Agreement by any of the Parties pursuant to Section 10.1, written notice of such termination shall be given by the terminating Party to the other Parties to this Agreement.

Section 10.3 Effect of Termination. In the event of termination of this Agreement as provided in Section 10.1, this Agreement shall terminate and become void and have no effect, without any liability or obligation on the part of any Party hereto or their respective Affiliates or Representatives in respect thereof, except (a) as set forth in Section 8.5, this Section 10.3 and Article XII, each of which shall survive the termination of this Agreement, and (b) that nothing herein will relieve any Party from liability for any intentional breach of this Agreement or any fraud or intentional misconduct with respect to this Agreement.

ARTICLE XI

INDEMNIFICATION

Section 11.1 Survival and Time Limitations.

(a) The representations and warranties of the Caesars Parties contained in this Agreement or any certificate or other writing delivered pursuant hereto or in connection herewith shall survive the Closing and shall continue for a period of eighteen (18) months after the Closing Date and any claim in respect thereof shall be made in writing during such time period, except that:

(i) The representations and warranties set out in Section 5.1 (Organization and Qualification), Section 5.2 (Power and Authority; Authorization), Section 5.3 (Due Execution and Enforceability), Section 5.5 (Ownership; Title); Section 6.1 (Organization and Qualification; Subsidiaries), Section 6.2 (Power and Authority; Authorization), Section 6.3 (Due Execution and Enforceability), Section 6.4 (Ownership and Title), Section 6.5 (Capitalization), and Section 6.9 (Brokers) (collectively, the "Caesars Fundamental Representations") shall survive and continue in full force and effect forever;

(ii) The representations and warranties set out in Section 5.4 (Consents and Approvals; No Violations); Section 6.6 (Consents and Approvals; No Violations); Section 6.7 (Gaming Licenses), Section 6.13 (Taxes), Section 6.17 (Environmental Matters) and Section 6.18 (Employee Benefits) shall survive and continue in full force and effect until sixty (60) days have elapsed after the expiration of the applicable statutes of limitations (taking into account any extensions thereof); and

(iii) A claim for any breach by the Caesars Parties of any of their representations and warranties contained in this Agreement involving fraud may be made at any time subject to applicable limitation periods imposed by Law.

(b) The representations and warranties of CAC and Growth Partners contained in this Agreement or any certificate or other writing delivered pursuant hereto or in connection herewith shall survive the Closing and shall continue for a period of eighteen (18) months after the Closing Date and any claim in respect thereof shall be made in writing during such time period, except that:

(i) The representations and warranties set out in Section 7.1 (Organization and Qualification), Section 7.2 (Power and Authority; Authorization), Section 7.3 (Due Execution and Enforceability), and Section 7.7 (Brokers) (collectively, the "Growth Partners Fundamental Representations") shall survive and continue in full force and effect forever; and

(ii) A claim for any breach by CAC or Growth Partners of any of their representations and warranties contained in this Agreement involving fraud may be made at any time subject only to applicable periods imposed by Law.

(c) Each covenant of the Parties contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith shall survive for the time period contemplated for performance or, if no time period for performance is contemplated, for a period of eighteen (18) months after the Closing Date.

(d) The special indemnities set forth in subsections (c) through (h) of Section 11.2 shall not be subject to any survival period.

Section 11.2 Indemnification in Favor of CAC and Growth Partners. From and after the Closing, Parent and Sellers, jointly and severally, shall indemnify and save CAC, Growth Partners, their Affiliates, including after the Closing, each of the Purchased Entities and their respective Subsidiaries, and its and their respective directors, officers, employees, Representatives and agents (collectively, the "Growth Indemnified Persons") harmless of and from any Damages suffered or paid, directly or indirectly, by any of the Growth Indemnified Persons as a result of, in respect of, or arising out of, under, or pursuant to:

(a) any failure of the Caesars Parties to perform or fulfill any covenant of the Caesars Parties under this Agreement;

(b) any breach or inaccuracy of any representation or warranty given by the Caesars Parties contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith;

(c) any failure by the Caesars Parties to open the hotel and casino at The Cromwell by the Cromwell Target Casino Opening Date or the restaurant and nightclub at The Cromwell by the Cromwell Target Nightclub Opening Date, other than as a result of an Excusable Delay;

(d) any Unpaid Caesars Expenses;

(e) any Taxes for which any Company Party, any Purchased Entity or its Subsidiaries is liable in respect of any taxable period (or portion thereof) ending on or prior to the Closing Date, other than with respect to Transfer Taxes, which is addressed in Section 8.6;

(f) any Quad Renovation Expenditures Overage up to a maximum amount equal to fifteen percent (15%) in excess of the Maximum Quad Renovation Expenditures (and, for the avoidance of doubt, neither Parent nor any Seller shall have any indemnification obligations with respect to any costs or expenses incurred in connection with the construction and renovation of The Quad in excess of fifteen percent (15%) of the Maximum Quad Renovation Expenditures);

(g) any Liabilities (including but not limited to withdrawal liabilities and litigation-related liabilities) arising under any multiemployer plan to which any of the Caesars Parties is a party, arising solely on account of facts, conduct, conditions or circumstances which occurred on or prior to the Closing Date; and

(h) the matters described on Section 11.2(h) of the Caesars Disclosure Schedule.

Section 11.3 Indemnification in Favor of the Caesars Parties. From and after the Closing, CAC and Growth Partners, jointly and severally, shall indemnify and save the Caesars Parties, their respective directors, officers, employees, Representatives and agents (collectively, the "Caesars Indemnified Persons") harmless of and from any Damages suffered or paid, directly or indirectly, by any of the Caesars Indemnified Persons as a result of, in respect of, or arising out of, under or pursuant to:

(a) any failure of CAC or Growth Partners to perform or fulfill any covenant of CAC or Growth Partners under this Agreement; and

(b) any breach or inaccuracy of any representation or warranty given by CAC or Growth Partners contained in this Agreement or in any certificate or other writing delivered pursuant hereto or in connection herewith.

Section 11.4 Procedure for Indemnification.

(a) Notice of Claims.

(i) If an Indemnified Person becomes aware of any act, omission or state of facts that may give rise to Damages in respect of which a right of indemnification is provided for under this Article XI, the Indemnified Person must notify the Indemnifying Person, which notice shall specify whether the potential Damages arise as a result of:

(1) a claim directly by the Indemnified Person against the Indemnifying Person (a "Direct Claim"); or

(2) a claim made by a Person against the Indemnified Person (a "Third Party Claim");

as soon as reasonably practicable, provided that the failure to provide such notice as soon as reasonably practicable to the Indemnifying Person shall not relieve the Indemnifying Person of liability except to the extent that the Indemnifying Person is materially prejudiced by such failure or delay.

(ii) The Indemnified Person must include in a notice given under clause (i) relevant details then known to the Indemnified Person of the Direct Claim or Third Party Claim, and the events, matters or circumstances giving rise to the Direct Claim or Third Party Claim and an extract of any document that identifies the liability or amount to which the Direct Claim or Third Party Claim relates or other evidence of the amount of the Direct Claim or Third Party Claim, and must after giving such notice keep the Indemnifying Person reasonably informed of all developments in relation to the Direct Claim or Third Party Claim.

(iii) If the Indemnifying Person has timely disputed its indemnity obligations for any Damages with respect to such Direct Claim, the Parties shall proceed in good faith to negotiate a resolution of such dispute and, if not resolved through negotiations, such dispute shall be resolved by litigation in an appropriate court of jurisdiction determined pursuant to Section 11.5.

(b) Third Party Claims.

(i) In the case of a Third Party Claim, the Indemnifying Person shall have the right in its sole discretion to conduct the defense of such Third Party Claim and to compromise or settle such Third Party Claim; provided that in no event shall the Indemnifying Person compromise or settle such Third Party Claim without the prior written consent of the Indemnified Person if (1) such compromise or settlement does not include as an unconditional term thereof the giving by each claimant or plaintiff to each Indemnified Person of a full release from all liability in respect to such Third Party Claim, (2) as a result of such consent or settlement, injunctive or other equitable relief would be imposed against the Indemnified Person, (3) such compromise or settlement includes (A) any admission or statement suggesting any wrongdoing or liability on behalf of the Indemnified Person or (B) any term that in any manner affects, restrains or interferes with the business of the Indemnified Person or any of its Affiliates or (4) such settlement or compromise imposes liability on the part of the Indemnified Person that is not indemnified by the Indemnifying Person hereunder; provided further that the Indemnifying Person shall reimburse the Indemnified Person for the reasonable costs of the Indemnified Person relating to such Third Party Claim and the conduct of any defense of such Third Party Claim. If the Indemnifying Person assumes the defense of any such Third Party Claim, the obligations of the Indemnifying Person under this Agreement shall include taking all steps reasonably necessary in the investigation, defense or settlement of such Third Party Claim (including the retention of legal counsel) and holding the Indemnified Person under this Agreement harmless from and against any and all Damages caused by or arising out of any settlement approved by such Indemnifying Person or any judgment in connection with such Third Party Claim.

(ii) If requested by the Indemnified Person, the Indemnifying Person will provide to the Indemnified Person copies of all pleadings, notices, communications, documentary or other evidence with respect to such Third Party Claim, except where receipt of such documents would waive any claim of privilege by the Indemnifying Person or its legal representative.

(iii) The Indemnified Person is entitled to, at its own cost and expense, liaise with the Indemnifying Person in relation to the defense of such Third Party Claim, and participate in, but not to determine or conduct, any defense of a Third Party Claim or settlement negotiations with respect to a Third Party Claim unless the Indemnifying Person has in its sole discretion determined to permit the Indemnified Person to defend such Third Party Claim, in which event the Indemnifying Person shall have the right to participate in, but not to determine or conduct, any defense of a Third Party Claim or settlement negotiations with respect to such Third Party Claim.

(iv) No settlement, resolution or compromise of such Third Party Claim by the Indemnified Person is determinative of the existence or amount of any Damages in respect of such Third Party Claim, unless the Indemnifying Person consents in writing to such settlement, resolution or compromise, which consent must not be unreasonably withheld, conditioned or delayed, and shall be deemed to have been given by the Indemnifying Person to the Indemnified Person unless the Indemnifying Person notifies the Indemnified Person in writing within ten (10) Business Days of a request by the Indemnified Person that it does not give its consent. In addition, notwithstanding anything else to the contrary, the Indemnifying Person shall not settle or compromise any Third Party Claim in respect of Taxes without the prior written consent of the relevant Indemnified Person, not to be unreasonably withheld, conditioned or delayed.

(v) Notwithstanding anything contained herein to the contrary, the Indemnifying Person shall not be entitled to control, and, subject to the proviso in this clause (v) of Section 11.4(b), the Indemnified Person shall be entitled to have control over, the defense or settlement of any Third Party Claim if any of the following conditions are not satisfied:

(1) the Indemnifying Person shall acknowledge in writing that it shall be fully responsible, subject to this Article XII and all of its limitations, for all Damages relating to such Third Party Claim;

(2) the Indemnifying Person must diligently defend such Third Party Claim;

(3) the Indemnifying Person must furnish the Indemnified Person with evidence that the financial resources of the Indemnifying Person, in the Indemnified Person's reasonable judgment, are and will be sufficient (when considering Damages in respect of all other outstanding claims) to satisfy any Damages relating to such Third Party Claim;

(4) such Third Party Claim shall not involve criminal actions or allegations of criminal conduct by the Indemnified Person, and shall not involve claims for specific performance or other equitable relief; and

(5) there does not exist, in the Indemnified Person's good faith judgment, based on the advice of outside legal counsel, a conflict of interest which, under applicable principles of legal ethics, could reasonably be expected to prohibit a single legal counsel from representing both the Indemnified Person and the Indemnifying Person in such Third Party Claim;

provided, that, in such event, the Indemnifying Person shall not be required to indemnify the Indemnified Person for or in respect of any Third Party Claim if such Third Party Claim is paid, settled or compromised without the prior written consent of the Indemnifying Person (which consent shall not be unreasonably withheld, conditioned or delayed).

Section 11.5 Indemnification Principles and Limitations.

(a) Notwithstanding anything in this Agreement to the contrary:

(i) Except in the case of fraud, in no event shall the aggregate obligation of (A) the Caesars Parties to indemnify Growth Indemnified Persons under Section 11.2(b) (other than for a breach of a Caesars Fundamental Representation), or (B) Growth Partners to indemnify Caesars Indemnified Persons under Section 11.3(b) (other than for a breach of a Growth Partners Fundamental Representation), respectively, exceed $200,000,000.

(ii) Except in the case of fraud, in no event shall the aggregate obligation of (A) the Caesars Parties to indemnify Growth Indemnified Persons under Section 11.2(a) and Section 11.2(b), or (B) CAC and Growth Partners to indemnify Caesars Indemnified Persons under Section 11.3(a) and Section 11.3(b), respectively, exceed the Purchase Price.

(iii) No claims for indemnification pursuant to Section 11.2(b) (other than for a breach of a Caesars Fundamental Representation), or Section 11.3(b) (other than for a breach of a Growth Partners Fundamental Representation), hereof may be made by any Growth Indemnified Person or any Caesars Indemnified Person, respectively, (x) for any Damages from any single loss or series of related losses not in excess of $500,000 and (y) until the aggregate amount of all Damages for which claims may be made thereunder exceeds $20,000,000 (it being understood that any Damages that do not exceed the amount set forth in clause (x) shall be counted toward satisfaction of such threshold), and once such threshold amount has been reached, indemnification shall be made only in excess of such threshold amount.

(iv) Notwithstanding anything in this Agreement to the contrary, CAC's and Growth Partners' sole and exclusive remedy for indemnification pursuant to

Section 11.2(c) shall be (x) a fee of $75,000 for each day that the hotel and casino with respect to The Cromwell are not open following the date that is two (2) weeks after the Cromwell Casino Target Opening Date; provided that such fee shall increase to $100,000 per day following the date that is four (4) weeks after the Cromwell Casino Target Opening Date, (y) an additional fee of $37,500 for each day that the nightclub at The Cromwell is not open following the date that is two (2) weeks after the Cromwell Nightclub Target Opening Date; provided that such additional fee shall increase to $75,000 per day following the date that is four (4) weeks after the Cromwell Nightclub Target Opening Date and (z) an additional fee of $12,500 for each day that the restaurant at The Cromwell is not open following the date that is two (2) weeks after the Cromwell Nightclub Target Opening Date; provided that such additional fee shall increase to $25,000 per day following the date that is four (4) weeks after the Cromwell Nightclub Target Opening Date, which shall be paid to Growth Partners by CEOC promptly following a request by Growth Partners therefor, in immediately available funds as liquidated damages and not as a penalty.

(b) For the avoidance of doubt, subsections (i) and (ii) of Section 11.5(a) shall not apply to the special indemnities set forth in subsections (c) through (h) of Section 11.2.

(c) Each Growth Indemnified Person or Caesars Indemnified Person, as applicable, will take all commercially reasonable steps to mitigate all Damages indemnifiable under this Article XI, which steps shall include availing itself of any defenses, limitations, rights of contribution, claims against third Persons and other rights at law or in equity and the reasonable costs associated with such steps shall be included in the calculation of Damages in respect of the relevant claim; provided, however, that any reasonable expenses incurred in connection with any such mitigation efforts shall be deemed to be Damages.

(d) Solely for purposes of calculating any Damages subject to indemnification pursuant to this Article XI, from and after the Closing, the representations and warranties made herein shall be deemed to have been made without the inclusion of limitations or qualifications as to materiality, such as the words “material”, “in all material respects”, “material adverse effect” or words of similar import and, accordingly, all references in such representations and warranties to materiality shall be deemed to be deleted therefrom for such purpose only.

(e) With respect to each indemnification obligation contained in this Article XI, all Damages shall be net of any third-party insurance and indemnity proceeds actually recovered by the Indemnified Person under applicable insurance policies or from any other Person alleged to be responsible therefor. The Indemnified Person shall use, and cause its Affiliates to use, commercially reasonable efforts to seek recovery under all insurance and indemnity provisions covering any Damages for which it is seeking indemnification hereunder to the same extent as it would if such Damage were not subject to indemnification hereunder; provided, however, that any reasonable expenses incurred in connection with seeking such remedy shall be deemed to be Damages. Upon making any payment to the Indemnified Person for any indemnification claim pursuant to this Article XI, the Indemnifying Person shall be subrogated, to the extent of such payment, to any rights which the Indemnified Person may have against any third parties with respect to the subject matter underlying such indemnification claim, and the Indemnified Person shall assign any such rights to the Indemnifying Person.

(f) Any indemnification payment made pursuant to this Agreement shall be reduced by the amount of any net Tax benefit actually realized by the Indemnified Party through a reduction in Taxes otherwise due with respect to the taxable year in which the Damages incurred or suffered by the Indemnified Party are sustained as a result of such Damages.

(g) Notwithstanding anything contained in this Agreement, (i) any amounts payable pursuant this Agreement shall be paid without duplication, and in no event shall any Party be entitled to recover under different provisions of this Agreement for the same amounts; and (ii) any Damages payable under this Article XI shall be payable in immediately available funds to an account or accounts designated in writing by the relevant Indemnified Person.

(h) Each of the Parties agrees to treat any indemnification payment made pursuant to this Article XI as an adjustment to the Purchase Price for all Tax purposes, to the extent it may be properly so treated for Tax purposes, and shall take no position contrary thereto unless required to do so by applicable Tax Law.

Section 11.6 Exclusive Remedy. Notwithstanding anything contained herein to the contrary, following the Closing, the indemnification provisions of this Article XI shall be the sole and exclusive remedy (other than in the case of fraud) for the Parties and their respective Affiliates for any misrepresentation or breach of any warranty, covenant or any other provision contained in this Agreement or in any certificate delivered pursuant hereto.

ARTICLE XII

GENERAL

Section 12.1 Entire Agreement. This Agreement, together with the Ancillary Agreements and the Annexes, Exhibits and Schedules hereto, contains all of the agreements, covenants, terms, conditions and representations and warranties agreed upon by the Parties relating to the subject matter hereof, and supersedes all prior and contemporaneous agreements, negotiations, correspondence, undertakings, representations, warranties and communications of any kind between the Parties and their Representatives, whether oral and written, regarding such subject matter.

Section 12.2 Amendment and Waivers. This Agreement may be modified, supplemented or amended only by a written instrument executed by each of the Parties. Waiver by a Party of any breach of or a failure to comply with any provision of this Agreement by another Party shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement. No waiver of any such breach or failure of any term of this Agreement shall be effective unless in a written notice signed by the waiving Party and delivered to the affected Party in accordance with Section 12.7.

Section 12.3 Successors and Assigns. This Agreement shall be binding upon, inure to the benefit of, and be enforceable by, the Parties hereto and their respective legal representatives, successors and assigns; provided that no Party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of each other Party hereto. Any conveyance, assignment or transfer made in violation of this Section 12.3 will be void ab initio.

Section 12.4 No Third Party Beneficiaries. Except as provided in Article XI, nothing in this Agreement shall confer any rights upon any Person other than the Parties hereto and their respective heirs, successors and permitted assigns; except that the Financing Lenders shall be third party beneficiaries of the provisions of Article X, Section 12.5 and Section 12.11 and this Section 12.4 applicable to such Persons.

Section 12.5 Governing Law; Jurisdiction and Forum; Waiver of Jury Trial.

(a) This Agreement and any claim or controversy arising out of or relating to the transactions contemplated hereby shall be governed by and interpreted and construed in accordance with the Laws of the State of Delaware applicable to contracts executed and to be performed wholly within the State of Delaware and without reference to the choice-of-law principles or rules of conflict of laws that would result in, require or permit the application of the Laws of a different jurisdiction or direct a matter to another jurisdiction.

(b) Each Party irrevocably and unconditionally submits to the jurisdiction of the Court of Chancery of the State of Delaware (or, solely if such courts decline jurisdiction, in any federal court located in the State of Delaware) (any such court, a "Chosen Court") any Action arising out of or relating to this Agreement, and hereby irrevocably and unconditionally agrees that all claims in respect of such Action may be heard and determined in a Chosen Court. Each Party hereby irrevocably and unconditionally waives, to the fullest extent that it may effectively do so, any defense of an inconvenient forum which such Party may now or hereafter have to the maintenance of such Action. The Parties further agree, (i) to the extent permitted by Law, that final and nonappealable judgment against any of them in any Action contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment and (ii) that service of process upon such Party in any such action or proceeding shall be effective if notice is given in accordance with Section 12.7.

(c) EACH PARTY TO THIS AGREEMENT WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY ANY OF THEM AGAINST THE OTHER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT, OR ANY OTHER AGREEMENTS EXECUTED IN CONNECTION HEREWITH OR THE ADMINISTRATION THEREOF OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN. NO PARTY TO THIS AGREEMENT SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON, OR ARISING OUT OF, THIS AGREEMENT OR ANY RELATED INSTRUMENTS OR THE RELATIONSHIP BETWEEN THE PARTIES. NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EACH PARTY TO THIS AGREEMENT CERTIFIES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT OR INSTRUMENT BY, AMONG OTHER THINGS, THE

MUTUAL WAIVERS AND CERTIFICATIONS SET FORTH ABOVE IN THIS SECTION 12.5. NO PARTY (OR ITS REPRESENTATIVE) HAS IN ANY WAY AGREED WITH OR REPRESENTED TO ANY OTHER PARTY THAT THE PROVISIONS OF THIS SECTION 12.5 WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

Section 12.6 Expenses. Except as otherwise set forth in this Agreement, all fees and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the respective Party incurring such fees and expenses.

Section 12.7 Notices. All notices and other communications to be given to any Party hereunder shall be sufficiently given for all purposes hereunder if in writing and upon delivery if delivered by hand, one (1) Business Day after being sent by courier or overnight delivery service, three (3) Business Days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, or when sent in the form of a facsimile and receipt confirmation is received, and shall be directed to the address or facsimile number set forth below (or at such other address or facsimile number as such Party shall designate by like notice):

(a) If to the Caesars Parties:

c/o Caesars Entertainment Operating Company, Inc.
One Caesars Palace Drive
Las Vegas, Nevada 89109
Facsimile: (702) 407-6418
Attention: General Counsel

with a copy (which shall not constitute notice) to:

Reed Smith LLP
225 Fifth Avenue
Pittsburgh, PA 15222
Facsimile: (412) 288-3131
Attention: Glenn R. Mahone, Esq.

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Facsimile: (212) 492-0574
Attention: John Scott, Esq.

(b) If to CAC or Growth Partners:

c/o Caesars Acquisition Company
One Caesars Palace Drive
Las Vegas, Nevada 89109
Facsimile: (514) 635-1277
Attention: Mitch Garber, Chief Executive Officer

with a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
300 South Grand Avenue, Suite 3400
Los Angeles, CA 90071
Facsimile: (213) 621-5200 and (213) 621-5127
Attention: Van Durrer II, Esq. and Rodrigo Guerra, Jr., Esq.

Latham & Watkins LLP
885 Third Avenue
New York, New York 10022
Facsimile: (212) 751-4864
Attention: Raymond Y. Lin, Esq. and Stephen Amdur, Esq.

Section 12.8 Counterparts; Effectiveness. This Agreement may be executed and delivered (including by electronic or facsimile transmission) in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Section 12.9 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party hereto. Upon such a determination, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 12.10 Specific Performance. The Parties hereto agree that irreparable damage, for which monetary damages (even if available) would not be an adequate remedy, would occur in the event that the Parties hereto do not perform any provision of this Agreement in accordance with its specified terms or otherwise breach such provisions. Accordingly, the Parties acknowledge and agree that the Parties shall be entitled to an injunction, specific performance and other equitable relief to prevent breaches or threatened breaches of this Agreement and to enforce specifically the terms and provisions hereof, in addition to any other remedy to which they are entitled at Law or in equity. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief on the basis that any other Party has an adequate remedy at Law or that any award of specific performance is not an appropriate remedy for any reason at Law or in equity. Any Party seeking an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement shall not be required to provide any bond or other security in connection with such order or injunction. The foregoing is in addition to any other remedy to which any Party is entitled at Law, in equity or otherwise. The Parties further agree that nothing set forth in this Section 12.10 shall require any party hereto to institute any Action for (or limit any Party's right to institute any Action for) specific performance under this Section 12.10 prior or as a condition to exercising any termination right under Article X (and pursuing damages after such termination).

Section 12.11 Certain Lender Agreements. Notwithstanding anything in this Agreement to the contrary, each Caesars Party agrees on behalf of itself and its stockholders and Representatives (collectively, the "Caesars Related Parties"), that the Caesars Related Parties shall not assert (or support the assertion of) any claims, actions or proceedings against the Financing Lenders, whether at Law or in equity, whether in contract or in tort or otherwise, arising out of or in any way relating to this Agreement, the Financing or the transactions contemplated hereby, and that the Financing Lenders shall have no liability to the Caesars Related Parties in connection therewith.

* * * *

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

CAESARS PARTIES:

CAESARS ENTERTAINMENT CORPORATION,
a Delaware corporation

By: /s/ Eric Hession
Name: Eric Hession
Title: Senior Vice President and Treasurer

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.,
a Delaware corporation

By: /s/ Eric Hession
Name: Eric Hession
Title: Senior Vice President and Treasurer

HARRAH'S NEW ORLEANS MANAGEMENT COMPANY,
a Nevada corporation

By: /s/ Eric Hession
Name: Eric Hession
Title: Senior Vice President and Treasurer

[Signature Page to Transaction Agreement]

CORNER INVESTMENT COMPANY, LLC, a Nevada limited liability company

By: Caesars Entertainment Operating Company, Inc., its managing member

By: /s/ Eric Hession
Name: Eric Hession
Title: Senior Vice President and Treasurer

3535 LV CORP., a Nevada corporation

By: /s/ Donald A. Colvin
Name: Donald A. Colvin
Title: President and Treasurer

PARBALL CORPORATION, a Nevada corporation

By: /s/ Eric Hession
Name: Eric Hession
Title: Treasurer

JCC HOLDING COMPANY II, LLC, a Delaware limited liability company

By: Caesars Entertainment Operating Company, Inc., its managing member

By: /s/ Eric Hession
Name: Eric Hession
Title: Senior Vice President and Treasurer

[Signature Page to Transaction Agreement]

CAESARS LICENSE COMPANY, LLC,
a Nevada limited liability company

By: Caesars Entertainment Operating Company, Inc.,
its sole member

By: /s/ Eric Hession
Name: Eric Hession
Title: Senior Vice President

[Signature Page to Transaction Agreement]

CAC:

CAESARS ACQUISITION COMPANY, a
Delaware corporation

By: /s/ Craig J. Abrahams
Name: Craig J. Abrahams
Title: Chief Financial Officer and Secretary

GROWTH PARTNERS:

CAESARS GROWTH PARTNERS, LLC, a Delaware limited
liability company

By: /s/ Craig J. Abrahams
Name: Craig J. Abrahams
Title: Chief Financial Officer and Secretary

Exhibit 5

LOUISIANA GAMING LOUISIANA CONTROL BOARD

BOARD OF DIRECTORS' MEETING

THURSDAY, APRIL 24, 2014

LaSalle Building, LaBelle Room
617 North Third Street
Baton Rouge, Louisiana

TIME: 10:00 A.M.

noticed every time they always said, we don't have any facts, but made a lot of wild allegations. Let me state a few facts, and then I'm going to let Mr. Hession and Mr. Abrahams address a few things, as well.

To your point about Services Company, it is not a requirement for the transaction. It is a request of the Caesars acquisition special committee, and they're doing it to assure that the assets that they're buying are -- that the value that they're paying will continue to be -- to achieve that value. And one of the key ways that the New Orleans property and the other four properties attribute that value is to use the Total Rewards Program.

This is a fear on the Caesars Acquistion Company that parties might take away the Total Rewards Program from Caesars Acquistion Company, and these CEOC lenders, who -- we don't know what their intentions are. There are a lot of people that are saying that they