



Caesars Entertainment Operating Company, Inc. Announces Certain Details of Contemplated Caesars Palace Las Vegas Financing as Part of Plans for Emergence

LAS VEGAS, June 6, 2017 – Caesars Entertainment Operating Company, Inc. and its Chapter 11 debtor subsidiaries (collectively, “CEOC”) have engaged certain financial institutions to act as lead arrangers for a new-money financing for the to-be-formed REIT in conjunction with CEOC’s emergence from chapter 11 pursuant to the terms of its confirmed plan of reorganization. J.P. Morgan Securities LLC (“J.P. Morgan”) and Barclays Capital Inc., (“Barclays”) (together the “Lead Arrangers”) are intending to solicit indications for up to \$2.2 billion of proceeds to refinance the fee and leasehold interests in Caesars Palace Las Vegas (“CPLV”), an iconic, world class, 3,974 room full-service luxury resort and casino located in the heart of the Las Vegas Strip. The proceeds from this new-money financing will be used to repay CEOC’s existing indebtedness in accordance with the terms of CEOC’s plan of reorganization. The 5-year, fixed-rate, interest-only Loan is anticipated to be split between a \$1.55 billion mortgage, a \$250 million senior mezzanine loan, a \$200 million intermediate mezzanine loan, and a \$200 million junior mezzanine loan¹.

As part of the financing process, the Arrangers have engaged HVS Consulting & Valuation (“HVS”) to perform an appraisal of CPLV. HVS delivered to the Lenders an appraisal report on CPLV indicating the market value of the property as of January 12, 2017. HVS inspected the real estate and analyzed the market conditions in the Las Vegas, Nevada area in order to assess the value of the property, and concluded that that the “as-is” market value of CPLV is \$3.15 billion.

The following exhibits provide certain additional information incorporated in the financing materials.

¹ The Borrower may elect to take a lower debt amount of \$1.8 billion in order to fulfill certain requirements under the Plan of Reorganization.

Key Loan Terms²

Loan Amount: \$2.2 billion, which is anticipated to be split between a mortgage loan of \$[] billion (the “Mortgage Loan”) and a mezzanine loan of \$[].0 million (the “Mezzanine Loan”). The sizes of the Mortgage Loan and Mezzanine loan are subject to change at the election of the Lender. The Sponsor may elect to take a lower debt amount of \$1.8 billion in order to fulfill certain requirements under the Plan of Reorganization.

Property: Caesars Palace Las Vegas in Las Vegas, Nevada. The Property is comprised of (i) a fee interest (except as provided in clause (ii)) in and to the property commonly known as the Caesars Palace Las Vegas, including, but not limited to, a fee interest in the hotel consisting of approximately 3,974 rooms, the parking facilities, nightclubs, the Forum Shops at Caesars and the Coliseum, and (ii) a leasehold interest with respect to the Octavius Tower.

Borrower: A newly formed special purpose, bankruptcy-remote, U.S. entity, [] (“Borrower”) that complies with customary requirements for an owner of real property that is operated as a casino.

Sponsor: REIT (the “Sponsor”).

Security: The Mortgage Loan is secured by (i) a first priority fee and leasehold mortgage on the Property, including Octavius Tower and signage related to the Property on Las Vegas Boulevard, assignment of all leases/rents, (ii) first priority security interests in all of Borrower’s interest in any personal property, accounts (and all amounts therein), licenses, permits, contracts and assets used, owned or related to the operation of the Property (including any trademarks, intellectual property, proprietary operating systems or customer data) owned by or licensed or granted to Borrower (collectively, “Borrower’s Personal Property”), (iii) a first priority, assignment of leases and rents, including a collateral assignment of the CPLV Lease, the MLSA, including the guaranty of CPLV Lease and any other related agreements, (iv) a first priority, assignment of all assignable contracts (including a collateral assignment of the MLSA and all Transition Services Agreements) and agreements associated with the ownership and operation of the Property, including reciprocal easement agreements, rights to the skybridges, and (v) a first priority assignment of and security interest in Borrower’s security interest in any personal property (including gaming equipment), licenses, permits and contracts located at the Property or related to the operation of the Property (including certain trademarks, intellectual property, proprietary operating systems or customer data) owned by or licensed or granted to a subsidiary of CEOC (or its successor) that will be the tenant under the CPLV Lease (“OpCo Tenant”) (collectively, “OpCo Personal Property”), and (vi) an assignment and security interest in the cage cash for the Property.

The Mezzanine Loans are secured by pledges of the direct and indirect equity interests in Borrower.

Loan Term: 5 years.

² Loan terms are subject to change.

Amortization: Interest-only.

Reserves: Ongoing reserves for (i) real property taxes (which is waived so long as no event of default has occurred, Borrower delivers or causes OpCo Tenant to deliver evidence that taxes are paid when due and an amount no less than [_____] remains in the reserve), (ii) property insurance (which is waived so long as no event of default has occurred and Borrower provides Lender with satisfactory evidence (as reasonably determined by Lender) that the Property is insured in accordance with the loan documents pursuant to a blanket insurance policy acceptable to Lender) and (iii) [certain] ground rent (which is waived so long as no event of default has occurred, Borrower delivers or causes OpCo Tenant to deliver evidence that ground rent is paid when due and an amount no less than [_____] remains in the reserve). OpCo Tenant will be required under the CPLV Lease to deposit such amounts directly into such reserve accounts. So long as OpCo Tenant is not in default under the CPLV Lease beyond any applicable notice and cure periods, amounts in the Operating Reserves will be disbursed to or for the benefit of OpCo Tenant upon request by OpCo Tenant for the payment or reimbursement of costs and expenses for which such funds were deposited. Lender may only apply the amounts in the reserves against the Loan if there is a continuing event of default under the CPLV Lease and Lender has exercised its right to terminate the CPLV Lease following an event of default under the Loan.

An initial and ongoing reserve funded by OpCo Tenant for FF&E, maintenance capital expenditures, replacements and/or repairs required to be made to the Property in the ordinary course (collectively, "FF&E Cap Ex Amounts"), equal to 5% of all net property revenue from guest rooms and food and beverage operations at the Property per annum and 2% of all other net property revenue from the Property per annum (deposited in equal 1/12th installments based on the prior year's Property Revenue) (the "FF&E Reserve"). Amounts in the reserve may be applied by OpCo Tenant for FF&E CapEx Amounts in accordance with the CPLV Lease and the capital budget for the Property. The amounts in the reserve will be pledged by OpCo Tenant to Borrower as security for its obligations under the CPLV Lease and be collaterally assigned to Lender. Interest on the FF&E Reserve will be for the benefit of OpCo Tenant. The FF&E Reserve will be held in an account in the name of OpCo Tenant with Lender or an Eligible Institution designated by Lender. Property Manager, Borrower, OpCo Tenant and such Eligible Institution will enter into a control agreement for the benefit of Lender and Borrower with respect to such FF&E Reserve. So long as OpCo Tenant is not in default under the CPLV Lease beyond any applicable notice and cure periods, amounts in the FF&E Reserve will be disbursed to or for the benefit of OpCo Tenant upon request by OpCo Tenant for the payment of FF&E CapEx Amounts. Lender may only apply the amounts in the FF&E Reserve against the Loan if there is a continuing event of default under the CPLV Lease and Lender has exercised its right to terminate the CPLV Lease following an event of default under the Loan (and no Lender of OpCo Tenant has exercised its right to obtain a new lease pursuant to the terms of the CPLV Lease following a rejection of the CPLV Lease or similar termination event).

New Tower Construction: Borrower shall have the right to permit OpCo Tenant to construct a new tower of hotel rooms, with related amenities (the "New Tower") on a certain portion of the Property, subject to the satisfaction of certain conditions, including (i) there is no continuing event of default under the CPLV Lease; (ii) the New Tower and the construction thereof will comply with all legal requirements, including zoning and gaming requirements; (iii) if required

by Lender, the New Tower will be legally subdivided and constitute a separate tax parcel; and if necessary, delivery of an endorsement to the title insurance policy with respect to such subdivision; (iv) the New Tower will be subject to compliance of certain requirements to be set forth in the CPLV Lease and loan documents, including that the New Tower shall be comprised of a certain minimum number of rooms; (v) prior to commencement of any phase of construction work for the New Tower, OpCo Tenant shall be required to deliver certain items to Borrower and Lender, including, a budget for such phase of construction and a customary “in balance” certification that demonstrates that OpCo Tenant has liquidity, in the form of cash, cash equivalents and/or proceeds from available unfunded loan commitments (including through distributions and contributions to be made to OpCo Tenant in accordance with its organizational documents from CEC and/or any other affiliates of Tenant that may be a borrower or restricted subsidiary under the OpCo Loan or other corporate credit facility), in an amount sufficient to pay for all hard and soft construction costs for such phase of construction of the New Tower; (vi) OpCo Tenant shall operate and construct the New Tower in accordance with the CPLV Lease and the obligations of OpCo Tenant with respect to the New Tower, including the construction thereof, will be guaranteed by Lease Guarantor as set forth in the MLSA, and (vii) the New Tower will be managed by Property Manager under the MLSA (or if applicable, a replacement Qualified Manager) in a manner and at a standard, consistent with the Property, as currently operated.

Cash Management: At closing, Borrower shall establish one or more lockbox account(s) with an Eligible Institution (the “Clearing Account”) into which all rents, revenues and receipts from the CPLV Lease and all other amounts reimbursed to or otherwise received by Borrower shall be directly deposited. All amounts on deposit in the Clearing Account shall be transferred on each business day to an account controlled by Lender (the “Cash Management Account”). So long as no Cash Sweep Period exists, all amounts in the Cash Management Account will be applied to payment of all monthly amounts due under the Loan Documents (including, without limitation, debt service and mezzanine debt service) with any excess funds (the “Excess Funds”) disbursed to Borrower once per week (or more frequently, at the request and expense of Borrower). [In the event a Cash Sweep Period is triggered by a Mezz Default Trigger, OpCo/Manager Bankruptcy Trigger or a DY Trigger, all amounts in the Cash Management Account will be applied to payment of all monthly amounts due under the Loan Documents (including, without limitation, debt service and mezzanine debt service) with any Excess Funds (the “Excess Funds”) being deposited into an excess cash flow account (the “Excess Cash Flow Account”). In the event a Cash Sweep Period is triggered by a Default Trigger or a Borrower Bankruptcy Trigger, all amounts in the Cash Management Account will be applied in Lender’s sole discretion and may be held by Lender as additional collateral for the Loan.]

The Clearing Account, Cash Management Account and Excess Cash Flow Account shall be interest bearing accounts, with the interest being for the benefit of Borrower and Borrower granted Lender a first priority interest in such accounts.

Trigger Period: A “Cash Sweep Period” shall be deemed to occur (i) when the Debt Yield based on Lender’s underwritten net cash flow at the Property falls below [11.0]%³ (the “Debt Yield

³ The Debt Yield Threshold is set based on an assumed Loan amount of \$2.2 billion and is subject to adjustment if a lower Loan amount is selected.

Threshold”) calculated on a trailing 12-month basis (a “DY Trigger”), (ii) an Event of Default shall be continuing (“Default Trigger”), (iii) an event of default under any Mezzanine Loan shall be continuing (“Mezz Default Trigger”), (iv) the bankruptcy or insolvency of Borrower (“Borrower Bankruptcy Trigger”), or (v) the bankruptcy or insolvency of [_____] (“OpCo”) or OpCo Tenant or the bankruptcy or insolvency of Property Manager if Property Manager rejects the MLSA (the “OpCo/Manager Bankruptcy Trigger”). Borrower has the right to cure a Cash Sweep Period: (i) if a Lockbox Event exists solely by reason of a DY Trigger, the Debt Yield exceeds the Debt Yield Threshold for two consecutive quarters or in the event Borrower causes prepayments of amounts sufficient to satisfy the Debt Yield test (provided that in the event of a prepayment, the Cash Sweep Period shall cease promptly upon prepayment of such amount adequate to satisfy the Debt Yield test set forth therein without any obligation to wait two quarters), (ii) if a Lockbox Event exists solely by reason of a Default Trigger, the curing and acceptance of such cure by Lender of the applicable event of default (in its sole discretion), and (iii) if a Lockbox Event exists solely by reason of a Mezz Default Trigger, the curing by Mezzanine Borrower and acceptance of such cure by Mezzanine Lender of the applicable event of default (in its sole discretion) and Mezzanine Lender shall not have otherwise accelerated the Mezzanine Loan, moved for a receiver or commenced foreclosure proceedings.

Prepayment, Repayment: No prepayment shall be permitted. After the earlier of two (2) years from any assignment of the mortgage loan by Lender or the fourth (4th) anniversary of the first monthly payment date, Borrower may cause the release of the Property from the lien of the first mortgage/deed of trust (and the release of the collateral for the mezzanine loans) by, among other things, delivery to Lender of non-callable U.S. Treasury securities that provide payments on or before the dates all remaining scheduled payments of the Loan are due, for the period beginning on the release date and ending on the date on which the Loan may be prepaid in full (assuming for this purpose that the Loan will be required to be repaid in full on such date), in amounts not less than 100% of such scheduled payments including the outstanding principal balance of the Loan as of such prepayment date. Borrower’s ability to defease the Loan will be conditioned upon satisfaction of certain conditions, including delivery of an opinion of counsel and certified public accountant certifications. Borrower shall pay all costs and expenses incurred in connection with a defeasance. Any defeasance not made on a payment date shall include payment of all interest scheduled to accrue on the defeased amount during the related interest period.

Notwithstanding the foregoing, the Loan may be prepaid at PAR on any business day after the date that is three (3) payment dates prior to the maturity date; provided, however, any such prepayment of the Loan made on a date other than a payment date shall be accompanied with a payment of all interest scheduled to accrue on the prepaid amount through the next payment date.

Any prepayment not made on a Payment Date shall be accompanied with a payment of all interest scheduled to accrue on the prepaid amount during the related interest accrual period.

CPLV Master Lease: Borrower shall enter into a triple net lease with respect to the Property with OpCo Tenant (collectively, the “CPLV Lease”).

Certain obligations of OpCo Tenant under the CPLV Lease (including all amounts payable thereunder) will be guaranteed by Caesars Entertainment Corporation (“Lease Guarantor”) pursuant to the guaranty in the MLSA. Lender will be a third party beneficiary of the lease guaranty, with direct privity to the Lease Guarantor upon an event of default under the CPLV Lease. Lease Guarantor will be subject to certain covenants on asset sales and distributions as set forth in the MLSA.

To secure OpCo Tenant’s obligations under the CPLV Lease, including to pay rent and other amounts due under the CPLV Lease, OpCo Tenant shall grant a first priority security interest in all OpCo Personal Property and an assignment of all cage cash at the Property to Borrower, which will be collaterally assigned to Lender. Such lien may be foreclosed by Borrower or Lender in connection with a termination of the CPLV Lease following an event of default by OpCo Tenant (subject, in the case of a rejection (or certain other similar terminations) of the CPLV Lease, to the right of the OpCo Loan lender to a replacement CPLV Lease for the remainder of the term on the same terms and conditions). OpCo Tenant will be permitted to grant a subordinate lien to the lender of the OpCo Loan, which such lender may foreclose following an event of default under the OpCo Loan, so long as such OpCo Personal Property remains subject to the Borrower’s first priority lien and such lender complies with all other requirements for a foreclosure of an OpCo Loan set forth in the definitive documents, including assumption of the CPLV Lease and all obligations and liabilities thereunder (or entry into a new lease, as applicable).

Restoration after Casualty or Condemnation: Borrower will be required to restore or cause OpCo Tenant to rebuild or restore the Property after any casualty or condemnation. Lender will be permitted to hold all insurance proceeds and condemnation awards for disbursement, in each case, in excess of \$[50,000,000], provided that (x) Lender will disburse proceeds for restoration to OpCo Tenant so long as customary construction disbursement conditions are satisfied, including, but not limited to no monetary event of default under the CPLV Lease is continuing and (y) Lender will disburse proceeds for business interruption insurance to OpCo Tenant, subject to satisfaction of certain conditions to be set forth in the definitive documents, including that Lender has received evidence or has otherwise determined that a specific portion of the proceeds was designated by the insurance company for business interruption.

Non-Recourse: The Loan shall be non-recourse to Borrower and [Operating Partnership of REIT] (“Guarantor”), except that Borrower and Guarantor shall have recourse as set forth in the loan documents for any actual loss, damage, cost, expense, liability, claim or other obligation to the extent actually incurred by Lender (including reasonable attorneys’ fees and costs) arising out of or in connection with customary carveouts, including fraud or intentional misrepresentation by Borrower, Guarantor or any affiliate thereof in connection with the Loan and willful misconduct of Borrower or Guarantor. In addition, the Loan shall be fully recourse to Borrower and Guarantor certain matters, including in the event of: (a) Borrower filing a voluntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (b) the filing of an involuntary petition against Borrower under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law in which Borrower or Guarantor colludes with, or otherwise assists such Person, or solicits or causes to be solicited petitioning

creditors for any involuntary petition against Borrower from any Person; and (c) Borrowers fails to obtain Lender's consent to a transfer as required under the loan documents.

Pledges/Transfers: No transfer or pledge of the direct or indirect ownership of the Borrower or collateral will be permitted (other than certain permitted upper-tier financing as set forth in the loan documents), except that the sale, assignment, or transfer of interests in the Borrower shall be permitted so long as, after giving effect to such sale, assignment, or transfer, the Guarantor (a) owns 51% or more of the ultimate direct or indirect economic and beneficial interests in Borrower and (b) maintains, directly or indirectly, control of Borrower, and certain other customary conditions are satisfied, including compliance with Lender's applicable "know your customer" requirements. Transfers of (i) interests in the REIT and (ii) non-controlling operating partnership units in the Operating Partnership, will be permitted without the consent of Lender so long as (x) such REIT shares are publicly traded on a nationally recognized exchange, (y) with respect to clause (ii), the REIT is the owner of all controlling interests (in a minimum amount as set forth in the loan documents) in the Operating Partnership and (z) with respect to any interests not publicly traded, compliance with the Lender's applicable "know your customer" requirements.

OpCo Transfers: OpCo Tenant may not assign its interest in the CPLV Lease (which includes effecting a change in control) without Borrower's consent, except that (subject in each case to compliance with all applicable gaming regulations and receipt of all applicable licenses) certain transfers shall be permitted without such consent, including: (i) encumbrance of OpCo Tenant's leasehold interest by mortgage (and encumbrance of direct and indirect interests in OpCo Tenant) to secure indebtedness to OpCo Tenant or its direct or indirect parent entities (the "OpCo Loan"), subject to satisfaction of certain conditions, including that any lender of an OpCo Loan will enter into an intercreditor agreement with Lender, in a form to be reasonably acceptable to Lender; (ii) assignments of direct or indirect interests in OpCo Tenant to affiliates, (iii) transfers of direct or indirect interests in OpCo Tenant or CEC on a nationally-recognized exchange, (iv) reconfiguration of the Board of Directors of CEC so long as no change of control occurs; (v) transfers of direct or indirect interests in OpCo Tenant, and (vi) certain transfers of direct and indirect interests in CEC, provided that certain conditions are satisfied, including with respect to any transfer (other than under clauses (iv) and (vi)) (a) prior to a foreclosure of an OpCo Loan (x) CEC continues to control and own not less than 51% of the economic and beneficial interests in OpCo Tenant, and (y) the Property is managed by the Property Manager and the CPLV Lease is guaranteed by the Lease Guarantor under the MLSA and (b) following a foreclosure of an OpCo Loan the Transferee Requirement is satisfied. OpCo Tenant will be permitted to incur and/or provide a [secured] guaranty of the corporate level debt of its direct or indirect parent entities.

In addition, certain transfers of interests in OpCo Tenant and/or the leasehold interest in the CPLV Lease pursuant to a foreclosure (or conveyance in lieu thereof or other exercise of remedies) of the OpCo Loan will be permitted, subject to satisfaction of the following conditions:

- a) Either of the following conditions shall be satisfied (the "Transferee Requirement"): (1) (x) a Qualified Transferee will be the replacement OpCo Tenant or will control and own not less than 51% of the economic and beneficial interests in OpCo Tenant or such

replacement OpCo Tenant after such transfer, (y) a replacement lease guarantor that is a Qualified Replacement Guarantor provides a replacement guaranty of the CPLV Lease and (z) the Property is managed by Property Manager (as defined below), a replacement property manager that is set forth on the applicable schedule to the CPLV Lease and loan agreement, a Qualified Replacement Manager or a manager that is otherwise acceptable to Lender (each, a “Qualified Manager”) or (2) a transferee that satisfies the requirements (b) through (g) in the definition of “Qualified Transferee” below shall control and own not less than 51% of the economic and beneficial interests in OpCo Tenant after such transfer, the CPLV Lease is guaranteed by Lease Guarantor under the MLSA (provided that Lease Guarantor shall be required to reaffirm the Lease Guaranty at the time of such transfer) and the Property is managed by the Property Manager under the MLSA;

- b) such transfer will not result in any change to the transition services for the benefit of Borrower and Lender (including any replacement manager engaged by Borrower or Lender) as described below in “Transition Services” (i.e., the Transition Services Agreement shall survive such foreclosure and be binding upon Property Manager (or if applicable, a replacement Qualified Manager), OpCo Tenant and/or the successor lessee under the CPLV Lease (subject to the terms of the Transition Services Agreement);
- c) the transferee and any other affiliates as required under applicable law are licensed or certified by applicable gaming authorities; and
- d) the transferee and its equity holders will comply with all customary “know your customer” requirements of Lender.

A “Qualified Transferee” means any person that satisfies the following requirements:

- (a) such transferee: (1) has, collectively with the Qualified Replacement Guarantor, a net worth (exclusive of the Property) of no less than \$1,000,000,000; (2) has or is controlled by a person that has demonstrated expertise in owning or operating real estate or gaming properties and (3) shall control OpCo Tenant and shall control, be controlled by or be under common control with Qualified Replacement Guarantor;
- (b) the transferee and any other affiliates as required under applicable law are licensed or certified by applicable gaming authorities;
- (c) the transferee has not been the subject of a material governmental or regulatory investigation which resulted in a conviction for criminal activity involving moral turpitude or that has not been found liable pursuant to a non-appealable judgment in a civil proceeding for attempting to hinder, delay or defraud creditors;
- (d) the transferee has never been convicted of, or pled guilty or no contest to, a Patriot Act Offense and is not on any Government List
- (e) the transferee has not been the subject of a voluntary or involuntary (to the extent the same has not been discharged) bankruptcy proceeding during the prior five (5) years from such date of determination; and
- (f) the transferee is not and, is not controlled by, an Embargoed Person or a person that has been found “unsuitable,” for any reason, by any applicable gaming authority; and
- (g) the transferee and its equity holders will comply with all customary “know your customer” requirements of Lender.

A “Qualified Replacement Guarantor” means any person that satisfies the following requirements:

- [(a) such person shall control or be under common control with the Qualified Transferee;
- (b) such person shall be solvent and have a net worth (exclusive of the Property) of not less than \$1,000,000,000;
- (c) such person (i) has a Debt-to-EBITDA ratio less than 6:1 after giving effect to the transfer or (ii) has an investment grade rating of no less than [BBB-] from a national credit rating agency with respect to its long term, unsecured debt; and
- (d) such person and its equity holders will comply with all customary “know your customer” requirements of Lender.]

A “Qualified Replacement Manager” means an organization which manages (or is under the control of or common control of an affiliate that manages) a casino resort property (other than the Property) that (i) satisfies the Minimum Facilities Threshold, (ii) has gross revenues of not less than \$[750 million] per year for each of the preceding three years as of the date of determination, and (iii) on the date of determination, is at least of comparable standard of quality as the Property. By way of example only, and without limitation, as of the Closing Date, each of the following casino resort properties satisfies the requirements of clause (iii) of the foregoing sentence: Bellagio, Aria, Venetian (Las Vegas), Palazzo, Wynn (Las Vegas), Encore, City of Dreams (Macau), Galaxy Macau, Sands Cotai, Venetian Macau, MGM Grand Macau, Wynn Macau, and Marina Bay Sands (Singapore). At the time of appointment, such organization (a) shall not be subject to a bankruptcy, insolvency or similar proceeding, (b) shall have never been convicted of, or pled guilty or no contest to, a Patriot Act Offense and shall not be on any Government List, (c) shall not be, and shall not be controlled by, an Embargoed Person or a person that has been found “unsuitable,” for any reason, by any applicable gaming authority, (d) shall have not been the subject of a material governmental or regulatory investigation which resulted in a conviction for criminal activity involving moral turpitude, (e) shall have not been found liable pursuant to a non-appealable judgment in a civil proceeding for attempting to hinder, delay or defraud creditors, and (f) shall have all required licenses and approvals required under applicable law, including by all applicable gaming authorities.

“Minimum Facilities Threshold” shall mean (i) not less than [2,500] rooms, [100,000] square feet of casino floor containing no less than [1,300] slot machines, [100] gaming tables, (ii) revenue of no less than \$[75,000,000] per year is derived from high limit VVIP and international gaming customers, (iii) extensive operated food and beverage outlets, and (iv) at least [1] large entertainment venue, provided, that clause (ii) of this definition may be satisfied if the Qualified Replacement Manager has managed a property that satisfies such clause (ii) within the immediately preceding two (2) years.

Management Agreement: The Property will be managed by [Caesar’s Manager Entity] (the “Property Manager”) under the Management and Lease Support Agreement (CPLV) (the “MLSA”) entered into with OpCo Tenant, Borrower and the other parties thereto. The Property Manager may not be replaced without the prior consent of Lender (except as expressly set forth in the loan documents with respect to a foreclosure of the OpCo Loan). The Property will be managed pursuant to the MLSA by Property Manager (or following a foreclosure (or conveyance in lieu thereof or other exercise of remedies) of an OpCo Loan, at the option of the OpCo Loan lender, a replacement Qualified Manager as described above) and will remain a Caesar’s branded property, unless otherwise consented by Lender. The MLSA (or related agreement) will set forth

the terms and conditions for the management of the Property, including the fair allocation of costs, expenses, and resources with respect to the Property and any other properties which are managed by Property Manager and any shared services with respect to such properties.

Property Manager will enter into a subordination and non-disturbance agreement that is reasonably acceptable to Lender, which will include that (i) the MLSA and the management fees payable thereunder is subordinate to the Loan (provided that such SNDA will permit the payment of cost reimbursements and operating expenses for the Property as set forth in the MLSA so long as the MLSA is in full force and effect), (ii) the MLSA may not be amended, modified, or terminated without the consent of Lender (other than (x) certain de minimis modifications, which (a) shall be administrative in nature and related to and required for the operations of the Property and (b) shall not (1) increase Borrower's obligation or liabilities, (2) decrease any of Borrower's or Lender's rights thereunder, (3) decrease any of Property Manager or any other OpCo Parties' responsibilities, liabilities or obligations thereunder and (4) otherwise adversely affect Lender in any matter) and (y) a termination of the MLSA following the foreclosure (or conveyance in lieu thereof or other exercise of remedies) of an OpCo Loan and replacement of the Property Manager with a Qualified Replacement Manager, each to be set forth in the loan documents and CPLV Lease), (iii) upon an exercise of remedies by Lender under the Loan following an Event of Default under the Loan, in the event Lender is simultaneously exercising a right to terminate the CPLV Lease, Lender will have the right to terminate the MLSA (including the Lease Guaranty (provided any obligations or liabilities thereunder arising prior to such termination shall survive any termination)) without the payment of any fees or other amounts and (iv) Property Manager will cooperate in transition services and comply with the Transition Services Agreements as described below.

Intellectual Property/ Proprietary and Guest Data: OpCo Tenant will own all intellectual property necessary to operate the Property as presently operated, to the extent such intellectual property solely relates to the Property (collectively, the "Property Specific IP"). Caesars Enterprise Services, LLC and one or more entities that are affiliates of Property Manager (collectively, "Caesars IP Holder") will be the holder of all system-wide intellectual property that is not Property Specific IP, including, without limitation, all "Caesars" trademarks and intellectual property that is not Property Specific IP, all centralized services, guest data, rewards programs (including the "Total Rewards" program) and other proprietary information and systems (collectively, the "System-wide IP"). Borrower, OpCo Tenant, Property Manager, Lease Guarantor, Caesars IP Holder, and certain other affiliates of Lease Guarantor will enter into the MLSA and certain other related agreements, pursuant to which, Caesars IP Holder and any other applicable OpCo Party will grant OpCo Tenant (or if the CPLV Lease, MLSA or other related agreement is terminated or rejected, Borrower, Lender or a designee of Borrower or Lender, as applicable) (a) a royalty-free license (or other applicable usage rights) to permit the use of (i) the "Caesars Palace" brand, including "Caesars Palace Las Vegas" and all related marks, in perpetuity, provided, further that Borrower, Lender or a designee of Borrower or Lender, as applicable will have the exclusive right to use the "Caesars Palace Las Vegas" name and mark to brand the Property (including, in connection with marketing and promotion thereof and any other related and ancillary uses), (ii) all other Property Related IP (as defined below), in perpetuity, unless terminated by Borrower, Lender or a designee of Borrower or Lender, as applicable, upon implementation of a replacement system and (iii) any other System-wide IP necessary to operate

the Property as presently operated, for so long as Property Manager is managing the Property and (b) the exclusive right to use the “Caesars Palace” brand with respect to any hotel, casino or other property within [30] miles of the Property, in perpetuity (subject to the requirement that the New Tower (as defined below) be operated under the “Caesars Palace Las Vegas” brand as set forth below) and the OpCo Parties will agree (i) not to use the “Caesars Palace” and “Caesars” brands or marks with respect to any other hotel, casino or other property within [30] miles of the Property, subject to the right to use the “Caesars Palace” and “Caesars” brands or marks for any other uses within the Caesars system, including for marketing and promotion of other properties and with respect to online gaming and (ii) as of the date that Property Manager is no longer managing the Property, not to use the “Caesars Palace Las Vegas” name and mark in in any manner, including, in connection with any other properties, businesses, goods, services, and online gaming.

Transition Services: The OpCo Tenant, Property Manager and any other Affiliate thereof (collectively “OpCo Parties”) providing services or licenses (including with respect to any applicable intellectual property or proprietary data) with respect to the Property will enter into a transition services agreement (the “Transition Services Agreement”) in favor of Borrower (and Borrower’s interest therein will be collaterally assigned to Lender). Lender will be a third party beneficiary with respect to any Transition Services Agreement. Pursuant to the Transition Services Agreement, the OpCo Parties will agree to provide certain transition services to Borrower upon termination of the CPLV Lease (except in the event of a New OpCo Lease after a rejection or certain other similar terminations of the CPLV Lease) and/or the MLSA for a period of two (2) years from such termination (or such shorter period if determined by Lender) (the “Transition Period”), including but not limited to, if requested by Borrower or Lender and subject to payment of the fees as set forth in the Transition Services Agreement, continuing to operate and manage the Property in substantially the same manner consistent with the management of the Property prior to the Transition Period, maintaining all applicable intellectual property, proprietary data, shared services, and gaming approvals with respect thereto, either in accordance with the terms of the CPLV Lease and MLSA or pursuant to a replacement master lease and management agreement in form and substance reasonably acceptable to Lender and OpCo Tenant. At the end or any such transition period (a) all of OpCo Tenant’s personal property (including FF&E and gaming equipment and other tangible property at the Property), all property specific IP, all contracts, licenses and agreements with respect to the Property, all cage cash and copies of all guest data and other proprietary data applicable to the Property, will be transferred to Borrower or Lender, as applicable, without payment of any amount; (b) the applicable OpCo Parties will grant Borrower or Lender, as applicable, a royalty-free license (i) with respect to operation of the Property under the “Caesars Palace” brand and related trademarks, in perpetuity (including the exclusive right to use the “Caesars” brand with respect to any hotel, casino or other property in a certain radius of the Property) and (ii) with respect to any other property related IP necessary to operate the Property (excluding certain system wide IP, including the “Total Rewards” program), in perpetuity, unless terminated by Borrower or Lender upon implementation of a replacement system; (c) Borrower or Lender, as applicable will have the exclusive right to use the “Caesars Palace Las Vegas” name and mark to brand the Property, (d) the OpCo Parties will deliver copies of all guest data with respect to any guest of the Property, and (e) all guest data with respect to certain exclusive customers of the Property as

described in the loan documents will become the sole property of Borrower or Lender, as applicable.

Loan Assumption: Assumption of the Loan is not permitted.

No Additional Indebtedness: No Borrower shall incur additional debt, whether unsecured or secured, except for unsecured trade payables that (i) do not exceed at any one time in the aggregate []% of the original principal amount of the Mortgage Loan and the Mezzanine Loans, (ii) are normal and reasonable under the circumstances, (iii) are payable by or on behalf of Borrower for or in respect of the operation of the Property in the ordinary course of the operation of Borrower's business or the routine administration of Borrower's business, (iv) are paid within 60 days of the date on which such amount is incurred, and (v) are not evidenced by a note.

Alterations: Certain alterations, including certain Material Capital Improvements, at the Property which exceed \$75 million will require the reasonable consent of Borrower and Lender, except for (i) any alterations preapproved by Lender on the Closing Date, (ii) alterations made in connection with construction of the New Tower in accordance with the loan documents or (iii) any FF&E CapEx Amounts if there are sufficient reserves on deposit in the FF&E Reserve to pay for such obligations. In the event that the cost of any alterations exceed \$[75] million ("Alteration Threshold"), OpCo Tenant shall deliver security for the payment of such amounts in excess of the Alteration Threshold (other than any FF&E CapEx Amounts permitted to be paid from the FF&E Reserves, to the extent there are sufficient amounts therein to pay for such obligations) in the form of cash or cash equivalents (including qualifying letters of credit) to Borrower. Such security shall be deposited into a reserve held by Lender (or Lender's servicer).

CPLV Financial Exhibits:

	2006				2007				2008				2009			
Room Count (Adjusted for OOO)	3,348				3,389				3,290				3,290			
Days	365				365				366				365			
Available Rooms	1,222,113				1,237,151				1,204,177				1,200,968			
Occupied Rooms	1,104,792				1,082,085				1,029,687				1,089,782			
Occupancy Rate	90.4%				87.5%				85.5%				90.7%			
Average Daily Rate	\$178.12				\$190.03				\$189.61				\$152.46			
RevPAR	\$161.02				\$166.21				\$162.14				\$138.35			
	\$ Amount	\$/Room	POR	%Rev*	\$ Amount	\$/Room	POR	%Rev*	\$ Amount	\$/Room	POR	%Rev*	\$ Amount	\$/Room	POR	%Rev*
Revenues																
Gaming Revenue	\$449,164,560	\$134,149	\$407	47.3%	\$596,514,512	\$175,991	\$551	52.5%	\$463,429,917	\$140,856	\$450	47.0%	\$437,852,978	\$133,073	\$402	49.8%
Room Revenue	196,785,235	58,772	178	20.7	205,627,447	60,667	190	18.1	195,243,986	59,343	190	19.8	166,148,673	50,496	152	18.9
Food & Beverage Revenue	199,002,080	59,435	180	21.0	226,036,306	66,688	209	19.9	218,226,207	66,328	212	22.1	192,834,575	58,607	177	21.9
Other Revenue	104,179,885	31,115	94	11.0	107,943,961	31,847	100	9.5	109,365,348	33,241	106	11.1	82,146,552	24,966	75	9.3
Total Revenues	\$949,131,760	\$283,471	\$859	100.0%	\$1,136,122,225	\$335,193	\$1,050	100.0%	\$986,265,458	\$299,768	\$958	100.0%	\$878,982,778	\$267,142	\$807	100.0%
less: Total Promotions	(109,938,776)	(32,835)	(100)	(11.6%)	(128,865,536)	(38,020)	(119)	(11.3%)	(119,617,726)	(36,357)	(116)	(12.1%)	(114,237,818)	(34,719)	(105)	(13.0%)
Net Departmental Revenue	839,192,984	\$250,636	\$760	88.4%	1,007,256,689	\$297,174	\$931	88.7%	866,647,732	\$263,411	\$842	87.9%	764,744,960	\$232,422	\$702	87.0%
Departmental Expenses:																
Gaming Expense	\$174,960,944	\$52,254	\$158	39.0%	\$227,920,828	\$67,244	\$211	38.2%	\$215,991,705	\$65,649	\$210	46.6%	\$208,348,915	\$63,322	\$191	47.6%
Room Expense	54,084,832	16,153	49	27.5	59,374,570	17,517	55	28.9	54,527,624	16,573	53	27.9	49,924,112	15,173	46	30.0
Food & Beverage Expense	150,265,769	44,879	136	75.5	161,214,299	47,563	149	71.3	153,083,448	46,528	149	70.1	139,240,157	42,318	128	72.2
Other Expense	44,805,960	13,382	41	43.0	49,235,486	14,526	46	45.6	53,529,961	16,270	52	48.9	47,341,907	14,388	43	57.6
Total Departmental Expenses	424,117,504	\$126,668	\$384	44.7%	497,745,182	\$146,851	\$460	43.8%	477,132,739	\$145,021	\$463	48.4%	444,855,091	\$135,201	\$408	50.6%
Gross Operating Income	415,075,479	\$123,968	\$376	49.5%	509,511,507	\$150,323	\$471	50.6%	389,514,993	\$118,390	\$378	44.9%	319,889,869	\$97,221	\$294	41.8%
Total Undistributed Expenses	\$135,244,937	\$40,393	\$122	16.1%	\$152,949,577	\$45,125	\$141	15.2%	\$134,664,379	\$40,930	\$131	15.5%	\$105,343,194	\$32,016	\$97	13.8%
House Profit	279,830,542	\$83,575	\$253	33.3%	356,561,930	\$105,197	\$330	35.4%	254,850,614	\$77,460	\$248	29.4%	214,546,674	\$65,205	\$197	28.1%
Total Fixed Expenses**	\$13,502,528	\$4,033	\$12	1.6%	\$16,225,624	\$4,787	\$15	1.6%	\$17,106,616	\$5,199	\$17	2.0%	\$18,090,187	\$5,498	\$17	2.4%
Property EBITDA	266,328,015	\$79,542	\$241	31.7%	340,336,306	\$100,410	\$315	33.8%	237,743,998	\$72,260	\$231	27.4%	196,456,487	\$59,707	\$180	25.7%
less: FF&E Reserve	\$28,516,775	\$8,517	\$26	3.4%	\$32,955,815	\$9,723	\$30	3.3%	\$29,620,483	\$9,003	\$29	3.4%	\$25,886,455	\$7,867	\$24	3.4%
Net Cash Flow	237,811,239	\$71,025	\$215	28.3%	307,380,491	\$90,687	\$284	30.5%	208,123,515	\$63,257	\$202	24.0%	170,570,032	\$51,840	\$157	22.3%

* %Rev represents % of Total Revenue for Departmental Revenues, % of respective departmental revenues for Departmental Expenses and % of Net Departmental Revenue for Undistributed and Fixed Expenses.

** Fixed expenses include Real Estate Taxes, Insurance, & Ground Rent (Octavius Tower)

CPLV Financial Exhibits (cont'd):

	2010				2011				2012				2013			
Room Count (Adjusted for OOO)	3,292				3,307				3,792				3,940			
Days	365				365				366				365			
Available Rooms	1,201,580				1,206,938				1,387,734				1,437,999			
Occupied Rooms	1,127,433				1,142,168				1,276,251				1,295,857			
Occupancy Rate	93.8%				94.6%				92.0%				90.1%			
Average Daily Rate	\$150.82				\$161.09				\$165.85				\$176.03			
RevPAR	\$141.52				\$152.45				\$152.53				\$158.63			
	\$ Amount	\$/Room	POR	%Rev*	\$ Amount	\$/Room	POR	%Rev*	\$ Amount	\$/Room	POR	%Rev*	\$ Amount	\$/Room	POR	%Rev*
Revenues																
Gaming Revenue	\$440,648,143	\$133,854	\$391	49.6%	\$444,271,306	\$134,356	\$389	46.9%	\$521,157,227	\$137,450	\$408	49.7%	\$513,833,795	\$130,424	\$397	45.8%
Room Revenue	170,041,893	51,653	151	19.1	183,992,313	55,643	161	19.4	211,668,970	55,825	166	20.2	228,107,551	57,899	176	20.3
Food & Beverage Revenue	208,820,835	63,433	185	23.5	234,918,852	71,044	206	24.8	237,196,069	62,558	186	22.6	294,384,897	74,722	227	26.2
Other Revenue	69,395,177	21,080	62	7.8	84,023,465	25,410	74	8.9	77,974,306	20,565	61	7.4	85,643,865	21,739	66	7.6
Total Revenues	\$888,906,049	\$270,020	\$788	100.0%	\$947,205,935	\$286,452	\$829	100.0%	\$1,047,996,571	\$276,398	\$821	100.0%	\$1,121,970,107	\$284,784	\$866	100.0%
less: Total Promotions	(111,590,940)	(33,898)	(99)	(12.6%)	(114,260,991)	(34,555)	(100)	(12.1%)	(128,704,845)	(33,945)	(101)	(12.3%)	(139,772,783)	(35,478)	(108)	(12.5%)
Net Departmental Revenue	777,315,108	\$236,122	\$689	87.4%	832,944,944	\$251,898	\$729	87.9%	919,291,726	\$242,453	\$720	87.7%	982,197,324	\$249,306	\$758	87.5%
Departmental Expenses:																
Gaming Expense	\$201,454,191	\$61,195	\$179	45.7%	\$196,544,649	\$59,439	\$172	44.2%	\$241,232,203	\$63,622	\$189	46.3%	\$203,968,773	\$51,772	\$157	39.7%
Room Expense	55,036,959	16,718	49	32.4	64,776,777	19,590	57	35.2	75,400,208	19,886	59	35.6	79,724,731	20,236	62	35.0
Food & Beverage Expense	150,019,338	45,571	133	71.8	170,166,133	51,461	149	72.4	175,841,775	46,376	138	74.1	211,773,931	53,754	163	71.9
Other Expense	48,540,186	14,745	43	69.9	48,456,302	14,654	42	57.7	49,004,886	12,925	38	62.8	60,088,526	15,252	46	70.2
Total Departmental Expenses	455,050,673	\$138,229	\$404	51.2%	479,943,861	\$145,144	\$420	50.7%	541,479,072	\$142,809	\$424	51.7%	555,555,962	\$141,014	\$429	49.5%
Gross Operating Income	322,264,435	\$97,893	\$286	41.5%	353,001,083	\$106,754	\$309	42.4%	377,812,654	\$99,644	\$296	41.1%	426,641,362	\$108,292	\$329	43.4%
Total Undistributed Expenses	\$92,514,942	\$28,103	\$82	11.9%	\$104,068,724	\$31,472	\$91	12.5%	\$102,230,461	\$26,962	\$80	11.1%	\$112,359,280	\$28,520	\$87	11.4%
House Profit	229,749,493	\$69,790	\$204	29.6%	248,932,359	\$75,282	\$218	29.9%	275,582,193	\$72,682	\$216	30.0%	314,282,081	\$79,773	\$243	32.0%
Total Fixed Expenses**	\$18,215,677	\$5,533	\$16	2.3%	\$15,126,618	\$4,575	\$13	1.8%	\$50,856,483	\$13,413	\$40	5.5%	\$53,300,284	\$13,529	\$41	5.4%
Property EBITDA	211,533,816	\$64,257	\$188	27.2%	233,805,741	\$70,707	\$205	28.1%	224,725,710	\$59,269	\$176	24.4%	260,981,797	\$66,244	\$201	26.6%
less: FF&E Reserve	\$26,741,976	\$8,123	\$24	3.4%	\$28,997,897	\$8,769	\$25	3.5%	\$31,614,176	\$8,338	\$25	3.4%	\$35,011,136	\$8,887	\$27	3.6%
Net Cash Flow	184,791,840	\$56,134	\$164	23.8%	204,807,843	\$61,938	\$179	24.6%	193,111,534	\$50,931	\$151	21.0%	225,970,661	\$57,357	\$174	23.0%

* %Rev represents % of Total Revenue for Departmental Revenues, % of respective departmental revenues for Departmental Expenses and % of Net Departmental Revenue for Undistributed and Fixed Expenses.

** Fixed expenses include Real Estate Taxes, Insurance, & Ground Rent (Octavius Tower)

CPLV Financial Exhibits (cont'd):

	2014				2015				2016				TTM March 2017			
Room Count (Adjusted for OOO)	3,958				3,779				3,830				3,850			
Days	365				365				366				365			
Available Rooms	1,444,670				1,379,328				1,401,618				1,405,196			
Occupied Rooms	1,295,014				1,287,362				1,297,410				1,292,358			
Occupancy Rate	89.6%				93.3%				92.6%				92.0%			
Average Daily Rate	\$183.73				\$193.70				\$204.36				\$210.41			
RevPAR	\$164.70				\$180.79				\$189.16				\$193.51			
	\$ Amount	\$/Room	POR	%Rev*	\$ Amount	\$/Room	POR	%Rev*	\$ Amount	\$/Room	POR	%Rev*	\$ Amount	\$/Room	POR	%Rev*
Revenues																
Gaming Revenue	\$435,659,765	\$110,071	\$336	41.9%	\$469,947,425	\$124,358	\$365	42.2%	\$494,033,488	\$129,005	\$381	42.1%	\$493,018,773	\$128,062	\$381	41.7%
Room Revenue	237,930,667	60,114	184	22.9	249,367,395	65,988	194	22.4	265,135,006	69,234	204	22.6	271,926,013	70,633	210	23.0
Food & Beverage Revenue	289,823,741	73,225	224	27.9	309,624,876	81,933	241	27.8	332,097,805	86,720	256	28.3	335,897,903	87,250	260	28.4
Other Revenue	75,170,332	18,992	58	7.2	84,074,905	22,248	65	7.6	81,262,166	21,220	63	6.9	81,819,769	21,253	63	6.9
Total Revenues	\$1,038,584,506	\$262,401	\$802	100.0%	\$1,113,014,601	\$294,528	\$865	100.0%	\$1,172,528,466	\$306,179	\$904	100.0%	\$1,182,662,457	\$307,197	\$915	100.0%
less: Total Promotions	(139,753,569)	(35,309)	(108)	(13.5%)	(131,286,968)	(34,741)	(102)	(11.8%)	(146,808,513)	(38,336)	(113)	(12.5%)	(145,768,588)	(37,863)	(113)	(12.3%)
Net Departmental Revenue	898,830,937	\$227,092	\$694	86.5%	981,727,634	\$259,786	\$763	88.2%	1,025,719,953	\$267,843	\$791	87.5%	1,036,893,870	\$269,333	\$802	87.7%
Departmental Expenses:																
Gaming Expense	\$213,696,016	\$53,991	\$165	49.1%	\$194,873,542	\$51,568	\$151	41.5%	\$182,040,636	\$47,536	\$140	36.8%	\$180,885,721	\$46,985	\$140	36.7%
Room Expense	85,534,925	21,611	66	35.9	75,094,837	19,872	58	30.1	76,639,826	20,013	59	28.9	77,263,092	20,069	60	28.4
Food & Beverage Expense	213,336,895	53,900	165	73.6	213,410,328	56,473	166	68.9	222,528,796	58,108	172	67.0	222,552,540	57,808	172	66.3
Other Expense	44,736,910	11,303	35	59.5	42,013,442	11,118	33	50.0	41,326,590	10,791	32	50.9	41,248,240	10,714	32	50.4
Total Departmental Expenses	557,304,746	\$140,805	\$430	53.7%	525,392,149	\$139,030	\$408	47.2%	522,535,848	\$136,448	\$403	44.6%	521,949,593	\$135,577	\$404	44.1%
Gross Operating Income	341,526,191	\$86,288	\$264	38.0%	456,335,485	\$120,756	\$354	46.5%	503,184,105	\$131,395	\$388	49.1%	514,944,277	\$133,757	\$398	49.7%
Total Undistributed Expenses	\$122,869,132	\$31,043	\$95	13.7%	\$101,392,994	\$26,831	\$79	10.3%	\$108,211,880	\$28,257	\$83	10.5%	\$107,121,778	\$27,825	\$83	10.3%
House Profit	218,657,059	\$55,244	\$169	24.3%	354,942,491	\$93,925	\$276	36.2%	394,972,225	\$103,138	\$304	38.5%	407,822,499	\$105,932	\$316	39.3%
Total Fixed Expenses**	\$52,285,422	\$13,210	\$40	5.8%	\$50,081,692	\$13,253	\$39	5.1%	\$49,602,402	\$12,953	\$38	4.8%	\$49,239,996	\$12,790	\$38	4.7%
Property EBITDA	166,371,637	\$42,034	\$128	18.5%	304,860,799	\$80,673	\$237	31.1%	345,369,823	\$90,185	\$266	33.7%	358,582,503	\$93,142	\$277	34.6%
less: FF&E Reserve	\$33,526,934	\$8,471	\$26	3.7%	\$36,206,327	\$9,581	\$28	3.7%	\$38,232,011	\$9,983	\$29	3.7%	\$38,774,635	\$10,072	\$30	3.7%
Net Cash Flow	132,844,703	\$33,564	\$103	14.8%	268,654,472	\$71,092	\$209	27.4%	307,137,812	\$80,202	\$237	29.9%	319,807,868	\$83,070	\$247	30.8%

* %Rev represents % of Total Revenue for Departmental Revenues, % of respective departmental revenues for Departmental Expenses and % of Net Departmental Revenue for Undistributed and Fixed Expenses.

** Fixed expenses include Real Estate Taxes, Insurance, & Ground Rent (Octavius Tower)