

business with any FERG Associate by any Gaming Authority, or if CAC shall determine, in CAC's sole and exclusive judgment, that any FERG Associate is an Unsuitable Person, then immediately following notice by CAC to FERG, (a) FERG shall terminate any relationship with the Person who is the source of such issue, (b) FERG shall cease the activity or relationship creating the issue to CAC's satisfaction, in CAC's sole judgment, or (c) if such activity or relationship is not subject to cure as set forth in the foregoing clauses (a) and (b) herein, as determined by CAC in its sole discretion, CAC shall, without prejudice to any other rights or remedies of CAC including at law or in equity, have the right to terminate this Agreement and its relationship with FERG. FERG further acknowledges that CAC shall have the absolute right to terminate this Agreement in the event any Gaming Authority requires CAC or one of its Affiliates to do so. Any termination by CAC pursuant to this Section 11.2 shall not be subject to dispute by FERG and shall not be the subject of any proceeding under Article 13.

12. CONDEMNATION; CASUALTY; FORCE MAJEURE.

12.1 Condemnation. In the event that during the Term the whole of the Restaurant shall be taken under power of eminent domain by any governmental authority or conveyed by CAC to any governmental authority in lieu of such taking, then this Agreement shall terminate as of the date of such taking. In the event that during the Term a substantial portion of the Restaurant (thirty percent (30%) or more) shall be taken under power of eminent domain by any governmental authority or conveyed by CAC to any governmental authority in lieu of such taking (as determined by CAC in its sole and absolute discretion), CAC may, in the exercise of its sole discretion, terminate this Agreement upon written notice give not more than thirty (30) calendar days after the date of such taking. All compensation awarded by any such governmental authority shall be the sole property of CAC and neither Gordon Ramsay nor FERG shall have any right, title or interest in and to same except that Gordon Ramsay and FERG may pursue their own separate claim provided, that any such claim will not reduce the award granted to CAC.

12.2 Casualty.

(a) Permanent and Substantial Damage. If the Hotel or the Restaurant experiences any Permanent Damage or any Substantial Damage, in each case CAC shall have the right to terminate this Agreement and the GR Agreement upon written notice having immediate effect delivered to Gordon Ramsay and FERG within one hundred twenty (120) days after the occurrence of the Permanent Damage or Substantial Damage, as the case may be. All insurance proceeds recovered in connection with any damage or casualty to CAC or Restaurant shall be the sole property of CAC and neither Gordon Ramsay nor FERG shall have any right, title or interest in and to same.

(b) Obligation in Connection With a Casualty. If (i) CAC does not terminate this Agreement and the GR Agreement in the event of a Substantial Damage to CAC or Restaurant within the time periods provided in Section 12.2(a), (ii) restoration and repair of the damage is permitted under applicable Law and the terms of any agreement to which CAC or any of its Affiliates is a party and (iii) CAC has received net insurance proceeds sufficient to complete restoration and repair, CAC shall use commercially reasonable efforts to restore and repair CAC or the Restaurant, as applicable, to its condition and character immediately prior to the damage. If all such restoration and repair is not completed within one hundred eighty (180) days following the occurrence of the damage, FERG shall have the right to terminate this Agreement upon written notice having immediate effect delivered to CAC within one hundred twenty (120) days after one hundred eighty (180) days following the date of the damage and CAC shall have no liability related to the failure of such completion to have occurred.

12.3 Excusable Delay. In the event that during the Term any party shall be delayed in or prevented from the performance of any of such party's respective agreements, covenants or obligations hereunder by reason of strikes, lockouts, unavailability of materials, failure of power, fire, earthquake or

other acts of God, restrictive applicable laws, riots, insurrections, the act, failure to act or default of the other party, war, terrorist acts or other reasons wholly beyond its control and not reasonably foreseeable (each, an "Excusable Delay"), then the performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, lack of funds shall not be deemed an Excusable Delay. Any claim for an extension of time due to an Excusable Delay must be made in writing and received by the other parties not more than fifteen (15) calendar days after the commencement of such delay, otherwise, such party's rights under this Section 12.3 shall be deemed waived.

12.4 No Extension of Term. Nothing in this Article 12 shall extend the Term and no other payments shall accrue during any period during which the Restaurant is closed by reason of such condemnation, casualty or Excusable Delay.

13. ARBITRATION.

13.1 Dispute Resolution. Except for a breach by CAC of Article 6 or Section 14.18 or by Gordon Ramsay or FERG of Section 2.3, 2.3(a), or 14.18(a) or Article 6, as applicable, in the event of any other dispute, controversy or claim arising out of or relating to this Agreement between the parties to this Agreement ("Dispute"), any party may serve written notice (a "Dispute Notice") upon the other parties setting forth the nature of the Dispute and the relief sought, and the parties shall attempt to resolve the Dispute by negotiation. If the Dispute has not been resolved within thirty (30) days of receipt of a Dispute Notice, any party may serve on the other parties a request to resolve the Dispute by arbitration. All Disputes not resolved by the foregoing negotiation shall be finally settled by binding arbitration. Such arbitration shall be held in Atlantic City, New Jersey in accordance with the Commercial Rules of Arbitration of the American Arbitration Association ("AAA"), in effect on the date of the Dispute Notice (the "Rules") by one or more arbitrators appointed in accordance with Section 13.2 hereof.

13.2 Arbitrator(s). If the claim in the Dispute Notice does not exceed Two Hundred Thousand and 00/100 Dollars (\$200,000.00), there shall be a single arbitrator nominated by mutual agreement of Gordon Ramsay and/or FERG (as the case may be) and CAC and appointed according to the Rules. If the claim in the Dispute Notice exceeds Two Hundred Thousand and 00/100 Dollars (\$200,000.00), the arbitration panel shall consist of three (3) members unless FERG and CAC agree to use a single arbitrator. One of the arbitrators shall be nominated by CAC, one of the arbitrators shall be nominated by FERG and the third, who shall serve as chairman, shall be nominated by the two (2) party-arbitrators within thirty (30) days of the confirmation of the nomination of the second arbitrator. If either FERG, on the one hand, or CAC, on the other hand, fails to timely nominate an arbitrator in accordance with the Rules, or if the two (2) arbitrators nominated by FERG and CAC fail to timely agree upon a third arbitrator, then such arbitrator will be selected by the AAA Court of Arbitration in accordance with the Rules. The arbitral award shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction over any of the parties or any of their assets.

14. MISCELLANEOUS.

14.1 No Partnership or Joint Venture. Nothing expressed or implied by the terms of this Agreement shall make or constitute any party hereto the agent, partner or joint venturer of and with any other party. Accordingly, the parties acknowledge and agree that all payments made to FERG under this Agreement shall be for services rendered as an independent contractor and, unless otherwise required by law, CAC shall report as such on IRS Form 1099, and all parties shall report this for financial and tax purposes in a manner consistent with the foregoing.

14.2 Successors, Assigns and Delagees. CAC may assign or delegate all or any portion of this Agreement. FERG and/or the Persons holding an interest in FERG, without the consent of but with notice to CAC, shall be permitted to issue, sell, assign or transfer interests in FERG to any Person or assign this Agreement, so long as: (i) such receiving Person or assignee or any of such Person's or assignee's Affiliates are not a Competitor of CAC or any of its Affiliates; and (ii) each receiving Person holding and/or proposed to hold any interest in FERG or assignee shall be subject to the internal compliance process of CAC and/or its Affiliates by (A) submitting written disclosure regarding all of the proposed transferee's or assignee's Associates, (B) submitting all information reasonably requested by CAC regarding the proposed transferee's or assignee's Associates, (C) CAC being satisfied, in its sole reasonable discretion, that neither the proposed transferee or assignee nor any of their respective Associates is an Unsuitable Person and (D) the Compliance Committee's reasonable approval of the proposed transferee and the proposed transferee not being deemed by CAC, its Affiliates or any Gaming Authority as an Unsuitable Person. Additionally, any obligations and/or duties of FERG and/or Rowen Seibel that are specifically designated to be performed by Rowen Seibel are assignable or delegable by FERG and/or Rowen Seibel without the consent of but with notice to CAC, as applicable, so long as the Person to whom such obligations and/or duties are assigned or delegated is reasonably qualified to carry out such obligations and/or duties. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the Parties and their respective permitted successors, assigns and delagees.

14.3 Waiver of Rights. Failure to insist on compliance with any of the agreements, obligations and covenants hereof shall not be deemed a waiver of such agreements, obligations and covenants, nor shall any waiver or relinquishment of any right or power hereunder at anyone or more time or times be deemed a waiver or relinquishment of such rights or powers at any other time or times. The exercise of any right or remedy shall not impair CAC's, Gordon Ramsay's or FERG's right to any other remedy.

14.4 Intentionally omitted.

14.5 Notices. Any notice or other communication required or permitted to be given by a party hereunder shall be in writing, and shall be deemed to have been given by such party to the other party or parties (a) on the date of personal delivery, (b) on the next business day following any facsimile transmission to a party at its facsimile number set forth below (if confirmation of transmission is received), (c) three (3) calendar days after being given to an international delivery company, (d) five (5) calendar days after being placed in the mail, as applicable, registered or certified, postage prepaid addressed to the following addresses, or (e) on the next business day if sent by first class overnight, nationally known delivery or courier service, prepaid in a sealed envelope or package addressed to the following addresses (each of the parties shall be entitled to specify a different address by giving notice as aforesaid):

If to CAC:

Boardwalk Regency Corporation
d/b/a Caesars Atlantic City
2100 Pacific Avenue
Atlantic City, New Jersey 08401

With a copy (which shall not constitute notice) to:

Caesars Entertainment Corporation
One Caesars Palace Drive
Las Vegas, Nevada 89109

Attention: General Counsel

If to FERG:

200 Central Park South
19th Floor
New York, NY 10019
Attention: Rowen Seibel

With a copy (which shall not constitute notice) to:

Certilman Balin Adler & Hyman, LLP
90 Merrick Avenue, 9th Floor
East Meadow, NY 11554
Attention: Brian Ziegler

14.6 Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written. For the avoidance of doubt, nothing in this Agreement shall supersede or in any way amend or modify that certain Development and Operation Agreement between LLTQ Enterprises, LLC and Desert Palace, Inc. dated as of April 4, 2012 (including, without limitation, Section 13.22 thereof), or that certain Development and Operation Agreement between TPOV, LLC and Paris Las Vegas Operating Company, Inc. dated as of November, 2011, or that certain that certain Development, Operation and License Agreement by and among Gordon Ramsay, GR BURGR, LLC and PHW Manager, LLC on behalf of PHW Las Vegas, LLC dated December 13, 2012, all of which shall remain in full force and effect and binding on the Parties or their Affiliates, as applicable.

14.7 Severability. If any part of this Agreement is determined to be void, invalid or unenforceable, such void, invalid, or unenforceable portion shall be deemed to be separate and severable from the other portions of this Agreement, and the other portions shall be given full force and effect, as though the void, invalid or unenforceable portions or provisions were never a part of this Agreement.

14.8 Amendment and Modification. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

14.9 Headings. Article or Section headings are not to be considered part of this Agreement and are included solely for convenience and reference and shall not be held to define, construe, govern or limit the meaning of any term or provision of this Agreement. References in this Agreement to an Article or Section shall be reference to an Article or Section of this Agreement unless otherwise stated or the context otherwise requires.

14.10 Governing Law: Submission to Jurisdiction: Specific Performance.

(a) The laws of the State of New Jersey applicable to agreements made in that State shall govern the validity, construction, performance and effect of this Agreement.

(b) Notwithstanding any other provision of this Agreement, the parties acknowledge and agree that monetary damages would be inadequate in the case of any breach by CAC of Section 14.18 or FERG of the covenants contained in Section 2.3, 2.3(a), or 14.19 or Article 6 of this Agreement. Accordingly, each party shall be entitled, without limiting its other remedies and without the necessity of proving actual damages or posting any bond, to equitable relief, including the remedy of specific performance or injunction, with respect to any breach or threatened breach of such covenants and each party (on behalf of itself and its Affiliates) consents to the entry thereof in any affected jurisdiction. In the event that any proceeding is brought in equity to enforce the provisions of this Agreement, no party hereto shall allege, and each party hereto hereby waives the defense or counterclaim that there is an adequate remedy at law.

(c) Subject to the provisions of Sections 13.1 and 14.10(a), FERG and CAC each agree to submit to the exclusive jurisdiction of any state or federal court within the Atlantic County, New Jersey (the "New Jersey Courts") for any court action or proceeding to compel or in support of arbitration or for provisional remedies in aid of arbitration, including any action to enforce the provisions of Article 13 (each an "Arbitration Support Action") or for any action or proceeding contemplated by Section 14.10(b). Each of the parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding in a New Jersey Court arising out of this Agreement including, but not limited to, an Arbitration Support Action or action or proceeding contemplated by Section 14.10(b) and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

14.11 Interpretation. This Agreement is to be deemed to have been prepared jointly by the parties hereto, and if any inconsistency or ambiguity exists herein, it shall not be interpreted against any party but according to the application of rules of the interpretation of contracts. Each party has had the availability of legal counsel with respect to its execution of this Agreement. The use of the terms "includes" or "including" shall in all cases herein mean "includes, without limitation" and "including, without limitation", respectively. The use of the terms "FERG" or words of similar import shall in all cases herein mean FERG shall "cause one or more members of its team to," and the requirement of CAC to obtain any consent or approval from FERG shall be satisfied upon the consent or approval of any team member of FERG designated by FERG in writing and CAC shall be entitled to rely on all communications from any such team member.

14.12 Third Persons. Except as provided in Section 14.15 and 14.16, nothing in this Agreement, expressed or implied, is intended to confer upon any Person other than the parties hereto any rights or remedies under or by reason of this Agreement.

14.13 Attorneys' Fees. The prevailing party in any dispute that arises out of or relates to the making or enforcement of the terms of this Agreement shall be entitled to receive an aware of its expenses incurred in pursuit or defense of said claim, including, without limitation, attorneys' fees and costs, incurred in such action.

14.14 Counterparts and Admissibility of Electronic Copies. This Agreement may be executed in counterparts, each one of which so executed shall be deemed an original, and all of which shall together constitute one and the same agreement. An electronic or facsimile copy thereof shall be deemed, and shall have the same legal force and effect as, an original document.

14.15 Indemnification Against Third Party Claims.

(a) By CAC. CAC covenants and agrees to defend, indemnify and save and hold harmless Gordon Ramsay, FERG and their respective Affiliates and their and their respective Affiliates' stockholders, directors, officers, agents and employees from and against all claims, losses, expenses, obligations, liabilities, liens, demands, charges, litigation and judgments, including court costs and reasonable attorneys' fees, incurred or suffered by them arising directly or indirectly from any claim, action, suit, demand, assessment, investigation, arbitration or other proceeding by or in respect of any third Person (a "Third-Party Claim") arising out of CAC's breach, performance or non-performance of its obligations under or in connection with this Agreement.

(b) By FERG. FERG covenants and agrees to defend, indemnify and save and hold harmless CAC and its Affiliates and CAC's and CAC's Affiliates' respective stockholders, directors, officers, agents and employees from and against all claims, losses, expenses, obligations, liabilities, liens, demands, charges, litigation and judgments, including court costs and reasonable attorneys' fees, incurred or suffered by them arising directly or indirectly from any Third-Party Claim arising out of FERG's breach, performance or non-performance of its obligations under or in connection with this Agreement.

(c) Procedures. In connection with any Third Party Claim for which a Person (any of such Persons, an "Indemnified Person") is entitled to indemnification under this Section 14.15, the Indemnified Person asserting a claim for indemnification under this Section 14.15 shall notify the party from which indemnification is being sought (the "Indemnifying Person") of such Third Party Claim and the Indemnifying Person shall, at its sole cost and expense, defend such Third Party Claim or cause the same to be defended by counsel designated by the Indemnifying Person and reasonably acceptable to the Indemnified Person. Notwithstanding the foregoing, the Indemnified Person, at the Indemnifying Person's expense, if the Indemnifying Person does not undertake and duly pursue the defense of such Third Party Claim in a timely manner or, in the case of CAC, if the Third Party Claim is asserted by any governmental authority, may defend such action, suit or proceeding or cause the same to be defended by counsel designated by the Indemnified Person. Neither the Indemnified Person nor the Indemnifying Person shall settle or compromise any Third Party Claim that is the subject of a claim for indemnification under this Section 14.15 without the prior written consent of the other.

14.16 Insurance. FERG will maintain at all times during the Term, insurance for claims which may arise from, or in connection with, services performed/products furnished by FERG, its agents, representatives, employees or subcontractors with coverage at least as broad and with limits of liability not less than those stated below. Notwithstanding FERG's obligation to maintain the coverage described herein, CAC shall pay for the policy premium related to said coverage, with said premium payment not being treated as an Operating Expense as such is defined herein.

- I. Workers Compensation and Employers Liability Insurance: Statutory workers compensation coverage, Employers liability insurance - \$1,000,000 each accident, \$1,000,000 disease, each employee, \$1,000,000 disease, policy limit
- II. General Liability Insurance: Limits: \$1,000,000 per occurrence, \$2,000,000 aggregate / include Products / Completed Operations, Blanket Contractual Liability, Independent Contractor Liability, Broad form property damage, Cross liability, severability of interests, Personal and advertising injury, Medical Expense Coverage, Fire Legal Liability / Damage to Rented Premises

- III. Automobile Liability Insurance (if applicable): Liability limits: \$1,000,000 combined single limit, \$1,000,000 uninsured and underinsured motorist, Covers owned, hired and non-owned Vehicles
- IV. Umbrella Liability Insurance: Limits: \$3,000,000 per occurrence and aggregate, Provides excess limits over General Liability, Automobile Liability, and Employers Liability coverages, Coverage shall be no more restrictive than the applicable underlying policies

Evidence of Insurance: Before the Effective Date, immediately upon the renewal of any policy required above, and upon request, FERG shall provide CAC and Caesars Entertainment Operating Company, Inc. ("Caesars") with a Certificate of Insurance in accordance with the foregoing and referencing the services to be provided. Such certificate of insurance is to be delivered to CAC and in electronic format to jfrederick@Caesars.com.

General Terms: All policies of insurance shall (1) provide for cancellation of not less than thirty (30) days prior written notice to CAC and Caesars, (2) have a minimum A.M. Best rating of A+, (3) be primary and non-contributory with respect to any other insurance or self-insurance program of CAC or Caesars, and (4) provide a waiver of subrogation in favor of CAC and Caesars. FERG further agrees that any subcontractors engaged by FERG will carry like and similar insurance with the same additional insured requirements.

Additional Insured. Insurance required to be maintained by FERG pursuant to this Section 14.16 (excluding workers compensation) shall name CAC and Caesars, including their Affiliates (including their parent, affiliated or subsidiary corporations) and their respective agents, officers, members, directors, employees, successors and assigns, as additional insureds. The coverage for an additional insured shall apply on a primary basis and shall be to the full limits of liability purchased by FERG even if those limits of liability are in excess of those required by this contract.

Failure to Maintain Insurance. Failure to maintain the insurance required in this Section 14.16 will constitute a material breach and may result in termination of this Agreement at CAC's option except if failure to maintain such insurance is caused by CAC's acts or omissions.

Representation of Insurance. By requiring the insurance as set out in this Section 14.16, CAC does not represent that coverage and limits will necessarily be adequate to protect FERG, and such coverage and limits shall not be deemed as a limitation on FERG's liability under the indemnities provided to CAC in this Agreement, or any other provision of the Agreement.

14.17 Withholding and Tax Indemnification.

(a) If CAC is required to deduct and withhold from any payments or other consideration payable or otherwise deliverable pursuant to this Agreement to FERG any amounts under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of United States federal, state, local or foreign law, statute, regulation, treaty, administrative ruling, pronouncement or other authority or judicial opinion, CAC agrees that, prior to said deduction and withholding, it shall provide FERG with notice of same. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid. If requested by CAC, FERG shall promptly deliver, or cause to be promptly delivered, to CAC all the appropriate Internal Revenue Service forms necessary for CAC, in its sole and absolute discretion deems necessary to make a determination as to its responsibility to make any such U.S. federal withholding with respect to any payment payable pursuant to this Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, FERG shall be responsible for and shall jointly and severally indemnify and hold harmless CAC and its Affiliates against (i) all Taxes (including, without limitation, any interest and penalties imposed thereon) payable by or assessed against CAC or any of its Affiliates with respect to all amounts payable by CAC to FERG pursuant to this Agreement and (ii) any and all claims, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) suffered or paid by CAC or any of its Affiliates as a result of or in connection with such Taxes. CAC shall have the right to reduce any payment payable by CAC to FERG pursuant to this Agreement in order to satisfy any indemnity claim pursuant to this Section 14.17. For purposes of this Section, the term "Tax" or "Taxes" means all taxes, assessments, charges, duties, fees, levies or other governmental charges, including all federal, state, local and foreign income, franchise, profits, capital gains, capital stock, transfer, sales, use, value added, occupation, property, excise, severance, windfall profits, stamps, license, payroll, social security, withholding and other taxes, or other governmental assessments, duties, fees, levies or charges of any kind whatsoever, all estimated taxes, deficiency assessments, additions to tax, penalties and interest.

14.18 Confidentiality.

(a) Each party agrees that it shall not use, nor shall it induce or permit others to use, any of the Confidential Information of another party for any purpose other than to further the purpose of this Agreement consistent with the terms hereof or as otherwise contemplated hereby. Each party further agrees that it shall not reveal, nor shall it permit or induce others to reveal, any of the Confidential Information of another party to any other Person: (i) except to the Representatives of the receiving party to the extent such Persons require knowledge of the same in connection with the transactions contemplated in this Agreement; (ii) except as required to comply with applicable laws, regulation or legal process (but only after compliance with Section 14.18(b)); and (iii) except as otherwise agreed by the party to which the Confidential Information belongs in writing. Each party receiving, or whose Representatives receive, Confidential Information of another party (a "Recipient") shall inform its Representatives of the proprietary nature of such Confidential Information and shall be responsible for any further disclosure of such Confidential Information by any such Representative unless the Recipient would have been permitted to make such disclosure hereunder. Each Recipient, upon written request following termination of this Agreement, shall destroy any Confidential Information of another party in its or any of its Representative's possession (and certify to the destruction thereof).

(b) In the event that a Recipient or any of its Representatives is requested or required by applicable law, regulation or legal process to disclose any of the Confidential Information of another party, the Recipient will notify the other party promptly in writing so that the other party may seek a protective order or other appropriate remedy, or, in the other party's sole discretion, waive compliance with the terms of this Agreement. The Recipient agrees not to, and agrees to cause its Representatives not to, oppose any action by the other party to obtain a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, or that the other party waives compliance with the terms of this agreement, the Recipient and its respective Representatives will furnish only that portion of the Confidential Information of the other party which the Recipient is advised by its counsel is legally required to be disclosed at that time and the Recipient will exercise its reasonable best efforts to obtain confidential treatment, to the extent available, for such Confidential Information so disclosed.

14.19 Subordination. For the avoidance of doubt, this Agreement does not create in favor of FERG any interest in real or personal property or any lien or encumbrance on CAC or any ground or similar lease affecting all or any portion of CAC (as the same may be renewed, modified, consolidated, replaced or extended, a "Ground Lease"). FERG acknowledges and agrees that CAC may from time to time assign or encumber all or any part of its interest in CAC or any Ground Lease by way of any one or

more mortgages, deeds of trust, security agreements or similar instruments (as the same may be renewed, modified, consolidated, replaced or extended, "Mortgages"), assign or encumber all or any part of its interest in this Agreement as security to any holder of a Mortgage or a landlord under a Ground Lease or enter into a Ground Lease. The rights of FERG hereunder whether with respect to CAC and the revenue thereof or otherwise shall be inferior and subordinate to the rights and remedies of the holder of any Mortgage and the landlord under any Ground Lease. For the avoidance of doubt, FERG shall not have any right to encumber or subject CAC or the Restaurant, or any interest of CAC therein, to any lien, charge or security interest, including any mechanic's or materialman's lien, charge or encumbrance of any kind. FERG, at its sole cost and expense, shall promptly cause any and all such liens, charges or security interests to be released by payment, bonding or otherwise (as acceptable to CAC in its sole discretion) within ten (10) days after FERG first has notice thereof. If FERG fails to timely take such action, CAC may pay the claim relating to such lien, charge or security interest and any amounts so paid by CAC shall be reimbursed by FERG upon demand.

14.20 Comps and Reward Points. FERG shall be entitled to reasonable comp privileges to be reasonably agreed to by the parties. CAC shall cause the Restaurant to participate in CAC's reward points system and the Restaurant shall be entitled to receive the point redemption thresholds in place as of the date of this Agreement for other first class, gourmet restaurants in CAC. For purposes of this Agreement, one reward point shall entitle the holder thereof to \$1.00 of food or beverage in the Restaurant.

14.21 Intellectual Property Rights. Except with respect to the GR Marks and GR Materials, FERG acknowledges and agrees that CAC shall own: (a) any works, trade names, trademarks, designs, trade dress, service names and service marks, and registrations thereof and applications for registration thereof, and all works of authorship, programs, techniques, processes, formulas, developmental or experimental work, work-in-process, methods or trade secrets and all other materials, work product, intangible assets or other intellectual property rights created or developed by any party for use in association with the Restaurant or otherwise pursuant to this Agreement; (b) any materials that that are created by any party pursuant to this Agreement in which any intellectual property rights of FERG or any of its Affiliates are embodied or incorporated, including all photographic or video images, all promotional materials and all marketing materials produced in accordance with this Agreement; and (c) any other works, designs, trademarks, trade names, services marks and registrations thereof, programs, techniques, processes, formulas, developmental or experimental work, work-in-process, plans and specifications and any other materials or work product that were created by CAC. FERG acknowledges and agrees that FERG shall not have or obtain any right, title or interest in or to any of such marks or materials.

14.22 Submission of Agreement. Submission of this Agreement to FERG does not constitute an offer to contract; this Agreement shall become effective only upon execution and delivery thereof by CAC to FERG. FERG acknowledges, understands and agrees that CAC's willingness to enter into this Agreement is predicated upon successful approval of this Agreement by CAC's capital committee (the "Capital Committee") (a definition and determination of which shall be in the Capital Committee's sole and exclusive discretion).

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the Effective Date first written hereinabove.

BOARDWALK REGENCY CORPORATION
D/B/A CAESARS ATLANTIC CITY

By:



Name:

KEVIN OETZELMAN

Its:

Senior Vice President and General Manager ✓

Date:

June 4, 2014

Legal
Department

Digitally signed by Legal Department
DN: cn=Legal Department, o, ou,
email=asabo@caesars.com, c=US
Date: 2014.05.15 22:39:02 -07'00'

FERG, LLC

By: Rowen Seibel
Name: Rowen Seibel
Its: Managing Member
Date: 5/30/14

EXHIBIT A
RESTAURANT PREMISES

(SEE ATTACHED)

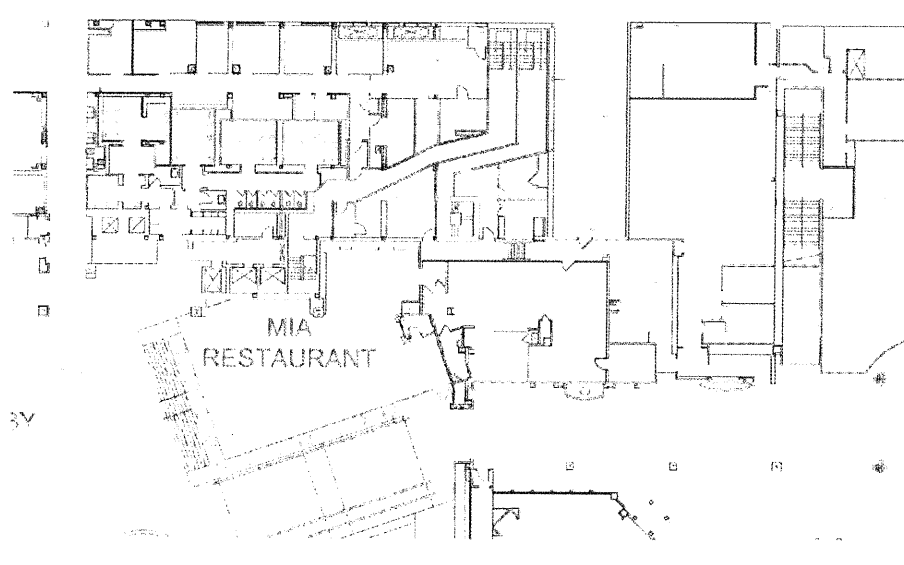


EXHIBIT B

MIA PROFIT AND LOSS STATEMENT

(SEE ATTACHED)

Mia's AC TTM P&L	TTM
3200-000-FOOD REVENUE	685,481
3210-000-COMP FOOD REVENUE	646,367
3299-000-FOOD REVENUE ALLOWANCE	(6,561)
3300-000-BEVERAGE REVENUE	294,936
3310-000-COMP BEVERAGE REVENUE	187,391
3399-000-BEVERAGE REVENUE ALLOWANCE	(36)
Total Revenue	1,807,578
% Comp	46%
4200-000-FOOD COSTS	428,147
4300-000-BEVERAGE COSTS	151,826
Total COGS	579,972
5000-000-SALARIES	110,749
5100-000-WAGES	10,453
5100-002-WAGES-UNION	346,780
5100-024-TRAINING	367
5110-000-OT WAGES	197
5110-002-OT WAGES-UNION	5,016
5100-182-LABOR ALLOCATION IN	82,743
5100-183-LABOR ALLOCATION OUT	(8,354)
5200-000-VACATION/PTO	16,255
5300-000-LONG TERM DISABILITY	271
5300-001-SHORT TERM DISABILITY	55
5620-010-MAJOR MEDICAL	18,835
5620-020-DENTAL BENEFITS	809
5620-030-LIFE BENEFITS	113
5620-040-VISION BENEFITS	16
5630-000-SAVINGS & RETIREMENT (401k)	1,337
5500-000-FEDERAL FICA	44,497
5510-000-FEDERAL UNEMPLOYMENT TAX	717
5530-000-STATE UNEMPLOYMENT TAX	23,803
5210-005-UNION HOLIDAY PAY	4,587
5600-590-UNION BENEFITS	2,238
5620-015-MEDICAL INSURANCE-UNION	156,542
5650-020-PENSION FUND UNION	61,669
5700-010-BONUS PLAN	1,000
5700-050-QUARTERLY PERFORMANCE PAYOUT	3,947
5700-055-EMPLOYEE INCENTIVE PROGRAM	591
5450-000-LABOR ALLOCATION IN	64,083
5450-005-LABOR ALLOCATION OUT	(2,506)
Total Payroll	946,810

"Restaurant" has the meaning set forth in the Recitals of this Agreement.

"Restaurant Development Services" has the meaning set forth in Section 3.2(a).

"Restaurant Sales" means all receipts or revenues of the Restaurant from all sources of any kind (subject to the limitations set forth in this Agreement), including the sale of food and beverage, door charges, room rental fees and sale of merchandise computed on an accrual basis in accordance with generally accepted accounting principles consistently applied by CAC, excluding only (i) federal, state and local excise, sales, use or rent taxes collected from customers from receipts which are included in Restaurant Sales, (ii) gratuities paid to the employees of the Restaurant (or paid to CAC and paid by CAC to such employees) by patrons with respect to functions which generate Restaurant Sales, (iii) Comp Sales, (iv) amounts collected by CAC from patrons for the account of, and for direct payment to, unrelated third parties providing services specifically for a patron's function which generate Restaurant Sales, such as flowers, music and entertainment, (v) proceeds paid as a result of an insurable loss (unless paid for the loss or interruption of business and representing payment for damage for loss of income and profits of those Restaurant operations which are intended to generate Restaurant Sales), (vi) proceeds of condemnation and eminent domain awards, litigation awards and settlement payments, (vii) any proceeds or other economic benefits of any borrowings or financings of CAC, (viii) any proceeds or other economic benefit from any sale, exchange or other disposition of all or any part of the CAC or Restaurant, including any furniture, furnishings, decorations, and equipment, or any other similar items, (ix) funds provided by CAC, (x) payments made under any warranty or guaranty and (xi) any other receipts or payments that are not standard or typical in the ordinary course of operating a restaurant or that are excluded by CAC in a manner consistent with the determination of gross revenues of operations of CAC and its Affiliates similar to the Restaurant. Restaurant Sales shall be reduced by the amount of credit card fees and over-rings, refunds and credits given, paid or returned by CAC in the course of obtaining Restaurant Sales. In addition to receipts from transactions occurring at the Restaurant, Restaurant Sales shall include, without limitation, all receipts for food, beverages or merchandise delivered from the Restaurant in satisfaction of orders therefor received away from the Restaurant and receipts for food, beverages or merchandise delivered away from the Restaurant in satisfaction of orders received at the Restaurant and receipts for food, beverages or merchandise delivered away from the Restaurant in satisfaction of orders received away from the Restaurant but sold, transferred or solicited with reference to the Restaurant. Notwithstanding the foregoing, Restaurant Sales shall include the full menu price of all food, beverages and merchandise offered on a discounted basis by CAC to its customers and, unless the promotion and alternative pricing was made with the prior written consent of FERG, Restaurant Sales shall include the full menu price of all food, beverages and merchandise provided on a promotional or alternative pricing basis to its customers (except that employees of CAC or its Affiliates shall be entitled to a twenty percent (20%) discount off the full menu price and such twenty percent (20%) discount amount shall not be included in Restaurant Sales). FERG acknowledges and agrees that CAC's Total Rewards program pricing shall be included in Restaurant Sales at the Total Rewards price (not full retail menu price).

"Rules" has the meaning set forth in Section 13.1.

"Seibel Restaurant Visits" has the meaning set forth in Section 7.1.

"Senior Management Employee(s)" has the meaning set forth in Section 5.2.

"Substantial Damage" means any damage, other than a Permanent Damage, by fire or other casualty to the Hotel or Restaurant (a) that results in more than twenty percent (20%) of the area of the Hotel or the Restaurant, as applicable, being rendered unusable, (b) where the estimated length of time required to restore Hotel or the Restaurant, as applicable, substantially to its condition and character just

prior to the occurrence of such casualty shall be in excess of one hundred eighty (180) days or (c) if the estimated cost of restoration and repair of the damage exceeds twenty percent (20%) of the then current replacement cost of the Hotel or the Restaurant, as applicable, in each case as determined by CAC in its reasonable discretion.

"Term" has the meaning set forth Section 4.1.

"Third-Party Claim" has the meaning set forth in Section 14.15(a).

"Total Restaurant Sales" means, for any period, Restaurant Sales plus Comp Sales for that period.

"Training" has the meaning set forth in Section 5.1(b).

"Union Agreement" or "Union Agreements" has the meaning set forth in Section 5.3(a).

"Unsuitable Person" is any Person (a) whose association with CAC or its Affiliates could be anticipated to result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any registration, application or license or any other rights or entitlements held or required to be held by CAC or any of its Affiliates under any United States, state, local or foreign laws, rules or regulations relating to gaming or the sale of alcohol, (b) whose association or relationship with CAC or its Affiliates could be anticipated to violate any United States, state, local or foreign laws, rules or regulations relating to gaming or the sale of alcohol to which CAC or its Affiliates are subject, (c) who is or might be engaged or about to be engaged in any activity which could adversely impact the business or reputation of CAC or its Affiliates, or (d) who is required to be licensed, registered, qualified or found suitable under any United States, state, local or foreign laws, rules or regulations relating to gaming or the sale of alcohol under which CAC or any of its Affiliates is licensed, registered, qualified or found suitable, and such Person is not or does not remain so licensed, registered, qualified or found suitable.

"USCIS" has the meaning set forth in Section 5.6.

"Venture" has the meaning set forth in Section 2.4(a).

2. APPOINTMENT; CONDITIONS; EXCLUSIVITY; CERTAIN RIGHTS.

2.1 Appointment. On the terms and subject to the conditions set forth in this Agreement, CAC hereby appoints FERG and its team, and FERG and/or its team, as applicable, hereby agree, to perform those services and fulfill those obligations set forth herein as to be performed or fulfilled by FERG and/or Rowen Seibel, as applicable (collectively, the "Services"). In addition to the terms and conditions more particularly set forth in this Agreement, FERG each agrees to perform or cause to be performed the Services (a) in good faith and using sound business practice, due diligence and care, (b) using, at a minimum, the same degree of skill and attention FERG, Rowen Seibel or their Affiliates, as the case may be, use in performing the same or similar services for its, his or their own accounts or the accounts of others (and in no event less than a reasonable degree of skill and attention), and (c) with sufficient resources and qualified personnel as are reasonably required to perform the Services in accordance with the standards set forth in this Agreement. For the avoidance of doubt, Rowen Seibel and his Relatives are Affiliates of FERG.

2.2 Conditions to Agreement.

(a) Notwithstanding anything to the contrary contained herein, the rights and obligations of each party under this Agreement (other than the obligations under Sections 2.3, 2.4 and 9.1

and Article 14), are conditioned upon (which conditions may be waived by CAC in its sole and absolute discretion): (a) submission by or on behalf of FERG to CAC of all information requested by CAC regarding FERG, its Affiliates and its directors, officers, employees, agents, representatives and other associates (collectively, the "FERG Associates") to ensure that they are not an Unsuitable Person; and (b) CAC being satisfied, in its sole discretion, that no FERG Associate is an Unsuitable Person. CAC confirms that the conditions set out in this Agreement have been fulfilled prior to the date hereof.

2.3 Exclusivity.

(a) FERG covenants and agrees that, at all times during the Term, FERG will not and will cause its Affiliates not to, directly or indirectly, except as contemplated by this Agreement or any other Agreement with CAC or any of its Affiliates, offer or agree to become engaged in or affiliated or associated with any activities, business or operations utilizing any of the GR Marks or General GR Materials, including as an owner, investor, operator, director, officer, manager, agent, consultant, licensor or employee, in each case within Atlantic County, New Jersey in connection with the operation of any establishment similar to the Restaurant i.e., generally in the nature of a pub, bar, café or tavern (the "Exclusivity Provisions").

(b) If this Agreement is terminated by CAC prior to the end of the Term originally stated herein, and FERG is in default or breach of this Agreement at the time of such termination, or the termination is due to the termination of the GR Agreement due to a breach thereof by GR, the Exclusivity Provisions shall continue for a period of eighteen (18) months following such termination.

(c) Notwithstanding the foregoing, owning the securities of any company if the securities of such company are listed for trading on a national stock exchange or traded in the over-the-counter market and FERG and its Affiliates' holdings therein represent less than five percent (5%) of the total number of shares or principal amount of other securities of such company outstanding shall not be deemed to violate this Section 2.3.

2.4 Right of First Refusal.

(a) In addition to the restriction imposed upon FERG pursuant to Section 2.3 above, neither FERG nor its Affiliates shall, except after compliance with Section 2.4(b) below, engage in or become affiliated or associated with, or offer or agree to become engaged in or affiliated or associated with, any activities, business or operations involving Gordon Ramsay or any of his Affiliates or utilizing any of the GR Marks or General GR Materials (as defined in the GR Agreement) if such activity, business or operation is either (i) located, or contemplated to be located, within Atlantic County, New Jersey or (ii) located, or contemplated to be located, outside of Atlantic County, New Jersey but within a twenty-five (25) mile radius of any existing or publicly announced hotel or gaming facility owned or operated (or to be owned or operated) by CAC or any of its Affiliates (any such activity, business or operation, a "Venture").

(b) Before FERG or any of its Affiliates engages in or becomes affiliated or associated with, or offers or agrees to become engaged in or affiliated or associated with, any Venture, FERG shall provide CAC with an offer, in writing, to participate in such Venture, which offer shall set forth reasonable detail regarding the proposed Venture. If CAC (or its designated Affiliate) indicates in writing within fifteen (15) days after receipt of such offer its interest in considering such opportunity, FERG shall or shall cause its applicable Affiliates to enter into exclusive discussions, negotiations and due diligence with CAC (or its designated Affiliate) for the succeeding thirty (30) days to determine if mutually agreeable terms of participation in the Venture can be reached. During such period, FERG shall

or shall cause its applicable Affiliates to provide CAC (or its designated Affiliate) with all reasonable supporting or other documents it may reasonably request with respect to the Venture.

3. RESTAURANT LOCATION, DESIGN, DEVELOPMENT AND OPERATION.

3.1 General. The Restaurant shall be comprised of that approximate square footage indicated on Exhibit A attached hereto. The parties acknowledge that, with the consent of the parties, the design of the Restaurant and the Restaurant Premises may change following the execution of this Agreement as a result of conditions of construction, budgetary constraints or other reasons provided that the approximate square footage and placement of the Restaurant within the Restaurant Premises as designed and constructed shall not be materially different than that which is depicted on Exhibit A. At all times during the Term and thereafter CAC shall retain all right, title and interest in and to the Restaurant Premises.

3.2 Initial Design and Construction.

(a) Planning. Subject to all of the terms and conditions more particularly set forth herein, CAC shall, after consultation with FERG, be solely responsible for the initial design, development, construction and outfitting of the Restaurant, including all furniture, fixtures, equipment, inventory and supplies (the "Restaurant Development Services"); provided, however, that CAC, after consulting with FERG and considering all reasonable recommendations from FERG, shall have final approval with respect to all aspects of same but shall at all times act reasonably. CAC shall appoint an individual or individuals, who may be changed from time to time by CAC, acting in its sole and absolute discretion, to act as CAC's liaison with FERG in the design, development, construction and outfitting of the Restaurant. Restaurant Development Services, and meetings with respect to same, shall take place in Atlantic City, New Jersey, provided that in no event shall FERG or Rowen Seibel be required to attend such meetings.

(b) Budgeting. CAC shall be solely responsible for all proposed budgets for the Project Costs (each, a "Project Budget"), but CAC shall afford FERG the reasonable opportunity to review each such Project Budget and make reasonable recommendation on same, based on the experience of FERG, prior to CAC's adoption and implementation of any such Project Budget. After giving consideration to all reasonable recommendations made by FERG regarding the Project Budget, CAC shall establish, control, and amend from time to time as necessary, all in CAC's reasonable discretion, the Project Budget for the initial design, development, construction, and outfitting of the Restaurant, except to the extent the same contain any GR Marks.

(c) Implementation of Initial Design and Construction. CAC shall be solely responsible for hiring, retaining and authorizing the performance of services by any and all design, development, construction and other professionals engaged in the initial design, development, construction and outfitting of the Restaurant. At all times during the Term and thereafter, CAC shall retain all right, title and interest in and to the furniture, fixtures, equipment, inventory, supplies and other tangible and, except as otherwise provided herein, intangible assets used or held for use in connection with the Restaurant, except to the extent the same contain any GR Marks.

(d) Costs of Initial Design and Construction. The current Project Budget is \$3,500,000, to be provided solely by CAC (the "Initial Capital Investment"). To the extent that the final or actual Project Budget exceeds \$3,500,000 such excess shall be paid for and absorbed 100% by CAC, but the amount of such excess that may be included in Project Costs shall not exceed \$300,000.

3.3 Subsequent Refurbishment, Redesign and Reconstruction of the Restaurant. If, after the Opening Date, CAC determines that the Restaurant requires any additional capital expenditures, CAC is solely responsible for any capital expenditures.

3.4 Menu Development. Intentionally omitted.

3.5 General Operation of the Restaurant. Unless expressly provided herein to the contrary and subject to the terms of this Agreement, CAC shall be solely responsible for:

(a) managing the operations, business, finances and Employees of the Restaurant on a day-to-day basis;

(b) maintaining the Restaurant;

(c) developing and enforcing employment and training procedures, marketing plans, pricing policies and quality standards of the Restaurant;

(d) supervising the use of the food and beverage menus and recipes developed by GR pursuant to the GR Agreement; and

(e) providing copies of the Restaurant's unaudited income statement to FERG (i) for each month within fifteen (15) days after the end of each month, (ii) for each quarter, within forty-five days after the end of each calendar quarter and (iii) for each Fiscal Year, within one hundred twenty (120) days following the conclusion of such Fiscal Year.

3.6 Merchandise. Intentionally omitted.

3.7 Meetings and Personal Appearances. Whenever scheduling any meeting or personal appearance contemplated by this Agreement, CAC shall make commercially reasonable efforts to take into account the other then existing commitments of the individual whose appearance is requested and give such individual reasonable prior notice as far in advance as is possible, of the contemplated date, time and place of each scheduled meeting or appearance. If advised of a conflict, CAC shall make commercially reasonable efforts to reschedule such meeting or appearance to a date and time closest to the initially proposed scheduled appearance date, it being understood that all such scheduling shall be made by CAC based upon the best interest of the Restaurant and FERG shall endeavor to make commercially reasonable efforts to meet the appearance schedule proposed by CAC subject to previously scheduled commitments. In no event shall FERG or any of its team (including Rowen Seibel) be required to attend a meeting or make any personal appearance at the Restaurant or in Atlantic City.

3.8 Additional Obligations. Each of CAC and FERG warrants and undertakes to the other party that it shall:

(a) at all times (a) fully comply with all laws, statutes, ordinances, regulations, promulgations and mandates applicable to its obligations hereunder and the operation of the Restaurant and (b) maintain all applicable business licenses and other licenses and permits relating to its business operations or its obligations hereunder, and in each case any failure to do so shall constitute a breach of this Agreement; and

(b) perform its duties hereunder with reasonable care and skill and shall cultivate and maintain good relations with customers of the Restaurant in accordance with sound commercial principles.

4. TERM.

4.1 Term. The initial term of this Agreement shall commence on the Effective Date and shall expire on that date that is ten (10) years from the date on which the Restaurant first opens to the general public for business (the "Opening Date"), unless extended by the parties or unless earlier terminated pursuant to the terms hereof (the "Initial Term"). Upon the mutual agreement of CAC and FERG, the term of this Agreement shall be extended for one additional five (5) year term (together with the Initial Term, the "Term"), which shall be on all of the same terms and conditions as contained herein, provided that if the GR Agreement is extended this Agreement shall automatically be extended. Thereafter, there shall be no additional extensions of the term of this Agreement. In the event a new agreement is executed between CAC and/or its Affiliate and Gordon Ramsay and/or his Affiliate relative to the Restaurant or Restaurant Premises, this Agreement shall be in effect and binding on the parties during the term thereof.

4.2 Termination.

(a) For Convenience. At any time following the third (3rd) anniversary of the Opening Date, the Agreement may be terminated by CAC upon six (6) months written notice to FERG specifying the date of termination.

(b) Sales Performance. At any time during the sixty (60) days following the third (3rd) anniversary of the Opening Date and the sixty (60) days following the sixth (6th) anniversary of the Opening Date, this Agreement may be terminated by CAC by written notice to FERG specifying the effective date of termination if (a) in the case of termination following the third (3rd) anniversary of the Opening Date, the Restaurant Sales for the twelve (12) months prior to such anniversary are not at least Three Million Two Hundred Thousand Dollars (\$3,200,000.00) or (b) in the case of termination following the sixth (6th) anniversary of the Opening Date, the Restaurant Sales for the twelve (12) months prior to such anniversary are not at least Three Million Seven Hundred Dollars (\$3,700,000.00).

Notwithstanding the provisions of Section 4.2(a) and Section 4.2(b), this Agreement may only be terminated under Section 4.2(a) and/or Section 4.2(b) if CAC simultaneously terminates the GR Agreement and no different or amended agreement is entered into with Gordon Ramsay and/or his Affiliate(s) relative to the Restaurant or the Restaurant Premises. For the avoidance of doubt, the foregoing sentence reflects the understanding of the parties and their Affiliates with respect to any "For Convenience" and "Sales Performance" termination provision in all other agreements between Affiliates of the parties hereto relative to a Gordon Ramsay related or themed restaurant and the substance of such sentence shall be applicable to all such agreements.

(c) Termination of GR Agreement. This Agreement may be terminated by either Party upon no less than ninety (90) days written notice to the other Party if the GR Agreement is terminated and no different or amended agreement is entered into with Gordon Ramsay and/or his Affiliate(s) relative to the Restaurant or Restaurant Premises. The termination shall take effect no earlier than the same date the GR Agreement termination is effective.

(d) [Reserved].

(e) Unsuitability. This Agreement may be terminated by CAC upon written notice to FERG having immediate effect as contemplated by Section 11.2.

(f) Condemnation and Casualty. This Agreement may be terminated by CAC upon written notice to FERG having immediate effect as contemplated by Article 12.

(g) Change of Control. This Agreement may be terminated by CAC upon written notice to FERG having immediate effect if there is a FERG Change of Control to a transferee that is an Unsuitable Person.

(h) Material Breach.

(a) This Agreement may be terminated by CAC upon written notice to FERG having immediate effect if, following a material breach of this Agreement by FERG, CAC sends written notice of such material breach to FERG specifying in reasonable detail, the facts and circumstances underlying the claimed breach (including the provision(s) of the Agreement claimed to have been breached) and FERG fails to cure such material breach within thirty (30) days after receipt of such notice; provided that if FERG shall have taken steps reasonably anticipated to cure such breach within such thirty (30) day period, CAC shall not be permitted to terminate the Agreement unless such cure is not completed within a reasonable time thereafter.

(b) This Agreement may be terminated by FERG upon written notice to CAC having immediate effect if, following a material breach of this Agreement by CAC, FERG sends written notice of such material breach to CAC specifying in reasonable detail, the facts and circumstances underlying the claimed breach (including the provision(s) of the Agreement claimed to have been breached) and CAC fails to cure such material breach within thirty (30) days after receipt of such notice for non-monetary breaches by CAC (provided that if CAC shall have taken steps reasonable anticipated to cure such breach within such thirty (30) day period, CAC shall not be permitted to terminate the Agreement unless such cure is not completed within a reasonable time thereafter) and within five (5) days after written notice is given to CAC for monetary breaches by CAC (it being understood that CAC's failure to pay any amount disputed in good faith shall not entitle FERG to terminate this Agreement).

(i) Bankruptcy, etc.

(a) This Agreement may be terminated by CAC upon written notice to FERG having immediate effect if FERG (i) becomes insolvent or admits in writing its inability to pay its debts as they become due, (ii) has instituted against it a proceeding seeking a judgment of insolvency, suspension of payment or bankruptcy, or a petition is presented against it for its winding up or liquidation, in each case that is not dismissed within sixty (60) days, (iii) institutes a proceeding seeking a judgment of insolvency, suspension of payment or bankruptcy, or files a petition for its winding up or liquidation, (iv) makes a general assignment for the benefit of its creditors, (v) seeks or becomes subject to the appointment of a receiver over all or

substantially all of its assets, or (vi) any analogous procedure or step is taken in any jurisdiction.

(b) This Agreement may be terminated by FERG upon written notice to CAC having immediate effect if CAC (i) becomes insolvent or admits in writing its inability to pay its debts as they become due, (ii) has instituted against it a proceeding seeking a judgment of insolvency, suspension of payment or bankruptcy, or a petition is presented against it for its winding up or liquidation, in each case that is not dismissed within sixty (60) days, (iii) institutes a proceeding seeking a judgment of insolvency, suspension of payment or bankruptcy, or files a petition for its winding up or liquidation, (iv) makes a general assignment for the benefit of its creditors, (v) seeks or becomes subject to the appointment of a receiver over all or substantially all of its assets, or (vi) any analogous procedure or step is taken in any jurisdiction.

4.3 Effect of Expiration or Termination.

(a) Termination of Obligations; Survival. Upon expiration or termination of this Agreement, there shall be no liability or obligation on the part of any party with respect to this Agreement, other than that such termination or expiration shall not (a) relieve any party of any liabilities resulting from any breach hereof by such party on or prior to the date of such termination or expiration, (b) relieve any party of any payment obligation arising prior to the date of such termination or expiration, or (c) affect any rights arising as a result of such breach or termination or expiration. The provisions of this Section 4.3 and Section 2.3(b), the last sentence of Section 12.2(b) and Articles 13 and 14 (other than Section 14.16) shall survive any termination or expiration of this Agreement.

(b) Certain Rights of CAC Upon Expiration or Termination. Upon expiration or termination of this Agreement:

(a) CAC shall retain all right, title and interest in and to the Restaurant Premises;

(b) CAC shall retain all right, title and interest in and to the furniture, fixtures, equipment, inventory, supplies and other tangible and intangible assets used or held for use in connection with the Restaurant;

(c) CAC shall retain all right, title and interest in and to the CAC Marks and Materials (as defined in the GR Agreement); and

(d) CAC shall have the right, but not the obligation, immediately or at any time after such expiration or termination, to operate a restaurant in the Restaurant Premises.

(c) Certain Rights of FERG Upon Expiration or Termination. Upon expiration or termination of this Agreement, (a) in the case of termination by CAC pursuant to Section 4.2(a) or termination pursuant to Section 4.2(c) (as a result of a termination of the GR Agreement by CAC pursuant to Section 4.2(a) thereof), CAC shall pay to FERG the Early Termination Payment.

5. **RESTAURANT EMPLOYEES.**

5.1 **General Requirements.**

(a) **Employees.** Subject to the terms of this Article 5, after consulting with and giving full and proper consideration to all reasonable recommendations of FERG, CAC shall be responsible for, and shall have final approval with respect to, hiring, training, managing, evaluating, promoting, disciplining and firing all kitchen and front-of-house management and staff of the Restaurant (collectively, the "Employees"). Notwithstanding anything herein to the contrary, all Employees, including all Senior Management Employees, shall be employees of CAC and shall be expressly subject to (a) CAC's human resources policies and procedures and hiring requirements in existence as of the Effective Date and as modified by CAC from time to time during the Term, and (b) the Compliance Committee requirements applicable to CAC and its Affiliates, as more particularly set forth in Section 11.2 hereof.

(b) **Qualified Training by CAC.** At CAC's option, exercisable in its sole discretion, all applicants for Employee front-of-house positions that require personal contact with guests of the Restaurant, as well as all cook, pantry, pastry, bakery and other skilled kitchen positions, shall be required to undergo specialized training (the "Training") and, upon the culmination of such specialized training, pass a test reasonably related to the Training in order to be qualified as an Employee. The Training shall be conducted by CAC on the Employee's own time and at the Employee's own expense. At CAC's option, exercisable in its sole discretion, the Training and related test may only be required of individuals who are employees of CAC at the time of such individual's application for a position as an Employee.

5.2 **Senior Management Employees.** CAC may request advice from FERG as to those individuals whom it recommends to be hired for the following positions at the Restaurant and upon such request, subject to the terms hereof, FERG shall cause its team to, use commercially reasonable efforts to give such advice to be provided within the time frames set forth below.

(a) One full-time equivalent Executive Chef (no later than sixty (60) days before the Opening Date);

(b) One full-time equivalent General Manager (no later than forty-five (45) days before the Opening Date);

(c) Two full-time equivalent Assistant Chefs (no later than thirty (30) days before the Opening Date);

(d) Two full-time equivalent Assistant Managers (no later than twenty (20) days before the Opening Date); and

The initial and any successor Executive Chef, General Manager, Assistant Chefs, Assistant Managers and Sommeliers shall be referred to collectively, as the "Senior Management Employees" and individually, a "Senior Management Employee", with the understanding that said designation is for the purposes of reference for this document only and shall not be deemed to create a requirement or expectation of any particular level of compensation or benefits that may otherwise be available to individuals employed by CAC having such employment designation. Subject to the terms of this Article 5, after consulting with and giving full and proper consideration to all reasonable recommendations of FERG if requested by CAC, CAC shall be responsible for, and shall have final approval with respect to, hiring, training, managing, evaluating, promoting, disciplining and firing Senior Management Employees (and any additional or replacement Senior Management Employees as reasonably required by CAC from time to

time). The parties acknowledge and agree that CAC is under no obligation to hire any individual recommended pursuant to this Section 5.2.

5.3 Union Agreements.

(a) Agreements. FERG acknowledges and agrees that all of CAC's agreements, covenants and obligations and all of FERG's rights and agreements contained herein are subject to the provisions of any and all collective bargaining agreements and related union agreements to which CAC or any of its Affiliates is or may become a party and that are or may be applicable to the Employees (as the same may be amended or supplemented from time to time, collectively, the "Union Agreements"). FERG agrees that all of their agreements, covenants and obligations hereunder, including those obligations to train certain Employees, shall be undertaken in such manner as to be in accordance with and to assist and cooperate with CAC's obligation to fulfill its obligations contained in the Union Agreements; provided, that CAC now and hereafter shall advise Gordon Ramsay and FERG of the obligations contained in said Union Agreements that are applicable to Employees. Notwithstanding the foregoing, in no event shall Gordon Ramsay or FERG be deemed a party to any such Union Agreement whether by reason of this Agreement, the performance of its obligations hereunder or otherwise.

(b) Amendments. FERG acknowledges and agrees that from time to time during the Term, CAC may negotiate and enter into amendments and supplements to the Union Agreements. Each Union Agreement, as so amended or supplemented, may include those provisions agreed to by and between the applicable union and CAC, in its sole discretion, including provisions for (a) notifying then-existing employees of CAC in the bargaining units represented by the applicable union of employment opportunities in the Restaurant, (b) preferences in training opportunities for such then-existing employees, (c) preferences in hiring of such then-existing employees, if such then-existing employees are properly qualified, and (d) other provisions concerning matters addressed in this Section 5.3.

(c) Conflicts. In the event any agreement, covenant, obligation or right of a party contained herein is, or at any time during the Term shall be, prohibited pursuant to the terms of any Union Agreement, the applicable party shall be relieved of such agreement, covenant, obligation or right, with no continuing or accruing liabilities of any kind, and such agreement, covenant, obligation or right shall be deemed to be separate and severable from the other portions of this Agreement, and the other portions shall be given full force and effect. In the event any agreement, covenant, obligation or right under this Agreement is severed from this Agreement pursuant to this Section 5.3(c), the parties shall thereafter cooperate in good faith to modify this Agreement to provide the parties with continuing agreements, covenants, obligations and rights that are consistent with the requirements and obligations of this Agreement (including the economic provisions contained herein), such Union Agreement and applicable law, rules and regulations.

5.4 Training Support.

(a) Pre-Opening Training. For the period prior to the Opening Date, FERG shall advise CAC as to the training FERG recommends be provided to the Senior Management Employees, including working methods, culinary style, culinary philosophy, standard of service, marketing techniques and customer service. After consulting with and giving full and proper consideration to all reasonable recommendations of FERG and/or its team, CAC shall be responsible for, and shall have final approval with respect to, training Senior Management Employees and other Employees.

(b) Refresher Training. As and if reasonably requested by CAC from time to time during the Term, FERG shall advise CAC as to the training FERG recommends be provided for refresher training of such appropriate kitchen and front-of-house Employees as reasonably selected by CAC,

including training with respect to any new food and beverage menus and recipes therefore developed and implemented from time to time during the Term. After consulting with and giving full and proper consideration to all reasonable recommendations of FERG and/or its team, CAC shall be responsible for, and shall have final approval with respect to such refresher training.

5.5 Evaluations. As reasonably requested by CAC from time to time during the Term but not more than twice in any one (1) year during the Term, FERG shall be entitled to review, approve and make recommendations with respect to the annual evaluations of the Senior Management Employees as conducted by CAC; provided, however, CAC shall have final approval with respect to all aspects of same.

5.6 Employment Authorization. CAC shall be solely responsible for applying for, and shall be solely responsible for all costs and expenses related to obtaining (with the understanding that said costs shall be deemed to be an Operating Expense of the Restaurant), any work authorizations from the United States Citizenship and Immigration Services, a Bureau of the United States Department of Homeland Security ("USCIS"), that may be required in order for the Senior Management Employees to be employed by CAC at the Restaurant; provided, however, each such Employee shall be required to cooperate with CAC with respect to applying for such work authorization and shall be required to diligently provide to CAC or directly to USCIS, as applicable, all information such Employee is required to provide in support of the application for such work authorization; provided further, however, FERG expressly acknowledges that, in the event that CAC is unable to reasonably obtain such work authorization for any Employee, the offer of employment for such Employee shall be revoked.

6. LICENSE. Intentionally omitted.

7. PROMOTION AND OPERATIONAL PRESENCE.

7.1 Restaurant Visits.

(a) FERG Restaurant Visits. Neither FERG nor any member of its team (including Rowen Seibel) shall be required to visit the Restaurant at any time. In the event that CAC requests, and FERG agrees, in its sole discretion, to have Rowen Seibel or another member of the FERG team visit the Restaurant, (i) the travel expenses to and from Atlantic City shall be at the sole expense of FERG and (ii) CAC shall provide at its expense for FERG's use (and at no cost or expense to FERG), hotel accommodations in a deluxe room at the Hotel; provided, however, that FERG shall be responsible for all incidental room charges (subject to a thirty percent (30%) discount) and other expenses incurred during the occupancy of such room.

7.2 General. Any cost or expense to CAC or its Affiliates associated with the provision of travel accommodations and room charges under this Article 7 shall be for the account of CAC, and shall not be a Project Cost or an Operating Expense of the Restaurant.

7.3 Additional Reimbursement. FERG may request that expenses incurred by FERG or Rowen Seibel in connection with marketing or public relations activities be reimbursed by CAC. If the President of CAC (in his or her sole and absolute discretion) agrees to reimburse any such expense, such amount shall be included in the Operating Expense.

8. **BASE AND INCENTIVE FEES.**

8.1 **Base and Incentive Fees.**

(a) First, CAC shall pay to FERG a base fee for FERG's services equal to a percentage of Restaurant Sales in any given Fiscal Year pursuant to the following schedule (the "Base Fee"):

- (a) For Comp Sales, a quarterly payment equal to 0.9% of Comp Sales;
- (b) For Restaurant Sales up to and including the Baseline Amount, a quarterly payment equal to 0.9% of Restaurant Sales;
- (c) For Restaurant Sales greater than the Baseline Amount up to and including Two Million Two Hundred Thousand Dollars (\$2,200,000.00), a quarterly payment equal to 1.8% of Restaurant Sales;
- (d) For Restaurant Sales greater than Two Million Two Hundred Thousand Dollars (\$2,200,000.00) up to and including Three Million Three Hundred thousand Dollars (\$3,300,000.00), a quarterly payment equal to 2.1% of Restaurant Sales; and
- (e) For Restaurant Sales greater than Three Million Three Hundred Thousand Dollars (\$3,300,000.00), a quarterly payment equal to 2.4% of Restaurant Sales.

The amounts of the various thresholds referred to above (e.g. the Baseline Amount, the \$2,200,000 threshold and the \$3,300,000 threshold) shall be pro-rated for any Fiscal Year that is less than a full calendar year.

(b) Next, out of any remaining Available Restaurant Proceeds after application of the payments set out in Section 8.1(a) above, CAC shall be entitled to retain a capital reserve starting after the third anniversary of the Opening Date, in an amount equal to two percent (2%) of Total Restaurant Sales subject to a cap of Fifty Thousand Dollars (\$50,000) per Fiscal Year and a maximum of Two Hundred Fifty Thousand Dollars at any given time (the Capital Reserve) (the amount of the aggregate Capital Reserve credited by CAC hereunder less the aggregate amount expended by CAC is the "Capital Reserve Account"). No later than ninety (90) days after the end of each quarter, CAC shall credit the Capital Reserve Account with the Capital Reserve (if any) for such quarter. After the Opening Date, any replacements and capital improvements for the Restaurant which are required to be capitalized under generally accepted accounting principles ("Capital Expenditures") paid by CAC shall reduce the amount of the Capital Reserve Account (but not below zero). CAC may draw upon the Capital Reserve Account to fund Capital Expenditures in the Restaurant from time to time.

(c) Next, out of any remaining Available Restaurant Proceeds after application of the payments set out in Sections 8.1(a) and 8.1(b) above, CAC shall be entitled to retain its Project Costs for the initial Restaurant build out based upon a payback schedule of sixty (60) months following the Opening Date, with a fixed interest rate of five percent (5%) per annum on the unamortized portion thereof. If there are not sufficient positive Available Restaurant Proceeds for CAC to receive the full amount of its Project Costs in any year, the shortfall, together with all interest owing thereon, shall be retained from the Available Restaurant Proceeds in any subsequent period before payment of any other amount pursuant to Section 8.1(a)(d) below.

(d) Next, out of any remaining Available Restaurant Proceeds after application of the payments set forth in Sections 8.1(a), 8.1(b) and 8.1(c) above, at the end of each Fiscal Year, the Parties shall determine the total dollar value of 13.5% of Available Restaurant Proceeds during such Fiscal Year. FERG shall be paid an additional amount (if any) equal to the total dollar value of 13.5% of Available Restaurant Proceeds in excess of the Base Fee (the “Incentive Fee”).

8.2 Timing and Manner of Payments. The Base Fee shall be payable on a quarterly basis and shall be paid by CAC no later than thirty (30) days after the end of the quarter to which it relates by check, money order or wire transfer in lawful funds of the United States of America to such address or account located within the United States of America as directed by FERG, from time to time. If the Incentive Fee is due, it shall be paid by CAC to FERG on or before April 15 of the following year.

8.3 Calculations. CAC shall be solely responsible for maintaining and shall maintain, all books and records necessary to calculate the Base Fee and Incentive Fee and, within: (a) thirty (30) days after the end of each quarter during each Fiscal Year shall deliver notice to FERG reasonably detailing the calculation of the Base Fee, and (b) by April 15 after the end of the applicable Fiscal Year shall deliver notice to FERG reasonably detailing the calculation of the Incentive Fee. CAC's calculations shall be conclusive and binding unless: (i) within thirty (30) calendar days' of CAC's delivery of such notice, FERG notifies CAC in writing of any claimed manifest calculation error therein; or (ii) such calculations are determined to be inaccurate as the result of any audit pursuant to Section 8.4. Upon receipt of any such notification, CAC shall review the claimed manifest calculation error and, within thirty (30) calendar days of such notification, advise FERG as to the corrected calculation, if any. If FERG still disagrees with such calculation, the calculation shall not be binding and FERG shall be deemed to have reserved all of his rights related thereto under this Agreement.

8.4 Audit. Subject to the remaining provisions of this Section 8.4, FERG shall be entitled at any time, at its sole cost and expense, upon ten (10) calendar days' notice to CAC, but not more than two (2) times per calendar year, to cause an audit to be made, during normal business hours, by any Person designated by FERG and approved by CAC (who shall not unreasonably withhold, delay or condition said approval), of all books, records, accounts and receipts required to be kept for the calculation of the Base Fee, Incentive Fee and/or the repayment of the Initial Capital Investment, which shall not include tax returns of CAC filed on a consolidated basis, and which audit shall be conducted without material disruption or disturbance to CAC's operations. If such audit discloses that any Base Fee, Incentive Fee and/or the repayment of the Initial Capital Investment was calculated in error, CAC shall be entitled to review such audit materials and to conduct its own audit related to such period. If CAC does not dispute the result of FERG's audit within ninety (90) days after conclusion and presentation by FERG to CAC of FERG's findings, CAC shall (in the next quarterly allocation) pay to FERG such additional monies necessary to compensate FERG. If such audit discloses that the Base Fee or Incentive Fee owed by CAC for any Fiscal Year exceeds the amount paid to FERG for such year more than five percent (5%), CAC or that the amount charged as repayment of the Initial Capital Investment was five (5%) or more less than it should have been, CAC shall pay FERG the actual third party costs of such audit. CAC may condition any audit under this Section 8.4 on the receipt of a confidentiality undertaking from any Person to whom information will be disclosed in connection with such audit, in form and substance satisfactory to CAC.

9. OPERATIONS.

9.1 Marketing and Publicity. As reasonably required by CAC from time to time during the Term, FERG shall cause Rowen Seibel to consult with CAC, and provide CAC with advice regarding the marketing of the Restaurant. Notwithstanding the foregoing or anything to the contrary contained herein, CAC shall have the right to make all determinations regarding advertising, sales and promotional materials, press releases and other publicity materials and statements relating to the Restaurant or the

transactions contemplated by this Agreement and FERG will not, and will cause its Affiliates not to, publish, make or use any such materials or statements without the prior written consent of CAC. Marketing consultations and meetings with respect to same, shall take place at such times and such places as the parties agree from time to time. Throughout the Term CAC shall, without charge and not as an Operating Expense, market and advertise the Restaurant in a manner reasonably consistent with how other partnered, first class, gourmet restaurants are marketed by CAC and subject to compliance with Section 9.1 of the GR Agreement.

9.2 Operational Efficiencies. As reasonably required by CAC from time to time during the Term, FERG shall cause Rowen Seibel to consult with CAC and provide CAC with advice regarding the Restaurant's food and beverage menus, quality standards, and operational, efficiency and profitability issues; provided, however, that CAC, after fully and properly considering all reasonable recommendations received from FERG, shall have final approval with respect to all aspects of same. Such operational consulting and advice and meetings with respect to same, shall take place at such times and such places as the parties agree from time to time.

10. REPRESENTATIONS AND WARRANTIES.

10.1 CAC's Representations and Warranties. CAC hereby represents and warrants to FERG that:

(a) CAC is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization;

(b) CAC has the valid corporate power to execute and deliver, and perform its obligations under, this Agreement and such execution, delivery and performance has been authorized by all necessary corporate action on the part of CAC;

(c) no consent or approval or authorization of any Person is required in connection with CAC's execution and delivery, and performance of its obligations under, this Agreement;

(d) there are no actions, suits or proceedings pending or, to the best knowledge of CAC, threatened against CAC in any court or administrative agency that would prevent CAC from completing the transactions provided for herein;

(e) this Agreement constitutes the legal, valid and binding obligation of CAC, enforceable in accordance with its terms;

(f) as of the Effective Date, no representation or warranty made herein by CAC contains any untrue statement of material fact, or omits to state a material fact necessary to make such statements not misleading;

(g) at all times during the Term, the Restaurant shall be a first-class gourmet restaurant and the Hotel shall maintain the standard and quality of the Hotel existing on the Effective Date; and

10.2 FERG's Representations and Warranties. FERG hereby represents and warrants to CAC that:

(a) FERG is a limited liability company duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization;

(b) FERG has the legal capacity to execute and deliver, and perform its obligations under, this Agreement;

(c) no consent or approval or authorization of any applicable governmental authority or Person is required in connection with the execution and delivery by FERG of, and performance by FERG of its obligations under, this Agreement;

(d) there are no actions, suits or proceedings pending or, to the best knowledge of FERG, threatened against FERG in any court or before any administrative agency that would prevent FERG from completing the transactions provided for herein;

(e) this Agreement constitutes the legal, valid and binding obligation of FERG, enforceable in accordance with its terms; and

(f) as of the Effective Date, no representation or warranty made herein by FERG contains any untrue statement of a material fact, or omits to state a material fact necessary to make such statements not misleading.

11. **STANDARDS; PRIVILEGED LICENSE.**

11.1 **Standards.** FERG acknowledges that CAC is an exclusive first-class resort hotel casino and that the Restaurant shall be an exclusive first-class restaurant and that the maintenance of CAC's and the Restaurant's reputation and the goodwill of all of CAC's and the Restaurant's guests and invitees is absolutely essential to CAC, and that any impairment thereof whatsoever will cause great damage to CAC. FERG therefore covenants and agrees that it shall and it shall cause its Affiliates to conduct themselves in accordance with the highest standards of honesty, integrity, quality and courtesy so as to maintain and enhance the reputation and goodwill of the CAC Marks and materials, the GR Marks, CAC and the Restaurant and at all times in keeping with and not inconsistent with or detrimental to the operation of an exclusive, first-class resort hotel casino and an exclusive, first-class restaurant. FERG shall use commercially reasonable efforts to continuously monitor the performance of each of its and its Affiliates' respective agents, employees, servants, contractors and licensees and shall ensure the foregoing standards are consistently maintained by all of them.

11.2 **Privileged License.** FERG acknowledges that CAC and CAC's Affiliates are businesses that are or may be subject to and exist because of privileged licenses issued U.S., state, local and foreign governmental, regulatory and administrative authorities, agencies, boards and officials (each a "**Gaming Authority**"; collectively, the "**Gaming Authorities**") responsible for or involved in the administration of application of laws, rules and regulations relating to gaming or gaming activities or the sale, distribution and possession of alcoholic beverages. The Gaming Authorities require CAC, and CAC deems it advisable, to have a compliance committee (the "**Compliance Committee**") that does its own background checks on, and issues approvals of, Persons involved with CAC and its Affiliates. Prior to the execution of this Agreement and, in any event, prior to the payment of any monies by CAC to FERG hereunder, and thereafter on each anniversary of the Opening Date during the Term, (a) FERG shall provide or cause to be provided to CAC written disclosure regarding its FERG Associates and (b) the Compliance Committee shall have issued approvals of all of the FERG Associates. Additionally, during the Term, on ten (10) calendar days written request by CAC to FERG, FERG shall disclose to CAC all FERG Associates. To the extent that any prior disclosure becomes inaccurate, FERG shall, within ten (10) calendar days from that event, update the prior disclosure without CAC making any further request. FERG shall cause all FERG Associates to provide all requested information and apply for and obtain all necessary approvals required or requested by CAC or the Gaming Authorities at GP's sole cost and expense. If any FERG Associate fails to satisfy any such requirement, if CAC or any of CAC's Affiliates are directed to cease

6600-100-CREDIT CARD CHARGEBACKS	0
7920-000-PROFESSIONAL SERVICES	94,843
7920-400-PROF SVCS-CONSULTING	723
7930-000-SUPPLIES	12,857
7930-470-SUPPLIES-PRINTED FORMS/STATION	533
8008-000-CASH OVER/SHORT	(419)
8010-000-CHINA/GLASS/SILVER	8,137
8021-000-DUES/MEMBERSHIP/SUBSCRIPTIONS	6,885
8029-000-LAUNDRY	6,239
8066-000-UNIFORMS	1,836
7998-200-ALLOCATION IN	9,838
Total OpEx	1,088,280
Operating Income	139,325

Exhibit B

Eisenberg Declaration

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

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

**DECLARATION OF RANDALL S. EISENBERG IN SUPPORT OF
DEBTORS' MOTION FOR THE ENTRY OF AN ORDER AUTHORIZING
THE DEBTORS TO (A) REJECT CERTAIN EXISTING RESTAURANT
AGREEMENTS AND (B) ENTER INTO NEW RESTAURANT AGREEMENTS**

Pursuant to 28 U.S.C. § 1746, I, Randall S. Eisenberg, hereby declare as follows under penalty of perjury:

1. I am the Chief Restructuring Officer of Caesars Entertainment Operating Company, Inc. ("CEOC") and its debtor subsidiaries (collectively, the "Debtors"). Additionally, I am a Managing Director of AlixPartners, LLP ("AlixPartners"), which has a place of business at 909 Third Avenue, New York, New York, 10022. Contemporaneously with the commencement of these chapter 11 cases, AP Services, LLC, an affiliate of AlixPartners, LLP, began providing temporary employees to the Debtors to assist them in their restructuring. I am generally familiar with the Debtors' businesses, day-to-day operations, financial matters, results of operations, cash flows, and underlying books and records. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge of the Debtors' businesses, operations, finances, information from my review of relevant documents, or information supplied to me by members of the Debtors' management team, the management of

¹ A complete list of the Debtors and the last four digits of their federal tax identification numbers may be obtained at <https://cases.primeclerk.com/CEOC>.

Caesars Enterprise Services, Inc. (“CES”), advisors, or temporary employees of the Debtors working under my direction. I am over the age of 18 and duly authorized to execute this declaration on behalf of the Debtors in support of the *Debtors’ Motion for the Entry of an Order Authorizing the Debtors to (A) Reject Certain Existing Restaurant Agreements and (B) Enter Into the New Restaurant Agreements* (the “Motion”).²

2. Prior to the petition date in these chapter 11 cases, the Debtors entered into the Existing Agreements with Ramsay, which granted the Debtors the right to design, develop, construct, and operate “Gordon Ramsay Pub & Grill” restaurants at their Caesars Palace and Caesars Atlantic City properties (together, the “Ramsay Restaurants”). The Existing Agreements (a) provide the Debtors with, inter alia, the right to use certain trademarks associated with Gordon Ramsay, and (b) require Gordon Ramsay to make personal appearances at the Ramsay Restaurants and to provide ongoing services related to menu development and the operation of the Ramsay Restaurants. Around the same time that they entered into the Existing Agreements, the Debtors entered into separate agreements with restaurateur Rowen Seibel and his affiliates, FERG, LLC and LLTQ Enterprises, LLC (collectively, with Rowen Seibel, “Seibel”), to obtain consulting services regarding employee staffing and training, marketing, and various operational matters for the Ramsay Restaurants (the “Seibel Agreements”).

3. The Ramsay Restaurants are an important and successful element of the Debtors’ restaurant offerings in connection with their casino operations. As would be expected, however, the Debtors have been conducting a review of all of their restaurant operations in an effort to improve their financial performance to maximize the value of their estates. As part of those

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

efforts, the Debtors determined that there was a potential for significant cost savings at the Ramsay Restaurants.

4. Significantly, the Debtors determined that the costs associated with the services provided under the Seibel Agreements outweighed the benefits provided by such agreements and that the Debtors could operate the Ramsay Restaurants successfully without Seibel's separate services. The Debtors therefore filed a motion [Docket No. 1755] (the "Seibel Rejection Motion") that, among other things, seeks to reject the Seibel Agreements pursuant to section 365 of the Bankruptcy Code. FERG, LLC and LLTQ Enterprises, LLC filed a preliminary objection to the Seibel Rejection Motion [Docket No. 1755], asserting, among other things, that the Debtors could not reject the Seibel Agreements because (a) such agreements are allegedly not executory contracts subject to rejection under section 365 of the Bankruptcy Code and (b) the Seibel Agreements are integrated with the Existing Agreements and thus cannot be rejected on their own. The Seibel Rejection Motion remains pending.

5. The Debtors similarly believe that they can benefit from improved business terms relating to the Existing Agreements and the operation of the Ramsay Restaurants. After good-faith and arm's-length negotiations between the Debtors and Ramsay, the parties reached agreement on the terms of a new business deal. The Debtors and Ramsay documented this deal in the New Agreements, which will replace the Existing Agreements in full. The benefits of the New Agreements are two-fold: (a) they provide the Debtors with significant savings in terms of the payments owed to Ramsay from a reduced licensing fee; and (b) they allow for the continued operation of the profitable Ramsay Restaurants.

6. In particular, the New Agreements will provide Debtor Desert Palace, Inc. and Debtor Boardwalk Regency Corporation with aggregate annual cost savings of approximately

\$144,000. Moreover, because the New Agreements replace the Existing Agreements in their entirety, the New Agreements completely mitigate the rejection damages that Ramsay may have otherwise asserted against the Debtors. As part of the entry into the New Agreements, Desert Palace, Inc. and Boardwalk Regency Corporation are each agreeing to indemnification obligations similar to those in the Existing Agreements, but will also agree to indemnify Ramsay for any claims brought by Mr. Seibel or his affiliates related to Mr. Ramsay's entry into the New Agreements.

7. Accordingly, I believe that rejecting the Existing Agreements and entry into the New Agreements is a sound exercise of their business judgment, is in the best interests of their estates, creditors, and other stakeholders, and should be approved.

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

Dated: January 14, 2016
Chicago, Illinois



Randall S. Eisenberg
Chief Restructuring Officer
Caesars Entertainment Operating Company, Inc., and its
Debtor subsidiaries

Exhibit G

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

In re:	)	Chapter 11
)	
CAESARS ENTERTAINMENT OPERATING	)	Case No. 15-01145 (ABG)
COMPANY, INC., <i>et al.</i>)	
	)	(Jointly Administered)
Debtors.	)	Hearing Date: February 17, 2016
	)	Hearing Time: 1:30 p.m.

**JOINT PRELIMINARY OBJECTION AND RESERVATION OF RIGHTS
OF FERG, LLC AND LLTQ ENTERPRISES, LLC TO
DEBTORS' MOTION FOR THE ENTRY OF AN ORDER
AUTHORIZING THE DEBTORS TO (A) REJECT CERTAIN EXISTING
AGREEMENTS AND (B) ENTER INTO NEW RESTAURANT AGREEMENTS**

NOW COME FERG, LLC, a Delaware limited liability company ("FERG") and LLTQ ENTERPRISES, LLC, a Delaware limited liability company ("LLTQ", and with FERG the "Pub Partners"), by and through their undersigned counsel, and hereby submit their joint¹ preliminary objection and reservation of rights (the "Preliminary Objection") to the *Debtors' Motion for the Entry of an Order Authorizing the Debtors to (A) Reject Certain Existing Agreements and (B) Enter into New Agreements* [Docket No. 3000] (the "GR Contract Motion") filed by debtors Broadway Regency Corporation d/b/a Caesars Atlantic City ("CAC") and Desert Palace, Inc. ("Caesars" and, collectively with "CAC," the "Debtors"). In support of the Preliminary Objection, the Pub Partners state as follows:

I. INTRODUCTION

The Debtors are precluded from obtaining the relief sought in the GR Contract Motion—operating Gordon Ramsay pubs without sharing profits and/or revenues with the Pub Partners—due to restrictive covenants between the Debtors and the Pub Partners. These independent

¹ In lieu of filing two separate pleadings, the Pub Partners jointly submit this preliminary objection due to the substantial overlap of issues among the GR Contract Motion, the pending "Rejection Motion" (defined below), and application for payment of administrative claim filed by the Pub Partners [Docket No. 2531].

covenants, which survive rejection and are not dischargeable as claims, expressly prohibit the Debtors from entering into a pub venture or similar concept with Mr. Ramsay without involving the Pub Partners on substantially the same terms as in the “Seibel Agreements” (as defined in the GR Contract Motion). The Debtors entered into these independent covenants as part of the Seibel Agreements, in exchange for, among other things: (1) Mr. Seibel delivering Mr. Ramsay and the Ramsay pub concept to Caesars instead of a competing casino operation; (2) a \$1 million capital contribution towards the development of the first Ramsay pub venture at Caesars Palace; (3) providing specialized knowledge and input into developing the pub concept and Ramsay brand; and (4) LLTQ’s agreement not to leverage better terms for future Ramsay pub ventures, which agreement Caesars secured based on its hope to install additional pub ventures, and acknowledging the development and operation of these ventures would include a team comprised of Caesars, Seibel and Ramsay. The Seibel Agreements are simply not “consulting agreements” that can be cast aside no matter how many times the Debtors label them as such.

In addition, the terms of the new agreements with Mr. Ramsay are less favorable than the terms under the existing agreements and, therefore, rejection of the existing agreements with Mr. Ramsay is not in the best interest of the estates. By filing this motion, the Debtors have effectively conceded that they cannot reject the Seibel Agreements without also rejecting the corresponding Ramsay contracts. The new ploy represented by the GR Contract Motion is to attempt indirectly what the Debtors cannot do directly. The Debtors are now offering better terms to Mr. Ramsay through a new contract in an attempt to circumvent the restrictive covenants and impermissibly cut out Mr. Seibel from current and future pub ventures. Because these new terms are not more favorable for the Debtors’ estates, and the restrictive covenants survive rejection in any event, the Court must deny the GR Contract Motion.

II. BACKGROUND

1. The principal of LLTQ, Rowen Seibel, introduced Mr. Ramsay and the Ramsay pub concept to the Debtors for the purpose of entering into a business venture among the three parties. After months of negotiations: (a) LLTQ and Caesars each contributed \$1 million in capital and entered into that certain Development and Operation Agreement (the “LLTQ Agreement”); and (b) Caesars entered into that certain Development, Operation and License Agreement (the “Ramsay LV Agreement”) with Mr. Ramsay and his affiliate business, Gordon Ramsay Holdings Limited (together with Mr. Ramsay, “Ramsay”).

2. The two agreements were negotiated and entered into contemporaneously with one another, and establish a single transaction and agreement among LLTQ, Caesars and Ramsay to design, develop, and operate the “Gordon Ramsay Pub and Grill” at Caesars Palace in Las Vegas (the “Las Vegas Pub”), and share the profits therefrom. Caesars agreed that it and its affiliates would not pursue a venture similar to the Las Vegas Pub without entering into an agreement with LLTQ (or its affiliates) similar to the LLTQ Agreement. In exchange, Caesars required of LLTQ that it not leverage better terms for such new ventures. Both parties thus became “locked in” together for future pub ventures. Specifically, section 13.22 of the LLTQ Agreement² provides:

If Caesars elects under this Agreement to pursue any venture similar to (i) the [Las Vegas Pub] (*i.e.*, any venture generally in the nature of a pub, bar, café or tavern) Caesars and LLTQ shall, or shall cause an Affiliate to, execute a development and operation agreement on the same terms and conditions as this Agreement, subject only to revisions proposed by Caesars or its Affiliate as are necessary to reflect the difference in location between the [Las Vegas Pub] and such other venue

² Relatedly, LLTQ provided Caesars a right of first refusal if LLTQ (or its affiliates) were to pursue certain ventures with Mr. Ramsay. See Section 2.4 of the LLTQ Agreement. As a result, both Caesars and LLTQ would share in the upside if, collectively, they were able to build a successful brand connected to Mr. Ramsay.

Section 4.3 expressly provides that upon expiration or termination of the LLTQ Agreement, section 13.22 survives and that Caesars may only operate “a restaurant” (and thus not the Las Vegas Pub) at the restaurant premises in Caesars Palace. Notably, the LLTQ Agreement has no expiration date or fixed term.

3. Since its opening, the Las Vegas Pub has been one of the Debtors’ most profitable restaurant ventures. Caesars subsequently approached Mr. Seibel about developing additional restaurants in various locations, including Atlantic City, Baltimore and Boston. Ramsay attempted to pursue the Atlantic City venture without Mr. Seibel (*i.e.*, LLTQ or an affiliate), but Caesars would not proceed without LLTQ due to the restrictions set forth in § 13.22.

4. Since state financing was provided and no capital contributions were required to develop the pub venture in Atlantic City, unlike the situation for the Las Vegas Pub, following lengthy, multiple and protracted discussions and negotiations involving principals and representatives of CAC, FERG and Ramsay, the parties ultimately agreed to a reduced payment structure to FERG under the FERG Agreement from that provided under the LLTQ Agreement. However, because of the parties’ understanding reflected in Section 13.22 of the LLTQ Agreement, CAC made it clear that they would not and could not proceed with the development of the new Ramsay pub venture in Atlantic City without an agreement with the LLTQ affiliate (*i.e.*, FERG).

5. As a direct result, FERG and CAC negotiated and entered into a so-called “Consulting Agreement” (the “FERG Agreement”); and (b) CAC entered into that certain Development, Operation and License Agreement (the “Ramsay AC Agreement”) with Ramsay at the same time so that the three parties could proceed with a new Ramsay pub venture in Atlantic City. Together, the FERG Agreement and the Ramsay AC Agreement establish a single

transaction and agreement among FERG, CAC and Ramsay to design, develop, and operate the “Gordon Ramsay Pub and Grill” at the Debtors’ location in Atlantic City (the “Atlantic City Pub”), and to share profits therefrom.

6. Evidencing the parties’ partnership-like arrangement, CAC splits between Ramsay and FERG a set royalty based on gross revenues from the Atlantic City Pub, with little future involvement required from FERG or Mr. Seibel. In fact, the FERG Agreement expressly provides that that neither FERG nor any members of its team, including Mr. Seibel, are required to visit the Atlantic City restaurant at any time. In furtherance of the section 13.22 protections under the LLTQ Agreement, section 4.1 of the FERG Agreement contains the following restrictive covenant: “In the event a new agreement is executed between CAC and/or its Affiliate and Ramsay and/or his Affiliate relative to the [Atlantic City Pub] or Restaurant Premises, this Agreement shall be in effect and binding on the parties during the term thereof.”

7. Since its opening, the Atlantic City Pub has been one of the most profitable restaurants for CAC at its Atlantic City location.

8. On June 8, 2015, the Debtors filed that certain *Fourth Omnibus Motion for the Entry of an Order Authorizing the Debtors to Reject Certain Executory Contracts Nunc Pro Tunc to June 11, 2015* [Docket No. 1755] (the “Rejection Motion”). In the Rejection Motion the Debtors seek to reject the LLTQ Agreement and the FERG Agreement (collectively, the “Seibel Agreements”) pursuant to section 365 of the Bankruptcy Code.

9. In response, the Pub Partners asserted that the Seibel Agreements could not be rejected, among other reasons, unless the companion, integrated Ramsay AC Agreement and Ramsay LV Agreement (collectively, the “GR Agreements”) were also rejected. The Debtors have conceded this absolute defense to the Rejection Motion by filing the GR Contract Motion,

tacitly admitting the Seibel Agreements and GR Agreements are integrated documents. The GR Contract Motion, however, seeks not only to reject the GR Agreements, but also authority to enter into new agreements with Ramsay (the “New GR Agreements”) for the purpose of continuing to operate the Las Vegas Pub and the Atlantic City Pub (collectively, the “Restaurants”) without compensating the Pub Partners in violation of the restrictive covenants.

III. PRELIMINARY OBJECTION

A. The restrictive covenants contained in the LLTQ Agreement and FERG Agreement preclude operation of the Restaurants and other pub concepts without the Pub Partners

10. In the Seibel Agreements the parties expressly provided what will happen with the Las Vegas Pub and the Atlantic City Pub after a breach of the contracts. Specifically, under section 4.3 in each of the Seibel Agreements, the Debtors are prohibited from operating the Restaurants at the existing restaurant premises after the termination of the agreements. The parties also agreed per section 13.22 that no similar restaurant venture can be pursued unless LLTQ and Caesars agree to similar terms as under the LLTQ Agreement.

11. Even if the Debtors’ Rejection Motion is successful, the Seibel Agreements are not thereby cancelled or repudiated. *See In re Pre-Press Graphics Co., Inc.*, 300 B.R. 902, 909 (Bankr. N.D. Ill. 2003). Further, a violation of the restrictive covenants does not create a “claim” under the Bankruptcy Code and the covenants thus remain enforceable post-rejection. *See In re Udell*, 18 F.3d 403, 408-409 (7th Cir.1994) (holding that employer’s right to an injunction to prevent a violation of a non-compete clause did not give rise to a claim dischargeable in bankruptcy).

12. Section 13.22 of the LLTQ Agreement specifically requires the execution of an agreement similar to the LLTQ Agreement “on the same terms and conditions” in the event the

Debtors seek to pursue a similar venture with Ramsay. The development of the Atlantic City Pub and the negotiation of the parties' respective contracts reflect the parties' understanding and enforcement of section 13.22. Specifically, the Debtors required an LLTQ affiliate to enter into the FERG Agreement (to memorialize the affiliate's interest and participation in the venture) before they would proceed with the Atlantic City Pub venture with Ramsay. Further, section 4.1 of the FERG Agreement provides that if the Debtors enter into a new agreement with Ramsay to operate the Atlantic City Pub, then the FERG Agreement will also be in effect and binding on the Debtors for the duration of the New GR Agreement.

13. The Court should therefore deny the GR Contract Motion because (a) the Debtors admit that the Restaurants are profitable and important operations, (b) the restrictive covenants cannot be discharged and will survive rejection, and (c) upon rejection the Debtors must cease operating the Restaurants.

B. The terms of the New GR Agreements are inferior to those of the current GR Agreements

14. When viewed as a whole, instead of focusing solely on the purported "cost savings" of \$144,000, the New GR Agreements do not provide better terms for the Debtors' estates.

15. Based on a preliminary review, and without the benefit of discovery, it appears on its face that the New GR Agreement for the Las Vegas Pub is inferior to the Ramsay LV Agreement based on the following changes:

- a. The Debtors' right of first refusal in the new agreement (section 1.3) is more limited than the right of first refusal under the current agreement (section 2.4).
- b. The exclusivity provisions limiting Ramsay from opening certain competing restaurants are less favorable to the Debtors in the new agreement.

- c. The number of restaurant visits required of Mr. Ramsay is decreased from a minimum of three (3) times per year under the existing agreement (section 7.2) to just one (1) appearance per year under the new contract (section 6.1).³ The value of each visit, alone, may exceed the purported cost savings.
- d. The New GR Agreement includes a new indemnification by the Debtors for the benefit of Ramsay for any and all claims, actions, damages, losses, liabilities, and expenses (including legal fees) arising out of or relating to any actions initiated by Mr. Seibel (or any affiliated entities or persons) relating to Ramsay's entry into or performance under the New GR Agreement (Section 13.15), which is an indication that the parties do not have confidence that they can proceed together without Mr. Seibel in the future.

The Court should thus deny the relief requested in the GR Contract Motion as not being in the best interest of the Debtors' estates.

IV. CONCLUSION

16. FERG, LLC and LLTQ ENTERPRISES, LLC respectfully request that the Court deny the relief requested in the GR Contract Motion and grant such further relief as is appropriate under the circumstances.

Respectfully submitted,

**FERG, LLC, and
LLTQ ENTERPRISES, LLC**

By: /s/ Nathan Q. Rugg
One of Their Attorneys

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³ Similarly, the number of restaurant visits required of Mr. Ramsay is decreased from a minimum of three (3) times per year (with at least one such visit being for a period of not less than 48 consecutive hours) under the existing agreement for the Atlantic City Pub (section 7.2) to no required visits under the New GR Agreement (section 6.1).

Exhibit H

CONSULTING AGREEMENT
BETWEEN
FERG, LLC
AND
BOARDWALK REGENCY CORPORATION
DBA CAESARS ATLANTIC CITY

2591657.10
7348 CAC - Rowen GR PUBConsulting Agree Final

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Exhibit A – Restaurant Premises

Exhibit B – Profit and Loss Statement

CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the "Agreement") shall be deemed made, entered into and effective as of this 16th day of May, 2014 by and between Boardwalk Regency Corporation d/b/a Caesars Atlantic City having its principal place of business at 2100 Pacific Avenue, Atlantic City, New Jersey 08401 ("CAC") and FERG, LLC, a Delaware limited liability company having a place of business located at 200 Central Park South, 19th Floor, New York, NY 10019 ("FERG").

RECITALS

A. CAC owns or operates a hotel/casino resort complex located at 2100 Pacific Avenue, Atlantic City, New Jersey 08401, currently known as Caesars Atlantic City ("Hotel"), which is depicted on Exhibit A attached to this Agreement;

B. CAC desires to design, develop, construct and operate a restaurant featuring primarily pub-style food and beverages known as "Gordon Ramsay Pub and Grill" (collectively, the "Restaurant") in those certain premises within the Hotel more particularly shown on Exhibit A attached hereto (the "Restaurant Premises"); and

C. CAC desires to retain FERG to provide consulting services and fulfill those obligations with respect to consultation concerning the design, development, construction and operation of the Restaurant, and FERG desires to be retained by CAC to perform such services and fulfill such obligations, and the parties desire to enter into this Agreement to set forth their respective rights and obligations with respect thereto, all as more particularly set forth herein.

NOW THEREFORE, in consideration of the promises and the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the foregoing recitals are true and correct and further agree as follows:

1. DEFINITIONS

As used herein, the following terms have the meanings set forth or referenced below. Other terms may be defined in other Articles and Sections of this Agreement.

"Affiliate" means, with respect to a specified Person, any other Person who or which is directly or indirectly controlling, controlled by or under common control with the specified Person, or any member, stockholder or comparable principal of, the specified Person or such other Person. For purposes of this definition, "control", "controlling", "controlled" mean the right to exercise, directly or indirectly, at least five percent (5%) of the voting power of the stockholders, members or owners and, with respect to any individual, partnership, trust or other entity or association, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the controlled Person. Notwithstanding the foregoing, with respect to CAC, the term "Affiliate" shall only include CAC's Parent and its direct and indirect controlled subsidiaries and shall not include any shareholder or director of CAC's Parent or any Affiliate of any such shareholder or director of CAC's Parent other than an Affiliate that is CAC's Parent or its direct or indirect controlled subsidiaries. Additionally, with respect to FERG, the term "Affiliate" shall include Rowen Seibel and each Affiliate of Rowen Seibel but shall not include (i) any other member of FERG that (a) owns less than 40% of the membership interests of FERG and is not an Affiliate of Rowen Seibel and (b) is not a Competitor; or (ii) any Affiliate of such member of FERG that is described in the preceding clause (i).

"Arbitration Support Action" has the meaning set forth in Section 14.10(c).

“Available Restaurant Proceeds” means, for any period, the amount, if any, by which Total Restaurant Sales for such period exceeds the Operating Expenses for such period.

“Base Fee” has the meaning set forth in Section 8.1(a).

“Baseline Amount” means, the Restaurant Sales for Mia, the restaurant that occupied the Premises prior to the Restaurant, during the trailing twelve (12) month period beginning March 1, 2013 and ending February 28, 2014. A copy of the profit and loss statement for Mia for such twelve (12) month period is attached as Exhibit B hereto. For the avoidance of doubt, the Baseline Amount shall exclude the Comp Sales of Mia.

“CAC’s Parent” means Caesars Entertainment Corporation, a corporation organized under the laws of the State of Delaware, and its successors and assigns.

“Capital Expenditures” has the meaning set forth in Section 8.1(b).

“Capital Reserve” has the meaning set forth in Section 8.1(b).

“Capital Reserve Account” has the meaning set forth in Section 8.1(b).

“Competitor” means a Person that, or a Person that has an Affiliate that, in each case directly or indirectly, whether as owner, operator, manager, licensor or otherwise: (i) derives twenty percent (20%) or more of its revenues, operating income or net profits from one or more Gaming Businesses; or (ii) has as its primary purpose the conduct of one or more Gaming Businesses.

“Comp Sales” means the menu price of all food, beverages and merchandise offered at or from the Restaurant on a complimentary basis by CAC to its customers. For the avoidance of doubt, the term customer does not include employees of CAC or its Affiliates.

“Confidential Information” means, as to a party, information about that party and its Affiliates, including information such as business plans, strategies, costing information, prospects and locations, that (i) is furnished by or on behalf of the party to a Recipient or its Representatives, or (ii) otherwise becomes known to a Recipient or its Representatives as a result of the transactions contemplated hereby; provided, that, “Confidential Information” shall not include any information which the Recipient can clearly show (a) is or has become openly known to the public through no fault of the Recipient or its Representatives, (b) was lawfully obtained by the Recipient from a source other than the disclosing party or its Representatives, who the Recipient reasonably believes (after due inquiry) is not subject to any obligation of confidentiality or restriction on use or disclosure to the disclosing party or its Affiliates or any other Person or (c) was developed independently by the Recipient or its Affiliates.

“Dispute” has the meaning set forth in Section 13.1.

“Dispute Notice” has the meaning set forth in Section 13.1.

“Early Termination Payment” means an amount equal to one hundred percent (100%) of the amount paid or payable to FERG pursuant to Article 8 for the twelve (12) complete months ended at the end of the calendar month immediately prior to the effective date of termination of this Agreement.

“Effective Date” means the later of the date of this Agreement and the date on which CAC determines, in its sole discretion, that none of the FERG Associates is an Unsuitable Person.

"Exchange Act" has the meaning set forth the definition of FERG Change of Control.

"Exclusivity Provisions" has the meaning set forth in Section 2.3(a).

"Excusable Delay" has the meaning set forth in Section 12.3.

"FERG Associates" has the meaning set forth in Section 2.2.

"FERG Change of Control" means (a) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) to any Person or group of related Persons (a "Group") as determined under Section 13(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), of all or substantially all of the direct and indirect assets of FERG, (b) the approval by the holders of the equity interests of FERG of any plan or proposal for the liquidation or dissolution of such Person, or (c) any Person or Group becoming the beneficial owner (as determined under Section 13(d) under the Exchange Act), directly or indirectly, of thirty-five percent (35%) or more of the aggregate voting power represented by the issued and outstanding equity interests of FERG entitled to vote generally or in the election of directors (or Persons performing similar functions), except for any Person or Group who is such a beneficial owner as of the date hereof.

"Fiscal Year" means (a) for the first Fiscal Year the period commencing on the Opening Date and ending on December 31 of the calendar year in which the Opening Date occurs and (b) each subsequent period of twelve months commencing on January 1 and ending on December 31 of any calendar year (or, if earlier, ending on the date of termination of this Agreement).

"Gaming Authority" or "Gaming Authorities" has the meaning set forth in Section 11.2.

"Gaming Business" means the ownership, operation or management of one or more casinos, video lottery terminal facilities, racetracks, on-line gaming businesses or other business involving gaming or wagering.

"General GR Materials" means the concept, system, menus and recipes designed for use in connection with the Restaurant that are (a) created by or for Gordon Ramsay or containing trade secrets of Gordon Ramsay as of the Effective Date and (b) as are provided from time to time by Gordon Ramsay to CAC for the purposes of this Agreement.

"Gordon Ramsay Pub and Grill" has the meaning set forth in Recital B.

"GR Agreement" means that certain Development, Operation and License Agreement among Gordon Ramsay, Gordon Ramsay Holdings Limited and Boardwalk Regency Corporation dba Caesars Atlantic City dated concurrently herewith

"GR Marks" means any trademark owned by Gordon Ramsay or Gordon Ramsay Holdings Limited utilizing the "Gordon Ramsay Pub and Grill" name or otherwise used to identify the Restaurant as set forth in the GR Agreement, and ancillary design, menu, uniforms and overall Gordon Ramsay Pub and Grill concept.

"Ground Lease" has the meaning set forth in Section 14.19.

"Initial Capital Investment" has the meaning set forth in Section 3.2(d).

"Incentive Fee" has the meaning set forth in Section 8.1(d).

"Initial Term" has the meaning set forth in Section 4.1.

"Mortgages" has the meaning set forth in Section 14.19.

"New Jersey Courts" has the meaning set forth in Section 14.10(c).

"Opening Date" has the meaning set forth in Section 4.1.

"Operating Expenses" means, for any period, (a) the actual expenses incurred during such period in operating the Restaurant in those categories listed on the Profit and Loss Statement for the Restaurant (utilizing the same categories utilized on the profit and loss statement for Mia), in each case computed on an accrual basis in accordance with generally accepted accounting principles consistently applied by CAC, plus (b) the actual expenses incurred by CAC during such period for operation of the Restaurant for variable expenses not reflected on such Profit and Loss Statement (including outside hood cleaning, EVS, utilities, accounting, warehouse, receiving and maintenance services) up to \$9,200 per annum, which such limit shall increase by two percent (2%) per annum. All credits and rebates received by CAC or its Affiliates from sponsors and/or vendors in connection with product or services used at the venue (collectively, "Credits") shall be a credit against (i.e. reduce) Operating Expenses.

"Permanent Damage" means any damage by fire or other casualty to the Hotel or the Restaurant (a) where the net insurance proceeds are not sufficient to restore and repair the damaged portion of the Hotel or the Restaurant substantially to its condition and character just prior to the occurrence of such casualty or (b) where it is not reasonably practicable to restore and repair the Hotel or the Restaurant due to restrictions under applicable Law or for other reasons beyond CAC's reasonable control within three hundred sixty five (365) days from the damage, in each case as reasonably determined by CAC.

"Person" means any individual, corporation, proprietorship, firm, partnership, limited partnership, limited liability company, trust, association or other entity, including any governmental authority.

"Project Budget" has the meaning set forth in Section 3.2(b).

"Project Costs" means all reasonable costs and expenses incurred by CAC or its Affiliates prior to the Opening Date to accomplish the effective and efficient commencement of operations at the Restaurant on the Opening Date in accordance with the Project Budget and as set forth in this Agreement, including all hard and soft construction costs, the cost of all furniture, equipment and furnishings, inventories of food and beverages and other operating supplies acquired in preparation for the opening of the Restaurant, all expenses incurred by CAC or any of its Affiliates in performing pre-opening services and other pre-opening functions, including expenses of business entertainment and reimbursable expenses (but excluding salary, compensation and benefits of the employees of CAC or its Affiliates) and any related taxes, the cost of recruitment and related expenses for all employees of the Restaurant and the cost of pre-opening sales, marketing, advertising, promotion and publicity for the Restaurant, including all losses, expenses and reasonable attorneys' fees arising directly or indirectly from any dispute with any third party engaged to design, develop, construct or outfit the Restaurant solely.

"Recipient" has the meaning set forth in Section 14.18(a).

"Relative" means, with respect to any Person, such Person's mother, father, spouse, brother, sister and children.

"Representatives" means, with respect to any Person, such Person's employees, agents, independent contractors, representatives and Affiliates.

Exhibit	Description	Page No. Range	Volume
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C.	LLTQ Agreement	38 - 73	1
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E.	Debtors' Preliminary Objection	427 - 432	2
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J.	August 10, 2016, Debtor Plaintiffs Objection to Restrictive Covenant Motion to Compel	616 - 652	3
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P.	LLTQ/FERG Defendants Reply in support of Protective Order Motion	780 - 796	4
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R.	Debtor Plaintiffs' plan of reorganization	809 - 957	4

DATED February 22, 2018.

MCNUTT LAW FIRM, P.C.

/s/ Dan McNutt

DANIEL R. MCNUTT (SBN 7815)

MATTHEW C. WOLF (SBN 10801)

625 South Eighth Street

Las Vegas, Nevada 89101

Attorneys for Defendants LLTQ Enterprises, LLC;

LLTQ Enterprises 16, LLC;

FERG, LLC; and FERG 16, LLC

1 **CERTIFICATE OF MAILING**

2 I HEREBY CERTIFY that pursuant to Nev. R. Civ. P. 5(b) and EDCR 8.05 on February 22,
3 2018 I caused service of the foregoing **APPENDIX OF EXHIBITS IN SUPPORT OF AMENDED**
4 **MOTION TO DISMISS OR, IN THE ALTERNATIVE, TO STAY CLAIMS ASSERTED**
5 **AGAINST LLTQ/FERG DEFENDANTS – VOLUME III** to be made by depositing a true and
6 correct copy of same in the United States Mail, postage fully prepaid, addressed to the following and/or
7 via electronic mail through the Eighth Judicial District Court's E-Filing system to the following at the
8 e-mail address provided in the e-service list:

9 James Pisanelli, Esq. (SBN 4027)
10 Debra Spinelli, Esq. (SBN 9695)
11 Brittanie Watkins, Esq. (SBN 13612)
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Attorney for Defendant J. Jeffrey Frederick

/s/ Lisa A. Heller

Employee of McNutt Law Firm

violation of the Exclusivity Provisions;

(c) no consent or approval or authorization of any Person (other than any governmental authority) is required in connection with the execution and delivery by Gordon Ramsay of, and performance by Gordon Ramsay of his obligations under, this Agreement, and to the best of his knowledge and belief, no such consent or approval or authorization is required of any applicable governmental authority;

(d) there are no actions, suits or proceedings pending or, to the best knowledge of Gordon Ramsay, threatened against Gordon Ramsay in any court or before any administrative agency that would prevent Gordon Ramsay from completing the transactions provided for herein (including granting the License);

(e) Gordon Ramsay holds and at all times during the Term shall hold, directly or indirectly, at least fifty-one (51%) of the outstanding equity interests in GRH and its affiliates (the "GR Entities") and has and at all times during the Term shall have voting and management control of each of the GR Entities;

(f) this Agreement constitutes the legal, valid and binding obligation of Gordon Ramsay, enforceable in accordance with its terms; and

(g) as of the Effective Date, no representation or warranty made herein by Gordon Ramsay contains any untrue statement of a material fact, or omits to state a material fact necessary to make such statements not misleading.

9.3 GRH's Representations and Warranties. GRH hereby represents and warrants to CAC that:

(a) GRH is a limited liability company organized, validly existing, and in good standing under the laws of the jurisdiction of its organization;

(b) GRH has a license and can grant to CAC all necessary rights in and to the GR Marks, GRH has taken, or will hereafter take, all actions necessary to maintain the GR Marks, there is no restriction that exists on GRH's use of the GR Marks, the GR Marks are not subject to a current claim of infringement, interference or unfair competition or other claim and, to the best of GRH's knowledge, the GR Marks are not being infringed upon or violated by any third party, no other Person has any right (by ownership, license or otherwise) to use the GR Marks that would constitute a violation of the Exclusivity Provisions, the License and GRH hereby approves and consents to the use of the GR Marks and General GR Material as contemplated by this Agreement;

(c) no consent or approval or authorization of any Person (including the GR Entities, but other than any governmental authority) is required in connection with the execution and delivery by GRH of, and performance by GRH of its obligations under, this Agreement, and to the best of GRH's knowledge and belief, no such consent or approval or authorization is required of any applicable governmental authority;

(d) there are no actions, suits or proceedings pending or, to the best knowledge of GRH, threatened against GRH in any court or before any administrative agency that would prevent GRH from completing the transactions provided for herein (including granting the License);

(e) this Agreement constitutes the legal, valid and binding obligation of GRH, enforceable in accordance with its terms; and

(f) as of the Effective Date, no representation or warranty made herein by GRH contains any untrue statement of a material fact, or omits to state a material fact necessary to make such

statements not misleading.

10. STANDARDS; PRIVILEGED LICENSE.

10.1 Standards. Each of Gordon Ramsay and GRH acknowledges that the Hotel is an exclusive first-class resort hotel casino and that the Restaurant shall be an exclusive first-class restaurant and that the maintenance of CAC and GR Marks, the Hotel's and the Restaurant's reputation and the goodwill of all of CAC's, the Hotel's and the Restaurant's guests and invitees is absolutely essential to CAC, and that any impairment thereof whatsoever will cause great damage to CAC. Each of Gordon Ramsay and GRH therefore covenants and agrees that (a) it shall not and it shall cause its Affiliates not to use or license GR Marks or General GR Materials in a manner that is inconsistent with, or take any action that dilutes or denigrates, the current level of quality, integrity and upscale positioning associated with the GR Marks and General GR Materials and (b) it shall and it shall cause its Affiliates to conduct themselves in accordance with the highest standards of honesty, integrity, quality and courtesy so as to maintain and enhance the reputation and goodwill of CAC, the GR Marks, the Hotel and the Restaurant and at all times in keeping with and not inconsistent with or detrimental to the operation of an exclusive, first-class resort hotel casino and an exclusive, first-class restaurant. Each of Gordon Ramsay and GRH shall use commercially reasonable efforts to continuously monitor the performance of each of its and its Affiliates' respective agents, employees, servants, contractors and licensees and shall ensure the foregoing standards are consistently maintained by all of them. Any failure by GRH or any of its respective Affiliates or any of their respective agents, employees, servants, contractors or licensees to maintain the standards described in this Section 10.1 shall, in addition to any other rights or remedies it CAC have, give CAC the right to terminate this Agreement pursuant to Section 3.2(c) in its sole and absolute discretion. For the avoidance of doubt, Gordon Ramsay's persona as exhibited on the television show Hell's Kitchen prior to the date hereof shall not constitute a failure by Gordon Ramsay to maintain the standards described in this Section 10.1.

10.2 Privileged License. As a holder of privileged gaming licenses, Licensor and its affiliates are required to adhere to strict laws and regulations regarding vendor and other business relationships. If at any time Licensor determines, in its sole discretion, that its association with Licensee could violate any statutes and/or regulations regarding prohibited relationships with gaming companies, or if Licensor determines in its sole discretion, that it would be in its best interest to terminate its relationship with Licensee in order to protect any pending licensing applications or any of its privileged gaming licenses, Licensor may immediately terminate this Agreement. Licensee agrees to cooperate with Licensor, if requested, to undergo a background investigation to comply with Licensor's compliance policies and to continue to cooperate with Licensor throughout the term of this Agreement to establish and maintain Licensee suitability. If Licensee is or becomes required to be licensed by any federal, state, and/or local gaming regulatory agency, Licensee shall secure said licensing at its sole cost and expense, or if it fails to become so licensed, or, once licensed, fails to maintain such license, Licensor may immediately terminate this Agreement. Notwithstanding any other terms of this Agreement, in the event of termination of this Agreement pursuant to this Section, Licensor shall have no further liability to Licensee, except for any then-outstanding obligations and obligations that expressly survive the early termination or expiration of this Agreement, unless otherwise prohibited by a gaming regulatory agency. Licensee agrees to notify Licensor of any change of control in its ownership which is defined as any change of ownership on twenty percent (20%) or more of its common stock, or any change of ownership of any of its three largest holders holding five percent (5%) or more of the outstanding common stock. Licensee agrees to comply with, all federal, state, local, provincial or other laws or regulations applicable to countries outside of the United States, including but not limited to laws and regulations governing anti-corruption, anti-bribery, foreign corrupt practices, and anti-money laundering laws and regulations applicable to its business. Failure to do so could result in termination of this Agreement pursuant to this Section.

11. CONDEMNATION; CASUALTY; FORCE MAJEURE.

11.1 Condemnation. In the event that during the Term the whole of the Restaurant shall be taken under power of eminent domain by any governmental authority or conveyed by CAC to any governmental authority in lieu of such taking, then this Agreement shall terminate as of the date of such

taking. In the event that during the Term a substantial portion of the Restaurant (thirty percent (30%) or more) shall be taken under power of eminent domain by any governmental authority or conveyed by CAC to any governmental authority in lieu of such taking (as determined by CAC in its sole and absolute discretion), CAC may, in the exercise of its sole discretion, terminate this Agreement upon written notice give not more than thirty (30) calendar days after the date of such taking. All compensation awarded by any such governmental authority shall be the sole property of CAC and neither Gordon Ramsay nor GRH shall have any right, title or interest in and to same except that Gordon Ramsay and GRH may pursue their own separate claim provided, that any such claim will not reduce the award granted to CAC.

11.2 Casualty.

(a) Permanent and Substantial Damage. If the Hotel or the Restaurant experiences any Permanent Damage or any Substantial Damage, in each case CAC shall have the right to terminate this Agreement upon written notice having immediate effect delivered to GRH within one hundred twenty (120) days after the occurrence of the Permanent Damage or Substantial Damage, as the case may be. All insurance proceeds recovered in connection with any damage or casualty to CAC or Restaurant shall be the sole property of CAC and neither Gordon Ramsay nor GRH shall have any right, title or interest in and to same.

(b) Obligation in Connection With a Casualty. If (i) CAC does not terminate this Agreement the event of a Substantial Damage to CAC or Restaurant within the time periods provided in Section 11.2(a), (ii) restoration and repair of the damage is permitted under applicable Law and the terms of any agreement to which CAC or any of its Affiliates is a party and (iii) CAC has received net insurance proceeds sufficient to complete restoration and repair, CAC shall use commercially reasonable restore and repair CAC or the Restaurant, as applicable, to its condition and character immediately prior to the damage. If all such restoration and repair is not completed within one hundred eighty (180) days following the occurrence of the damage, GRH shall have the right to terminate this Agreement upon written notice having immediate effect delivered to CAC within one hundred twenty (120) days after one hundred eighty (180) days following the date of the damage and CAC shall have no liability related to the failure of such completion to have occurred.

11.3 Excusable Delay. In the event that during the Term any party shall be delayed in or prevented from the performance of any of such party's respective agreements, covenants or obligations hereunder by reason of strikes, lockouts, unavailability of materials, failure of power, fire, earthquake or other acts of God, restrictive applicable laws, riots, insurrections, the act, failure to act or default of the other party, war, terrorist acts or other reasons wholly beyond its control and not reasonably foreseeable (each, an "Excusable Delay"), then the performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, lack of funds shall not be deemed an Excusable Delay. Any claim for an extension of time due to an Excusable Delay must be made in writing and received by the other parties not more than fifteen (15) calendar days after the commencement of such delay, otherwise, such party's rights under this Section 11.3 shall be deemed waived.

11.4 No Extension of Term. Nothing in this Article 11 shall extend the Term and no other payments shall accrue during any period during which the Restaurant is closed by reason of such condemnation, casualty or Excusable Delay.

12. ARBITRATION.

12.1 Dispute Resolution. Except for a breach by CAC of Article 5 or Section 13.17 or by Gordon Ramsay or GRH of Section 1.2, 1.3, or 13.17(a) or Article 5, as applicable, in the event of any other dispute, controversy or claim arising out of or relating to this Agreement between the parties to this Agreement ("Dispute"), any party may serve written notice (a "Dispute Notice") upon the other parties setting forth the nature of the Dispute and the relief sought, and the parties shall attempt to resolve the Dispute by negotiation. If the Dispute has not been resolved within thirty (30) days of receipt of a Dispute Notice, any party may serve on the other parties a request to resolve the Dispute by arbitration. All

Disputes not resolved by the foregoing negotiation shall be finally settled by binding arbitration. Such arbitration shall be held in Atlantic City, New Jersey in accordance with the Commercial Rules of Arbitration of the American Arbitration Association ("AAA"), in effect on the date of the Dispute Notice (the "Rules") by one or more arbitrators appointed in accordance with Section 12.2 hereof.

12.2 Arbitrator(s). If the claim in the Dispute Notice does not exceed Two Hundred Thousand and 00/100 Dollars (\$200,000.00), there shall be a single arbitrator nominated by mutual agreement of Gordon Ramsay and/or GRH (as the case may be) and CAC and appointed according to the Rules. If the claim in the Dispute Notice exceeds Two Hundred Thousand and 00/100 Dollars (\$200,000.00), the arbitration panel shall consist of three (3) members unless Gordon Ramsay and/or GRH (as the case may be) and CAC agree to use a single arbitrator. One of the arbitrators shall be nominated by CAC, one of the arbitrators shall be nominated by Gordon Ramsay and/or GRH (as the case may be) and the third, who shall serve as chairman, shall be nominated by the two (2) party-arbitrators within thirty (30) days of the confirmation of the nomination of the second arbitrator. If either Gordon Ramsay and/or GRH, on the one hand, or CAC, on the other hand, fails to timely nominate an arbitrator in accordance with the Rules, or if the two (2) arbitrators nominated by Gordon Ramsay and/or GRH and CAC fail to timely agree upon a third arbitrator, then such arbitrator will be selected by the AAA Court of Arbitration in accordance with the Rules. The arbitral award shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction over any of the parties or any of their assets.

13. MISCELLANEOUS.

13.1 No Partnership or Joint Venture. Nothing expressed or implied by the terms of this Agreement shall make or constitute any party hereto the agent, partner or joint venturer of and with any other party. Accordingly, the parties acknowledge and agree that all payments made to GRH under this Agreement shall be for services rendered as an independent contractor and, unless otherwise required by law, CAC shall report as such on IRS Form 1099, and all parties shall report this for financial and tax purposes in a manner consistent with the foregoing.

13.2 Successors, Assigns and Delagees. Except as otherwise set forth in this Agreement, no party may assign this agreement or any right, benefit or obligation hereunder, or delegate any obligation hereunder, without the prior written of the other parties (which consent may not be unreasonably withheld or delayed); provided, however, that CAC may assign or delegate all or any portion of this Agreement to an Affiliate of CAC and may assign this Agreement in whole as contemplated by Section 13.4; provided further, that (a) GRH may assign this Agreement in its entirety to Gordon Ramsay or other GR or GRH Associate so long as, at or prior to such assignment, Gordon Ramsay or the GR Associates or the GRH Associates as applicable becomes the exclusive owner of the GR Marks and/or possesses and at all times during the Term will possess the necessary right to license the GR Marks to CAC pursuant to this Agreement, free and clear of any restrictions except those imposed by this Agreement, and (b) Gordon Ramsay may assign his interest in this Agreement in its entirety to a Person that is controlled by Gordon Ramsay (subject to: (i) Gordon Ramsay having first provided to CAC written disclosure regarding such Person; and (ii) the CAC compliance committee having issued its necessary approvals, which shall not to be unreasonably withheld, conditioned or delayed), provided, that in the event of any change of control of such Person, the interest in this Agreement assigned by Gordon Ramsay shall be deemed to be automatically assigned back to Gordon Ramsay and CAC shall have the right to terminate this Agreement pursuant to Section 3.2(f)i) (it being understood that any such change of control shall be deemed a material breach of this Agreement). Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns and delagees.

13.3 Waiver of Rights. Failure to insist on compliance with any of the agreements, obligations and covenants hereof shall not be deemed a waiver of such agreements, obligations and covenants, nor shall any waiver or relinquishment of any right or power hereunder at anyone or more time or times be deemed a waiver or relinquishment of such rights or powers at any other time or times. The exercise of any right or remedy shall not impair CAC's, Gordon Ramsay's or GRH's right to any other remedy.

13.4 Divestiture or Transfer of Management Rights of CAC. Notwithstanding Section 13.1,

CAC may assign this Agreement to any purchaser or other acquirer of CAC or to any entity to which CAC assigns management or operational responsibility of CAC. Notwithstanding the foregoing, Section 1.2 shall terminate upon consummation of such divestiture or assignment unless otherwise agreed by the acquirer or assignee.

13.5 Notices. Any notice or other communication required or permitted to be given by a party hereunder shall be in writing, and shall be deemed to have been given by such party to the other party or parties (a) on the date of personal delivery, (b) on the next business day following any facsimile transmission to a party at its facsimile number set forth below (if confirmation of transmission is received), (c) three (3) calendar days after being given to an international delivery company, (d) five (5) calendar days after being placed in the mail, as applicable, registered or certified, postage prepaid addressed to the following addresses, or (e) on the next business day if sent by first class overnight, nationally known delivery or courier service, prepaid in a sealed envelope or package addressed to the following addresses (each of the parties shall be entitled to specify a different address by giving notice as aforesaid):

If to CAC:

Boardwalk Regency Corporation
d/b/a Caesars Atlantic City
2100 Pacific Avenue
Atlantic City, New Jersey 08401

With a copy (which shall not constitute notice) to:

Caesars Entertainment Corporation
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attention: General Counsel

If to Gordon Ramsay:

Gordon Ramsay
c/o Gordon Ramsay Holdings Limited
539-547 Wandsworth Road, London SW8 3JD, United Kingdom

With a copy (which shall not constitute notice) to:

Michael Thomas
Sheridans Solicitors
Seventy Six Wardour Street
London W1F 0UR
United Kingdom

If to GRH:

Gordon Ramsay Holdings Limited
539-547 Wandsworth Road
London SW8 3JD
United Kingdom
Attention: Managing Director

Gordon Ramsay Holdings Limited
539-547 Wandsworth Road
London SW8 3JD

United Kingdom
Attention: Stuart Gillies

With a copy (which shall not constitute notice) to:

Michael Thomas
Sheridans Solicitors
Seventy Six Wardour Street
London W1F 0UR
United Kingdom

13.6 Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written.

13.7 Severability. If any part of this Agreement is determined to be void, invalid or unenforceable, such void, invalid, or unenforceable portion shall be deemed to be separate and severable from the other portions of this Agreement, and the other portions shall be given full force and effect, as though the void, invalid or unenforceable portions or provisions were never a part of this Agreement.

13.8 Amendment and Modification. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

13.9 Headings. Article or Section headings are not to be considered part of this Agreement and are included solely for convenience and reference and shall not be held to define, construe, govern or limit the meaning of any term or provision of this Agreement. References in this Agreement to an Article or Section shall be reference to an Article or Section of this Agreement unless otherwise stated or the context otherwise requires.

13.10 Governing Law; Submission to Jurisdiction; Specific Performance.

(a) The laws of the State of New Jersey applicable to agreements made in that State shall govern the validity, construction, performance and effect of this Agreement.

(b) Notwithstanding any other provision of this Agreement, the parties acknowledge and agree that monetary damages would be inadequate in the case of any breach by CAC of Article 5 or Section 13.17 or Gordon Ramsay or GRH, as applicable, of the covenants contained in Section 1.2, 1.3, or 13.18 or Article 5 of this Agreement. Accordingly, each party shall be entitled, without limiting its other remedies and without the necessity of proving actual damages or posting any bond, to equitable relief, including the remedy of specific performance or injunction, with respect to any breach or threatened breach of such covenants and each party (on behalf of itself and its Affiliates) consents to the entry thereof in any affected jurisdiction. In the event that any proceeding is brought in equity to enforce the provisions of this Agreement, no party hereto shall allege, and each party hereto hereby waives the defense or counterclaim that there is an adequate remedy at law.

(c) Subject to the provisions of Sections 12.1 and (a), Gordon Ramsay, GRH and CAC each agree to submit to the exclusive jurisdiction of any state or federal court within the Atlantic County, New Jersey (the "New Jersey Courts") for any court action or proceeding to compel or in support of arbitration or for provisional remedies in aid of arbitration, including any action to enforce the provisions of Article 12 (each an "Arbitration Support Action") or for any action or proceeding contemplated by Section 13.10(b). Each of the parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding in a New Jersey Court arising out of this Agreement including, but not limited to, an Arbitration Support Action or action or proceeding contemplated by

Section 13.10(b) and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

13.11 Interpretation. This Agreement is to be deemed to have been prepared jointly by the parties hereto, and if any inconsistency or ambiguity exists herein, it shall not be interpreted against any party but according to the application of rules of the interpretation of contracts. Each party has had the availability of legal counsel with respect to its execution of this Agreement. The use of the terms "includes" or "including" shall in all cases herein mean "includes, without limitation" and "including, without limitation", respectively. All obligations and duties of Gordon Ramsay and/or GRH to provide recommendations or advice to CAC shall require Gordon Ramsay and GRH to coordinate and provide only one communication with respect to such advice. The use of the terms "Gordon Ramsay and/or GRH" or words of similar import shall in all cases herein mean "Gordon Ramsay shall, or GRH shall cause one or more members of his team to," and the requirement of CAC to obtain any consent or approval from GRH and/or Gordon Ramsay shall be satisfied upon the consent or approval of any team member of GRH designated by GRH in writing and CAC shall be entitled to rely on all communications from any such team member.

13.12 Third Persons. Except as provided in Section 13.15 and 13.16, nothing in this Agreement, expressed or implied, is intended to confer upon any Person other than the parties hereto any rights or remedies under or by reason of this Agreement.

13.13 Attorneys' Fees. The prevailing party in any dispute that arises out of or relates to the making or enforcement of the terms of this Agreement shall be entitled to receive an award of its expenses incurred in pursuit or defense of said claim, including, without limitation, attorneys' fees and costs, incurred in such action.

13.14 Counterparts. This Agreement may be executed in counterparts, each one of which so executed shall be deemed an original, and all of which shall together constitute one and the same agreement.

13.15 Indemnification Against Third Party Claims.

(a) By CAC. CAC covenants and agrees to defend, indemnify and save and hold harmless Gordon Ramsay, GRH and their respective Affiliates and their and their respective Affiliates' existing and former stockholders, directors, officers, agents and employees from and against all claims, losses, expenses, obligations, liabilities, liens, demands, charges, litigation and judgments, including court costs and reasonable attorneys' fees, incurred or suffered by them arising directly or indirectly from any claim, action, suit, demand, assessment, investigation, arbitration or other proceeding by or in respect of any third Person (a "Third-Party Claim") arising out of CAC's breach, performance or non-performance of its obligations under or in connection with this Agreement. CAC further agrees to indemnify and save and hold Gordon Ramsay, GRH and their respective Affiliates and their and their respective Affiliates' stockholders, directors, officers, agents and employees harmless from and against any and all claims, actions, damages, losses, liabilities, and expenses (including legal fees) arising out of or relating to any actions initiated by Rowen Seibel (or any affiliated entities or persons) relating to Gordon Ramsay's and/or GRH's entry into or performance under this Agreement.

(b) By Gordon Ramsay and GRH. Each of Gordon Ramsay (as to his breach, performance or non-performance only) and GRH (as to its breach, performance or non-performance only) covenants and agrees, severally to defend, indemnify and save and hold harmless CAC and its Affiliates and CAC's and CAC's Affiliates' respective existing and former stockholders, directors, officers, agents and employees from and against all claims, losses, expenses, obligations, liabilities, liens, demands, charges, litigation and judgments, including court costs and reasonable attorneys' fees, incurred or suffered by them arising directly or indirectly from any Third-Party Claim arising out of Gordon Ramsay's and/or GRH's breach, performance or non-performance of its obligations under or in connection with this Agreement.

(c) Procedures. In connection with any Third Party Claim for which a Person (any of such Persons, an "Indemnified Person") is entitled to indemnification under this Section 13.15, the Indemnified Person asserting a claim for indemnification under this Section 13.15 shall notify the party from which indemnification is being sought (the "Indemnifying Person") of such Third Party Claim promptly after the Indemnified Party becomes aware of such Third Party Claim, but the failure to give such prompt notice shall not relieve the Indemnifying Party of its indemnification obligations hereunder except to the extent the delay in giving such notice shall actually prejudice the Indemnifying Party, and the Indemnifying Person shall, at its sole cost and expense, defend such Third Party Claim or cause the same to be defended by counsel designated by the Indemnifying Person and reasonably acceptable to the Indemnified Person. Notwithstanding the foregoing, the Indemnified Person, at the Indemnifying Person's expense, if the Indemnifying Person does not undertake and duly pursue the defense of such Third Party Claim in a timely manner or, in the case of CAC, if the Third Party Claim is asserted by any governmental authority, may defend such action, suit or proceeding or cause the same to be defended by counsel designated by the Indemnified Person. Neither the Indemnified Person nor the Indemnifying Person shall settle or compromise any Third Party Claim that is the subject of a claim for indemnification under this Section 13.15 without the prior written consent of the other, which consent shall not be unreasonably withheld, conditioned or delayed.

13.16 Withholding and Tax Indemnification.

(a) If CAC is required to deduct and withhold from any payments or other consideration payable or otherwise deliverable pursuant to this Agreement to Gordon Ramsay or GRH any amounts under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of United States federal, state, local or foreign law, statute, regulation, treaty, administrative ruling, pronouncement or other authority or judicial opinion, CAC agrees that, prior to said deduction and withholding, it shall provide Gordon Ramsay and GRH with notice of same. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid. In the event of any withholding CAC will supply GRH with all documents in its possession or a certificate of withholding if applicable and will use commercially reasonable efforts to assist GRH to recover such withholding or obtain a credit for such withholding if applicable. If requested by CAC, GRH shall promptly deliver, or cause to be promptly delivered, to CAC all the appropriate Internal Revenue Service forms necessary for CAC, in its sole and absolute discretion deems necessary to make a determination as to its responsibility to make any such U.S. federal withholding with respect to any payment payable pursuant to this Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, GRH shall be responsible for and shall indemnify and hold harmless CAC and its Affiliates against (i) all Taxes (including, without limitation, any interest and penalties imposed thereon) payable by or assessed against CAC or any of its Affiliates with respect to all amounts payable by CAC to GRH pursuant to this Agreement and (ii) any and all claims, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) suffered or paid by CAC or any of its Affiliates as a result of or in connection with such Taxes. CAC shall have the right to reduce any payment payable by CAC to GRH pursuant to this Agreement in order to satisfy any indemnity claim pursuant to this Section. For purposes of this Section, the term "Tax" or "Taxes" means all taxes, assessments, charges, duties, fees, levies or other governmental charges, including all federal, state, local and foreign income, franchise, profits, capital gains, capital stock, transfer, sales, use, value added, occupation, property, excise, severance, windfall profits, stamps, license, payroll, social security, withholding and other taxes, or other governmental assessments, duties, fees, levies or charges of any kind whatsoever, all estimated taxes, deficiency assessments, additions to tax, penalties and interest.

13.17 Confidentiality.

(a) Each party agrees that it shall not use, nor shall it induce or permit others to use, any of the Confidential Information of another party for any purpose other than to further the purpose of this Agreement consistent with the terms hereof or as otherwise contemplated hereby. Each party further

agrees that it shall not reveal, nor shall it permit or induce others to reveal, any of the Confidential Information of another party to any other Person: (i) except to the Representatives of the receiving party to the extent such Persons require knowledge of the same in connection with the transactions contemplated in this Agreement; (ii) except as required to comply with applicable laws, regulation or legal process (but only after compliance with Section 13.17(b)); and (iii) except as otherwise agreed by the party to which the Confidential Information belongs in writing. Each party receiving, or whose Representatives receive, Confidential Information of another party (a "Recipient") shall inform its Representatives of the proprietary nature of such Confidential Information and shall be responsible for any further disclosure of such Confidential Information by any such Representative unless the Recipient would have been permitted to make such disclosure hereunder. Each Recipient, upon written request following termination of this Agreement, shall destroy any Confidential Information of another party in its or any of its Representative's possession (and certify to the destruction thereof).

(b) In the event that a Recipient or any of its Representatives is requested or required by applicable law, regulation or legal process to disclose any of the Confidential Information of another party, the Recipient will notify the other party promptly in writing so that the other party may seek a protective order or other appropriate remedy, or, in the other party's sole discretion, waive compliance with the terms of this Agreement. The Recipient agrees not to, and agrees to cause its Representatives not to, oppose any action by the other party to obtain a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, or that the other party waives compliance with the terms of this agreement, the Recipient and its respective Representatives will furnish only that portion of the Confidential Information of the other party which the Recipient is advised by its counsel is legally required to be disclosed at that time and the Recipient will exercise its reasonable best efforts to obtain confidential treatment, to the extent available, for such Confidential Information so disclosed.

13.18 Subordination. For the avoidance of doubt, this Agreement does not create in favor of Gordon Ramsay or GRH any interest in real or personal property or any lien or encumbrance on CAC or any ground or similar lease affecting all or any portion of CAC (as the same may be renewed, modified, consolidated, replaced or extended, a "Ground Lease"). Each of Gordon Ramsay and GRH acknowledges and agrees that CAC may from time to time assign or encumber all or any part of its interest in CAC or any Ground Lease by way of any one or more mortgages, deeds of trust, security agreements or similar instruments (as the same may be renewed, modified, consolidated, replaced or extended, "Mortgages"), assign or encumber all or any part of its interest in this Agreement as security to any holder of a Mortgage or a landlord under a Ground Lease or enter into a Ground Lease. The rights of Gordon Ramsay and GRH hereunder whether with respect to CAC and the revenue thereof or otherwise shall be inferior and subordinate to the rights and remedies of the holder of any Mortgage and the landlord under any Ground Lease. For the avoidance of doubt, neither Gordon Ramsay nor GRH shall have any right to encumber or subject CAC or the Restaurant, or any interest of CAC therein, to any lien, charge or security interest, including any mechanic's or materialman's lien, charge or encumbrance of any kind. GRH, at its sole cost and expense, shall promptly cause any and all such liens, charges or security interests to be released by payment, bonding or otherwise (as acceptable to CAC in its sole discretion) within ten (10) days after GRH first has notice thereof. If GRH fails to timely take such action, CAC may pay the claim relating to such lien, charge or security interest and any amounts so paid by CAC shall be reimbursed by GRH upon demand.

13.19 Comps and Reward Points. Gordon Ramsay shall be entitled to reasonable comp privileges to be reasonably agreed to by the parties. CAC shall cause the Restaurant to participate in CAC's reward points system and the Restaurant shall be entitled to receive the point redemption thresholds in place as of the date of this Agreement for other first class, gourmet restaurants in CAC. For purposes of this Agreement, one reward point shall entitle the holder thereof to \$1.00 of food or beverage in the Restaurant.

13.20 Effectiveness. This Agreement shall be effective and binding upon the Parties upon entry of the Authorization Order by the Bankruptcy Court (the "Effective Date").

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written hereinabove.

Boardwalk Regency Corporation
d/b/a Caesars Atlantic City

By:

Name:

Its:

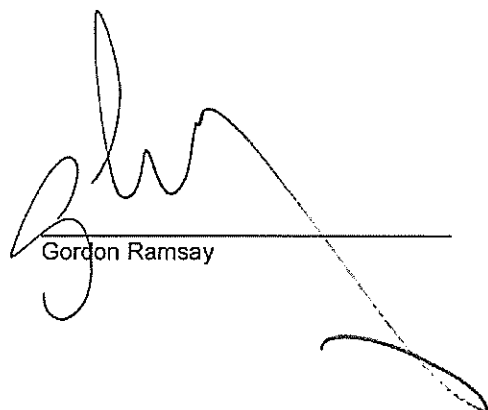
Date:


Tom Jenkins
Authorized Representative
1/12/2016

GORDON RAMSAY HOLDINGS LIMITED



By: _____
Name: Stuart Gillies
Its: Director
Date: _____



Gordon Ramsay

EXHIBIT A

DEFINITIONS

"Affiliate" means, with respect to a specified Person, any other Person who or which is directly or indirectly controlling, controlled by or under common control with the specified Person, or any member, stockholder, director, officer, manager or comparable principal of, or Relative of, the specified Person or such other Person or any Relative of such Person. For purposes of this definition, (i) "control", "controlling", "controlled" mean the right to exercise, directly or indirectly, at least ten percent (10%) of the voting power of the stockholders, members or owners of any entity and, with respect to any individual, partnership or trust, the possession, directly or indirectly, of the power to direct or cause the direction of the management of the controlled Person, and (ii) with respect to Licensee, the term "Affiliate" shall only include Caesars Entertainment Corporation, a Delaware corporation ("CEC") Caesars Acquisition Company, a Delaware corporation ("Caesars Acquisition"), and their respective direct and indirect controlled subsidiaries and shall not include any shareholder or director of CEC, Caesars Acquisition or any Affiliate of such shareholder or director (other than CEC, Caesars Acquisition and their respective direct and indirect controlled subsidiaries).

"Arbitration Support Action" has the meaning set forth in Section 13.10(c).

"Available Restaurant Proceeds" means, for any period, the amount, if any, by which Total Restaurant Sales for such period exceeds the Operating Expenses for such period.

"Base License Fee" has the meaning set forth in Section 7.1(a).

"Baseline Amount" means, the Restaurant Sales for Mia, the restaurant that occupied the Premises prior to the Restaurant, during the trailing twelve (12) month period beginning March 1, 2013 and ending February 28, 2014. A copy of the profit and loss statement for Mia for such twelve (12) month period is attached as Exhibit D hereto. For the avoidance of doubt, the Baseline Amount shall exclude the Comp Sales of Mia.

"CAC Marks and Materials" has the meaning set forth in Section 5.2(b).

"CAC's Parent" means Caesars Entertainment Corporation, a corporation organized under the laws of the State of Delaware, and its successors and assigns.

"Capital Expenditures" has the meaning set forth in Section 7.1(b).

"Capital Reserve" has the meaning set forth in Section 7.1(b).

"Capital Reserve Account" has the meaning set forth in Section 7.1(b).

"Competing Concepts" has the meaning set forth in Section 1.2(a).

"Comp Sales" means the menu price of all food, beverages and merchandise offered at or from the Restaurant on a complimentary basis by CAC to its customers. For the avoidance of doubt, the term customer does not include employees of CAC or its Affiliates.

"Confidential Information" means, as to a party, information about that party and its Affiliates, including information such as business plans, strategies, costing information, prospects and locations, that (i) is furnished by or on behalf of the party to a Recipient or its Representatives, or (ii) otherwise becomes known to a Recipient or its Representatives as a result of the transactions contemplated hereby; provided, that, "Confidential Information" shall not include any information which the Recipient can clearly show (a) is or has become openly known to the public through no fault of the Recipient or its Representatives, (b) was lawfully obtained by the Recipient from a source other than the disclosing party or its

Representatives, who the Recipient reasonably believes (after due inquiry) is not subject to any obligation of confidentiality or restriction on use or disclosure to the disclosing party or its Affiliates or any other Person or (c) was developed independently by the Recipient or its Affiliates.

"Dispute" has the meaning set forth in Section 12.1.

"Dispute Notice" has the meaning set forth in Section 12.1.

"Effective Date" means the later of the date of this Agreement and the date on which CAC determines, in its sole discretion, that none of the GR Associates is an Unsuitable Person.

"Exchange Act" has the meaning set forth the definition of GR Change of Control.

"Exclusivity Provisions" has the meaning set forth in Section 1.2(a).

"Excusable Delay" has the meaning set forth in Section 11.3.

"Fiscal Year" means (a) for the first Fiscal Year the period commencing on the Effective Date and ending on December 31 of the calendar year in which the Effective Date occurs and (b) each subsequent period of twelve months commencing on January 1 and ending on December 31 of any calendar year (or, if earlier, ending on the date of termination of this Agreement).

"General GR Materials" means the concept, system, designs, menus, uniforms and recipes designed for use in connection with the Restaurant that are (a) created by or for Gordon Ramsay or GRH or containing trade secrets of Gordon Ramsay or GRH as of the Effective Date and (b) as are provided from time to time by Gordon Ramsay or GRH to CAC for the purposes of this Agreement.

"Gordon Ramsay Pub & Grill" has the meaning set forth in Recital C.

"GR Associates" means Gordon Ramsay, GRH, their respective Affiliates and their respective directors, officers, and employees.

"GR Marks" means the trademark "Gordon Ramsay Pub & Grill" or, upon mutual agreement of the Parties, the trademark "London House", the name, likeness, voice, image and sobriquet of Gordon Ramsay.

"Ground Lease" has the meaning set forth in Section 13.18.

"GR Restaurant Visits" has the meaning set forth in Section 6.1.

"GR US Entities" has the meaning set forth in Section 9.2(g).

"Incentive License Fee" has the meaning set forth in Section 7.1(d).

"Initial Term" has the meaning set forth in Section 3.1.

"License" has the meaning set forth in Section 5.3.

"Menu Development Services" has the meaning set forth in has the meaning set forth in Section 2.2(a).

"Mortgages" has the meaning set forth in Section 13.18.

"New Jersey Courts" has the meaning set forth in Section 13.10(c).

"Operating Expenses" means, for any period, (a) the actual expenses incurred during such period in

operating the Restaurant in those categories listed on the Profit and Loss Statement for the Restaurant (utilizing the same categories utilized on the profit and loss statement for Mia), in each case computed on an accrual basis in accordance with generally accepted accounting principles consistently applied by CAC, plus (b) the actual expenses incurred by CAC during such period for operation of the Restaurant for variable expenses not reflected on such Profit and Loss Statement (including outside hood cleaning, EVS, utilities, accounting, warehouse, receiving and maintenance services) up to \$9,200 per annum, which such limit shall increase by two percent (2%) per annum. All credits and rebates received by CAC or its Affiliates from sponsors and/or vendors in connection with product or services used at the venue (collectively, "Credits") shall be a credit against (i.e. reduce) Operating Expenses.

"Permanent Damage" means any damage by fire or other casualty to the Hotel or the Restaurant (a) where the net insurance proceeds are not sufficient to restore and repair the damaged portion of the Hotel or the Restaurant substantially to its condition and character just prior to the occurrence of such casualty or (b) where it is not reasonably practicable to restore and repair the Hotel or the Restaurant due to restrictions under applicable Law or for other reasons beyond CAC's reasonable control within three hundred sixty five (365) days from the damage, in each case as reasonably determined by CAC.

"Person" means any individual, corporation, proprietorship, firm, partnership, limited partnership, limited liability company, trust, association or other entity, including any governmental authority.

"Recipient" has the meaning set forth in Section 13.17(a).

"Relative" means, with respect to any Person, such Person's mother, father, spouse, brother, sister and children.

"Representatives" means, with respect to any Person, such Person's employees, agents, independent contractors, representatives and Affiliates.

"Restaurant" has the meaning set forth in the Recitals of this Agreement.

"Restaurant Development Services" has the meaning set forth in Section 3.2.1.

"Restaurant Sales" means all cash receipts or revenues of the Restaurant from all sources of any kind (subject to the limitations set forth in this Agreement), including the sale of food and beverage, door charges, room rental fees and sale of merchandise computed on an accrual basis in accordance with generally accepted accounting principles consistently applied by CAC, excluding only (i) federal, state and local excise, sales, use or rent taxes collected from customers from receipts which are included in Restaurant Sales, (ii) gratuities paid to the employees of the Restaurant (or paid to CAC and paid by CAC to such employees) by patrons with respect to functions which generate Restaurant Sales, (iii) Comp Sales, (iv) amounts collected by CAC from patrons for the account of, and for direct payment to, unrelated third parties providing services specifically for a patron's function which generate Restaurant Sales, such as flowers, music and entertainment, (v) proceeds paid as a result of an insurable loss (unless paid for the loss or interruption of business and representing payment for damage for loss of income and profits of those Restaurant operations which are intended to generate Restaurant Sales), (vi) proceeds of condemnation and eminent domain awards, litigation awards and settlement payments, (vii) any proceeds or other economic benefits of any borrowings or financings of CAC, (viii) any proceeds or other economic benefit from any sale, exchange or other disposition of all or any part of the CAC or Restaurant, including any furniture, furnishings, decorations, and equipment, or any other similar items, (ix) funds provided by CAC, (x) payments made under any warranty or guaranty and (xi) any other receipts or payments that are not standard or typical in the ordinary course of operating a restaurant or that are excluded by CAC in a manner consistent with the determination of gross revenues of operations of CAC and its Affiliates similar to the Restaurant. Restaurant Sales shall be reduced by the amount of credit card fees and over-rings, refunds and credits given, paid or returned by CAC in the course of obtaining Restaurant Sales. In addition to receipts from transactions occurring at the Restaurant, Restaurant Sales shall include, without limitation, all receipts for food, beverages or merchandise delivered from the Restaurant in satisfaction of orders therefor received away from the Restaurant and receipts for food, beverages or merchandise

delivered away from the Restaurant in satisfaction of orders received at the Restaurant and receipts for food, beverages or merchandise delivered away from the Restaurant in satisfaction of orders received away from the Restaurant but sold, transferred or solicited with reference to the Restaurant. Notwithstanding the foregoing, Restaurant Sales shall include the full menu price of all food, beverages and merchandise offered on a discounted basis by CAC to its customers and, unless the promotion and alternative pricing was made with the prior written consent of GRH, Restaurant Sales shall include the full menu price of all food, beverages and merchandise provided on a promotional or alternative pricing basis to its customers (except that employees of CAC or its Affiliates shall be entitled to a twenty percent (20%) discount off the full menu price and such twenty percent (20%) discount amount shall not be included in Restaurant Sales). GRH acknowledges and agrees that CAC's Total Rewards program pricing shall be included in Restaurant Sales at the Total Rewards price (not full retail menu price).

"Restaurant Venture" has the meaning set forth in Section 1.3(a).

"Retention Installment" has the meaning set forth in Section 7.1(c).

"Rules" has the meaning set forth in Section 12.1.

"Senior Management Employee(s)" has the meaning set forth in Section 4.2.

"Substantial Damage" means any damage, other than a Permanent Damage, by fire or other casualty to the Hotel or Restaurant (a) that results in more than twenty percent (20%) of the area of the Hotel or the Restaurant, as applicable, being rendered unusable, (b) where the estimated length of time required to restore Hotel or the Restaurant, as applicable, substantially to its condition and character just prior to the occurrence of such casualty shall be in excess of one hundred eighty (180) days or (c) if the estimated cost of restoration and repair of the damage exceeds twenty percent (20%) of the then current replacement cost of the Hotel or the Restaurant, as applicable, in each case as determined by CAC in its reasonable discretion.

"Team Visits" has the meaning set forth in Section 6.1.

"Term" has the meaning set forth Section 3.1.

"Third-Party Claim" has the meaning set forth in Section 13.15(a).

"Total Restaurant Sales" means, for any period, Restaurant Sales plus Comp Sales for that period.

"Training" has the meaning set forth in Section 4.1(b).

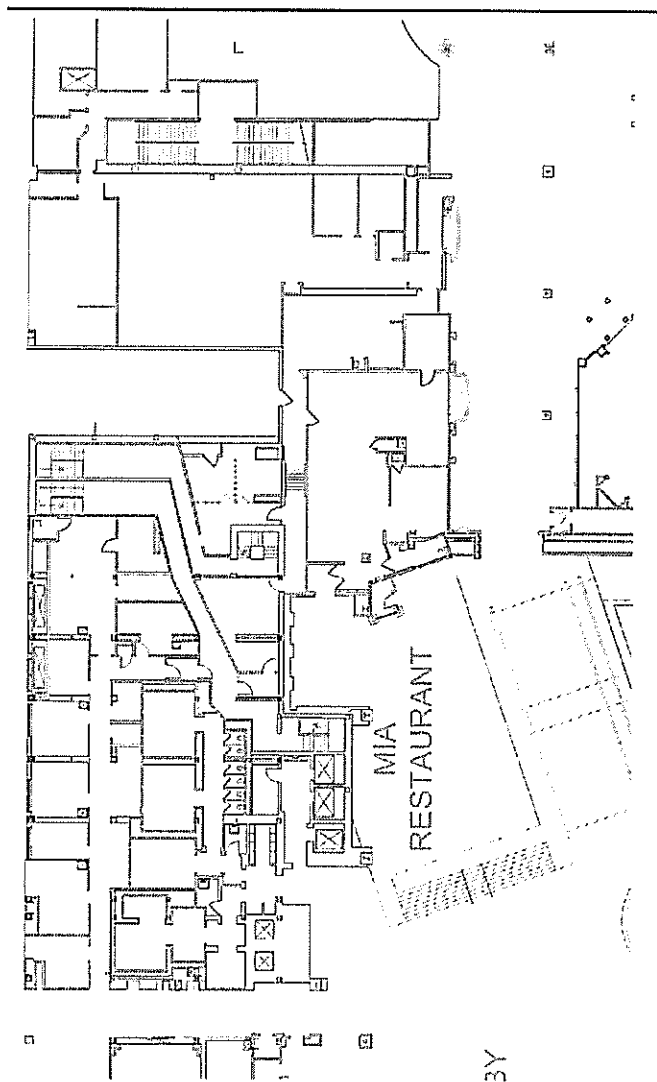
"Union Agreement" or "Union Agreements" has the meaning set forth in Section 4.3(a).

"Unsuitable Person" is any Person (a) whose association with CAC or its Affiliates could be anticipated to result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any registration, application or license or any other rights or entitlements held or required to be held by CAC or any of its Affiliates under any United States, state, local or foreign laws, rules or regulations relating to gaming or the sale of alcohol, (b) whose association or relationship with CAC or its Affiliates could be anticipated to violate any United States, state, local or foreign laws, rules or regulations relating to gaming or the sale of alcohol to which CAC or its Affiliates are subject, (c) who is or might be engaged or about to be engaged in any activity which could adversely impact the business or reputation of CAC or its Affiliates, or (d) who is required to be licensed, registered, qualified or found suitable under any United States, state, local or foreign laws, rules or regulations relating to gaming or the sale of alcohol under which CAC or any of its Affiliates is licensed, registered, qualified or found suitable, and such Person is not or does not remain so licensed, registered, qualified or found suitable.

"USCIS" has the meaning set forth in Section 4.6.

EXHIBIT B
RESTAURANT PREMISES

(SEE ATTACHED)



35

CAC - Gordon GR PUB 2016 License Agreement Final
Exhibit B

EXHIBIT C

GR MARKS

GORDON RAMSAY PUB & GRILL

Word Mark	GORDON RAMSAY PUB & GRILL
Goods and Services	IC 043. US 100 101. G & S: RESTAURANT AND BAR SERVICES. FIRST USE: 20121200. FIRST USE IN COMMERCE: 20121200
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	86030705
Filing Date	August 6, 2013
Current Basis	1A
Original Filing Basis	1A
Published for Opposition	November 12, 2013
Owner	(APPLICANT) Gordon Ramsay Holdings Limited LIMITED LIABILITY COMPANY UNITED KINGDOM 1 Catherine Place London UNITED KINGDOM SW1E6DX
Attorney of Record	Evan M. Kent
Prior Registrations	3480629;3664523;4311511;4360141
Disclaimer	NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "PUB & GRILL" APART FROM THE MARK AS SHOWN
Type of Mark	SERVICE MARK
Register	PRINCIPAL
Other Data	The name "GORDON RAMSAY" identifies a living individual whose consent is of record in Registration Nos. 4360141, 4311511, 3480629 and 3664523.
Live/Dead Indicator	LIVE
Type of Mark	TRADEMARK. SERVICE MARK
Register	PRINCIPAL
Other Data	The name "GORDON RAMSAY" identifies a living individual whose consent is of record.
Live/Dead Indicator	LIVE

EXHIBIT D
MIA PROFIT AND LOSS STATEMENT
(SEE ATTACHED)

Mia's AC TTM P&L	TTM
3200-000-FOOD REVENUE	685,481
3210-000-COMP FOOD REVENUE	646,367
3299-000-FOOD REVENUE ALLOWANCE	(6,561)
3300-000-BEVERAGE REVENUE	294,936
3310-000-COMP BEVERAGE REVENUE	187,391
3399-000-BEVERAGE REVENUE ALLOWANCE	(36)
Total Revenue	1,807,578
% Comp	46%
4200-000-FOOD COSTS	428,147
4300-000-BEVERAGE COSTS	151,826
Total COGS	579,972
5000-000-SALARIES	110,749
5100-000-WAGES	10,453
5100-002-WAGES-UNION	346,780
5100-024-TRAINING	367
5110-000-OT WAGES	197
5110-002-OT WAGES-UNION	5,016
5100-182-LABOR ALLOCATION IN	82,743
5100-183-LABOR ALLOCATION OUT	(8,354)
5200-000-VACATION/PTO	16,255
5300-000-LONG TERM DISABILITY	271
5300-001-SHORT TERM DISABILITY	55
5620-010-MAJOR MEDICAL	18,835
5620-020-DENTAL BENEFITS	809
5620-030-LIFE BENEFITS	113
5620-040-VISION BENEFITS	16
5630-000-SAVINGS & RETIREMENT (401k)	1,337
5500-000-FEDERAL FICA	44,497
5510-000-FEDERAL UNEMPLOYMENT TAX	717
5530-000-STATE UNEMPLOYMENT TAX	23,803
5210-005-UNION HOLIDAY PAY	4,587
5600-590-UNION BENEFITS	2,238
5620-015-MEDICAL INSURANCE-UNION	156,542
5650-020-PENSION FUND UNION	61,669
5700-010-BONUS PLAN	1,000
5700-050-QUARTERLY PERFORMANCE PAYOUT	3,947
5700-055-EMPLOYEE INCENTIVE PROGRAM	591
5450-000-LABOR ALLOCATION IN	64,083
5450-005-LABOR ALLOCATION OUT	(2,506)
Total Payroll	946,810

1 their papers. And those are often in plans. And
2 we'll look at that and look at that a little
3 differently.

4 So it kind of depends on where
5 they are going. If you have an administrative claim,
6 and you're being paid priority-wise above everybody
7 prior to confirmation, then that's a different issue.

8 And Lehman dealt with some of that.
9 And, I mean, that's the seminal case the whole
10 country looks at is Lehman which, you know, that's
11 the case what we cited, and those were the problems.

12 And I think there are questions
13 whether -- you know, does it matter if you're on the
14 committee or off the committee? I think our position
15 is it doesn't matter either way. But we definitely
16 have all of these parties are on the committee. And
17 beyond that, we have all the parties on the
18 committee, the UCC committee in particular, they are
19 all litigating.

20 I mean, they are all in major
21 litigation. This is not something new. We have
22 Hilton in litigation. We have the National Labor
23 Relations Board in litigation. We have each of the
24 indenture trustees in litigation.

25 I used the wrong term for --

1 THE COURT: I think it's NRF.

2 MS. DeLAURENT: It's the NRF. I'm
3 sorry.

4 THE COURT: I haven't seen the NLRB
5 yet. Maybe next week.

6 MS. DeLAURENT: It's the NRF. I have
7 a different case in my head. It's the NRF. And you
8 have litigation.

9 So almost every single member of the
10 UCC committee has an independent claim that they have
11 been pursuing in some way in this case.

12 MR. SILFEN: And I don't think you
13 want to get into arguments today, but I have two
14 comments that may be helpful.

15 1123 specifically provides that an
16 indenture can be canceled or modified, and it's
17 usually dealt with within the constructs of a plan.
18 Okay? The indentures all are continuing through this
19 case. There are obligations of the debtor. There's
20 obligations of the indenture trustee. One of those
21 obligations is for the debtor to pay. It's still an
22 obligation.

23 The charging lien, just so that we're
24 clear because that's a term of art that's often used,
25 it gives under the contract, the indenture, the

1 indenture trustee, the right to have its fees paid
2 out first priority of any distributions before the
3 holders get it. So if the debtor turns over a
4 dollar, and there's 50 cents in fees, the 50 cents in
5 fees can be paid as a priority. It's called the
6 charging lien.

7 Often what happens is it gets kind of
8 added up. Instead of being deducted, it would be an
9 add-on that's paid by the debtor or it's treated in
10 other ways. This has come to a head because the
11 debtor has chosen to pay one indenture trustee
12 earlier and have not discussed this with the other
13 indenture trustees. And there are other bases to pay
14 indenture trustees that have not been raised by the
15 debtors' motion, which is what the U.S. Trustee has
16 raised.

17 I was hoping these comments would be
18 helpful. As I listen to myself --

19 THE COURT: Oh, they are. You don't
20 think so? You have doubts about your own
21 helpfulness?

22 MR. SILFEN: I'll step aside.

23 THE COURT: No, no, that's helpful.

24 You know, when I hear about timing,
25 and it's not a question of just who gets paid but

1 when, then I sometimes wonder whether it's really
2 worth the fuss. But I'll leave that to you. I
3 don't decide what disputes get brought to me.

4 MS. DeLAURENT: Well, there is how,
5 how you get paid and under what statutory provision.

6 THE COURT: Right.

7 MS. DeLAURENT: Right?

8 THE COURT: Okay.

9 MS. DeLAURENT: I mean, it's just not
10 timing.

11 THE COURT: Well, all right. I raised
12 all of this just because I was trying to arrive at
13 the most efficient way to get it decided, and in
14 particular since you asked for an evidentiary
15 hearing. You know, it may not seem like it now, but
16 time is really short. And time is also at a premium,
17 especially trial time.

18 MR. GRAHAM: Understood, Your Honor.

19 THE COURT: So that's why, you know --
20 and I felt this way about the derivative standing
21 motion of the second lien committee too. You know, I
22 mean, things that get put off, we're going to end up
23 with a problem if we have to have evidentiary
24 hearings down the road.

25 So I'd rather just get it done and get

1 it done now. If you want to brief it and you've got
2 a schedule, that's great. If you don't have a
3 schedule now, you can propose one. We can do this a
4 bunch of different ways. You can arrive at a
5 schedule and just submit an order to me. I can put
6 this on a non-omnibus date and we can have another
7 nice chat.

8 MR. GRAHAM: Your Honor, we have been
9 planning on trying to work with the parties and come
10 back at the next omnibus hearing. If Your Honor
11 thinks that we should do something on an earlier
12 date, you know, I'm sure we can just -- there's,
13 obviously, several of us here, but I'm sure we can
14 all get together and decide how to proceed, and also
15 a briefing schedule, and get either a draft order to
16 follow or to be back here on a non-omnibus hearing
17 date.

18 THE COURT: I hate to wait a month.

19 MR. SILFEN: I think all of the
20 parties other than the U.S. Trustee was prepared to
21 put this on to the next omnibus hearing so we can
22 kind of sort through all these issues and not have to
23 bring it before you in this haphazard way. The U.S.
24 Trustee wanted at least to have a discussion. So I
25 think, unless you have an objection, we can put it on

1 to the next omnibus date and sort through this.

2 THE COURT: Well, I can do that.

3 My concern, again, is delay that results in
4 difficulty finding trial time. You know, life is
5 unpleasant enough as it is, and I'm reluctant to make
6 it -- it's going to get more unpleasant. But I
7 wouldn't like to make it even more unpleasant than
8 that, frankly.

9 MS. DeLAURENT: Why don't we go
10 off omnibus and have a status where we come before
11 you.

12 How about two weeks from now?

13 MR. ZAKIA: Your Honor, Jason Zakia,
14 White Case for the 10.75 trustee. We have,
15 obviously, have an interest in how this gets resolved
16 as well.

17 It seems like the parties have agreed
18 to negotiate a briefing schedule. Perhaps that can
19 be done and we can negotiate a briefing schedule and
20 submit it to the court, and then you can set a
21 backstop date in case that breaks down. But I would
22 at least be optimistic we might not need another
23 hearing before Your Honor to enter a briefing
24 schedule because I think that's something that
25 probably everyone can agree to. And I don't know

1 that we need to wait a month to have that entered.
2 We'd like to get the ball rolling if Your Honor is
3 concerned about timing.

4 THE COURT: I'd like to get the ball
5 rolling too, and I am concerned.

6 So, okay. So, in other words, you
7 would rather just treat this as draft order to
8 follow, negotiate a briefing schedule --

9 MR. GRAHAM: Yes.

10 THE COURT: -- submit it to me, and
11 I'll see what I think about it?

12 MR. GRAHAM: That would be the
13 debtors' preference.

14 THE COURT: That meet with everybody's
15 approval?

16 MS. DeLAURENT: That's fine, Your
17 Honor.

18 THE COURT: All right. That's what we
19 will do.

20 MR. GRAHAM: Thank you, Your Honor.

21 THE COURT: Okay. I think that's all.
22 Am I correct? I don't have Mr. Seligman here to
23 serve as master of ceremonies. I feel at sea.

24 MR. GRAHAM: Your Honor, I believe
25 that was the last item on today's agenda. So I think

1 other than continued matters, we are set. I don't
2 have any other housekeeping matters.

3 THE COURT: All right. If something
4 wonderful happens before next Tuesday, give us a
5 call. Otherwise, I'll see you Tuesday at 9:00.

6 (Which were all the proceedings had in
7 the above-entitled cause, August 17,
8 2016, 1:30 p.m.)

9 I, AMY B. DOOLIN, CSR, RPR, DO HEREBY CERTIFY
10 THAT THE FOREGOING IS A TRUE AND ACCURATE
11 TRANSCRIPT OF PROCEEDINGS HAD IN THE ABOVE-
12 ENTITLED CAUSE.
13
14
15
16
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19
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21
22
23
24
25

EXHIBIT J



90 MERRICK AVENUE, 9TH FLOOR
EAST MEADOW, NY 11554
PHONE: 516.296.7000 • FAX: 516.296.7111
www.certilmanbalin.com

BRIAN ZIEGLER
PARTNER
DIRECT DIAL 516.296.7046
bziegler@certilmanbalin.com

September 26, 2017

Via Federal Express

Desert Palace, Inc.
One Caesars Palace Drive
Las Vegas, NV 89109
Attention: General Counsel

Re: GR Steak Baltimore

Ladies and Gentlemen:

As you know, we are counsel to LLTQ Enterprises, LLC, LLTQ Enterprises 16, LLC, TPOV Enterprises, LLC, TPOV Enterprises 16, LLC and affiliates of the foregoing, among others.

We recently learned that you and/or your affiliate are pursuing a venture similar to the Gordon Ramsay Steak restaurant in Paris Las Vegas. (See the attached article as well as Mr. Ramsay's website.) I refer to such new venture being pursued as "GR Steak Baltimore".

As Section 13.22 of that certain Development and Operation Agreement originally between LLTQ Enterprises, LLC and Desert Palace, Inc., ("LLTQ Agreement") clearly provides that you are required to execute, or cause your affiliate to execute, a development and operation agreement on the same terms and conditions as the LLTQ Agreement subject only to revisions proposed by you or your affiliate as are necessary to reflect the difference in location of GR Steak Baltimore, including the Baseline Amount, permitted Operating Expenses and necessary Project Costs, we request and demand that you immediately provide us with a proposed development and operation agreement and an explanation of the changes you are proposing from the LLTQ Agreement. We would expect to receive the same by October 2, 2017. We do not endeavor to rehash the bankruptcy litigation or termination dispute related to the LLTQ Agreement herein, and simply point out that (a) even if the LLTQ Agreement is rejected pursuant to 11 U.S.C. § 365, such rejection does not obviate the contract or its terms; and (b) section 13.22 survives termination pursuant to the express terms of the LLTQ Agreement.

Our client anticipates executing such agreement, reimbursing you for its proportionate share of the Project Costs and thereafter timely receiving its share of the Net Profits as contemplated by the terms and conditions of the LLTQ Agreement.

6435982.5

CERTILMANBALIN

September 26, 2017
Page 2

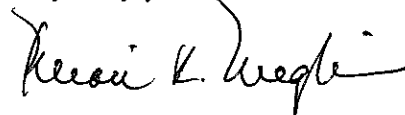
While we understand that you have previously alleged that our clients that are referenced in the opening paragraph of this letter all have associations with an "Unsuitable Person," we disagree. However, in order to move forward with respect to the GR Steak Baltimore development and operation agreement that is required to be executed, and carry out the clear intent of the parties, without waiving any rights, we would be willing to suggest yet another new affiliate entity to enter such agreement with you or your affiliate. And, if you disagree as to the suitability or unsuitability of the affiliate entity proposed, we would further suggest that the parties discuss, in good faith, any other adjustments to ensure that both parties are comfortable with the make-up of the affiliate entity so that the intention of the parties can be carried out with respect to all future Gordon Ramsay-branded restaurants that fall within the scope of Section 13.22 of the LLTQ Agreement.

Please confirm this procedure is acceptable and that you will be providing the proposed development and operation agreement for GR Steak Baltimore as requested.

Thank you.

All rights and remedies are reserved.

Very truly yours,



Brian K. Ziegler

cc: Caesars Entertainment Corporation
One Caesars Palace Drive
Las Vegas, NV 89109
Attention: General Counsel (Via Fedex)

Amy Sabo, Esq. (Via email)

6435982.5

Maximum steak: Gordon Ramsay brings restaurant to Baltimore casino



By **Kai Sedgwick** (<https://www.casinopedia.org/author/kai-sedgwick>) Contributor
Share this:

Published: July 12, 2017 11:54 EST

- World-famous chef, Gordon Ramsay is bringing his steak restaurant to Baltimore's Horseshoe Casino
- The sharp-tongued star's eatery will be replacing Jack Binion's steak restaurant

Superstar chef Gordon Ramsay is headed for Baltimore's Horseshoe Casino. When he gets there, the globally recognised chef won't be betting (<http://www.casinopedia.org/terms/b/betting>) though – he'll be cooking, or at least his team will.

423



Gordon Ramsay will be bringing his famous steak restaurant to Baltimore's Horseshoe Casino

The star of Hell's Kitchen, famed for his sharp tongue and withering put-downs, will be launching his second incarnation of Gordon Ramsay Steak. The first can be found in another casino (<http://www.casinopedia.org/terms//land-based-casinos>) haven, Paris Las Vegas Hotel & Casino.

'A big lover of Baltimore'

From the perspective of Baltimore diners, it's a case of out with the old, in with the new, as Jack Binion's Steak moves out of Horseshoe Casino to make room for Ramsay's take on grilled beef. The British chef seems to be eagerly looking forward to launching his sophomore steakhouse, saying: "I've been a big lover of Baltimore and what it stands for and what comes out of there regionally."

Aside from all things tender, grilled and flame-scorched, diners at Gordon Ramsay Steak can expect his signature beef wellington, plus some of the freshest seafood in the region; Baltimore is famed for its crab after all.

<https://www.casinopedia.org/news/gordon-ramsay-prepares-to-enter-baltimores-horseshoe-casino>

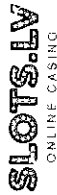
HIGHEST RATED CASINOS IN SEPTEMBER 2017

1



(<https://www.casinopedia.org/visit/big-fish-casino>)

2



(<https://www.casinopedia.org/visit/slots-lv>)

3



(<https://www.casinopedia.org/visit/ignition-casino>)

A resolutely British menu will also have room for ale soup, braised beef cheeks and smoked bone marrow, followed by classic sticky toffee pudding to finish. Ramsay has also confirmed that he'll be making the most of the east coast crab that's landed locally and which is responsible for the crab shacks that can be found all across the city.

Diners intent on discovering whether Gordon Ramsay's menu is all it's cracked up to be will need to spend around \$70-80 per head for a meal at his eponymous grill when it arrives at Horseshoe Casino. That seems a small price to pay given the sums that can be spent in a heartbeat across the two-storey casino's 122,000 square foot gaming floor.

With slot machines (<http://www.casinopedia.org/terms/s/slot-machine>), table games (<http://www.casinopedia.org/terms/t/table-games>), video lottery terminals and a WSoP room, \$80 doesn't go far...unless you scoop a big win, in which case it'll be steaks at Gordon Ramsay's washed down with the finest champagne and finished off with sticky toffee pudding.



WANT TO TRY AN ONLINE CASINO?

Choose an approved casino from our carefully selected list. [VIEW CASINOS \(https://www.casinopedia.org/online-casinos\)](https://www.casinopedia.org/online-casinos)

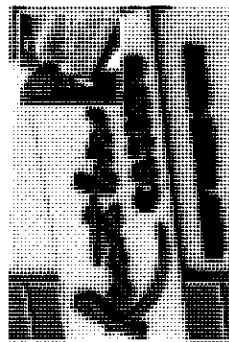
Related Articles



Gordon Ramsay to open first ever Hell's Kitchen themed restaurant at Caesars Palace, Las Vegas
(<https://www.casinopedia.org/news/step-into-hells-kitchen-at-caesars-palace-las-vegas>)

Michelin-starred chef Gordon Ramsay is opening a new restaurant based on his popular Hells Kitchen series at Caesars Palace in Las Vegas.

(<https://www.casinopedia.org/news/step-into-hells-kitchen-at-caesars-palace-las-vegas>)



Woman takes casino to court alleging her jackpot was swapped for a steak
(<https://www.casinopedia.org/news/woman-takes-casino-to-court-alleging-her-jackpot-was-swapped-for-a-steak>)

Woman sues casino alleging she won \$43 million jackpot on a slot, only to be told it was due to a malfunction and offered a steak dinner as recompense.

(<https://www.casinopedia.org/news/woman-takes-casino-to-court-alleging-her-jackpot-was-swapped-for-a-steak>)

Exhibit E

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

In re:)	
	)	Chapter 11
)	
CAESARS ENTERTAINMENT OPERATING COMPANY, INC., <u>et al.</u> , ¹	)	Case No. 15-01145 (ABG)
)	
Debtors.	)	(Jointly Administered)
)	
	)	Re: Docket No. 2531

**DEBTORS' PRELIMINARY OBJECTION TO REQUEST
FOR PAYMENT OF ADMINISTRATIVE EXPENSE
FILED BY FERG, LLC AND LLTQ ENTERPRISES, LLC**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this preliminary objection to the *Request for Payment of Administrative Expense* [Docket No. 2531] (the “Admin Motion”), filed by FERG, LLC (“FERG”) and LLTQ Enterprises, LLC (“LLTQ,” and together with FERG, the “Seibel Entities”) on November 4, 2015, which seeks the allowance and payment of administrative expense claims from June 11, 2015, to the present for the Debtors’ continued operation of the “Gordon Ramsay Pub & Grill” at each of Caesars Atlantic City and Caesars Palace in Las Vegas (collectively, the “Ramsay Pubs”). Importantly, whether the Seibel Entities have an administrative expense claim for the period of June 11 to the present is already at issue in ongoing litigation over the *Debtors’ Fourth Omnibus Motion for the Entry of an Order Authorizing the Debtors to Reject Certain Executory Contracts Nunc Pro Tunc to June 11, 2015* [Docket No. 1755] (the “Rejection Motion”). In support of this preliminary objection, the Debtors respectfully state as follows.

¹ A complete list of the Debtors and the last four digits of their federal tax identification numbers may be obtained at <https://cases.primeclerk.com/CEOC>.

1. The Court should deny the Admin Motion, or, at the very least, continue it until the Rejection Motion is properly before the Court and simultaneously consider the two motions. On June 8, 2015, the Debtors filed the Rejection Motion to reject two agreements nunc pro tunc to June 11, 2015: (a) the *Consulting Agreement*, dated as of May 16, 2014, by and between FERG and Boardwalk Regency Corporation d/b/a Caesars Atlantic City, and (b) the *Development and Operation Agreement*, dated as of April 4, 2012, by and between LLTQ and Desert Palace, Inc. (collectively, the “FERG and LLTQ Agreement”). Since the filing of the Rejection Motion, the Debtors and the Siebel Entities have been engaged in discovery and settlement discussions with regards to the Rejection Motion, which are still ongoing. See Second Agreed Amended Order Extending Discovery Schedule Regarding Debtors’ Fourth Omnibus Contract Rejection Motion and the Objection of FERG, LLC and LLTQ Enterprises, LLC [Docket No. 2127] (noting that the parties “have agreed to extend the discovery schedule in light of ongoing settlement negotiations”). During those ongoing discussions, the Seibel Entities affirmed that by agreeing to a discovery and briefing schedule for the Rejection Motion, the Debtors were not waiving their right to request an effective date of June 11, 2015, if they are ultimately successful in rejecting the FERG and LLTQ Agreements. All of the Debtors’ rights with respect to the Rejection Motion and all of the rights and defenses of the Seibel Entities were preserved in the order partially granting and partially continuing the Rejection Motion. See Order Authorizing the Debtors to Reject Certain Executory Contracts Nunc Pro Tunc to June 11, 2015 [Docket No. 1801], ¶ 4.

2. Now the Seibel Entities are using the Admin Motion as a way to circumvent the parties’ agreement and obtain a determination on certain of the issues in the Rejection Motion, including whether nunc pro tunc relief is appropriate. As noted above, the Admin Motion is

contrary to the parties' agreement to engage in discovery and settlement discussions without prejudicing the Debtors' rights to seek nunc pro tunc relief. Because the issues in the Admin Motion will also be addressed as part of the Rejection Motion, the better—and more efficient course—is to decide the Admin Motion in conjunction with the Rejection Motion.²

3. Even in the absence of the Rejection Motion and the parties' ongoing discussions, the Seibel Entities still fail to demonstrate any entitlement to administrative priority under section 503(b) of the Bankruptcy Code. The party to a prepetition contract that has not been assumed must establish that “the estate has actually benefitted under the contract post-petition” to be entitled to an administrative expense claim. In re Nat'l Steel Corp., 316 B.R. 287, 306 (Bankr. N.D. Ill. 2004) (citing NLRB v. Bildisco & Bildisco, 465 U.S. 513, 531 (1984)). This means that the Seibel Entities “must demonstrate that the debt . . . benefited the operation of the debtor's business.” Id. at 299. Here, the Seibel Entities have not actually provided any services or benefits to the Debtors since June 11, 2015, under either the FERG or LLTQ Agreements. Cf. id. (requiring postpetition transaction for an administrative claim). The Seibel Entities merely base their entitlement to an administrative claim on the Debtors' continued operations of the Ramsay Pubs. But the Debtors are operating the Ramsay Pubs under two separate agreements—specifically those certain *Development, Operation and License Agreement*, dated April 4, 2012, by and among Gordon Ramsay, Gordon Ramsay Holdings Limited, and Desert Palace Inc. and

² Whether retroactive relief for rejecting the FERG and LLTQ Agreements is appropriate should be determined by the Court when it considers the Rejection Motion. The Debtors note, however, that they can seek retroactive relief for the rejection of executory contracts and unexpired non-residential real property leases. See, e.g., BP Energy Co. v. Bethlehem Steel Corp., 2002 WL 31548723, at * 3 (S.D.N.Y. 2002) (holding that a bankruptcy court can assign a retroactive rejection date, upon its approval of a debtor's decision to reject an executory contract); see also In re Caesars Entertainment Operating Company, No. 15-01145 (ABG) (Bankr. N.D. Ill.) [Docket Nos. 641, 990, 1323, 1801, 1928] (authorizing the Debtors to reject executory contracts nunc pro tunc to an earlier date).

Development, Operation and License Agreement, dated May 16, 2014, by and among Gordon Ramsay, Gordon Ramsay Holdings Limited, and Boardwalk Regency Corporation. Indeed, the two agreements with Gordon Ramsay provide the Debtors with a license to use Gordon Ramsay's name and likeness in the Debtors' operation of the Ramsay Pubs and cover vital operational issues such as menu development, which issues are not covered in the FERG and LLTQ Agreements. In other words, the Seibel Entities do not provide any other basis for why they are entitled to an administrative claim. Nor can they given that they have not provided the Debtors with any services under the FERG or LLTQ Agreements since at least June 11.

4. Finally, the Debtors note that the Seibel Entities should not be concerned about the Debtors' ability to make the payments requested by the Admin Motion if the Debtors later settle or litigate these issues in connection with the relief sought in the Rejection Motion. As shown in the Debtors' monthly operating report for the period ending September 30, 2015 [Docket No. 2517], the Debtors Desert Palace, Inc. and Broadway Regency Corporation (the counterparties to the FERG and LLTQ Agreements) have approximately \$81,127,520 and \$27,067,306, respectively, in cash on hand. Thus, the Debtors have the ability to make the requested payments to the Seibel Entities if it becomes necessary—either when the Court decides the Rejection Motion or the Debtors reach a settlement with the Seibel Entities.

5. In sum, the Debtors respectfully submit that the Admin Motion is seeking to decide issues that the Debtors initiated in the Rejection Motion, which remains pending at this time. The parties should move forward with that litigation (or settle it) rather than proceeding with the Admin Motion at this time and deciding the issues raised in the Rejection Motion in a piecemeal fashion. Therefore, the Debtors request that the Court deny the Admin Motion or, at the very least, continue it until such time as the Rejection Motion is properly before this Court.

Dated: November 10, 2015
Chicago, Illinois

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

James H.M. Sprayregen, P.C.

David R. Seligman, P.C.

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Counsel to the Debtors and Debtors in Possession

Exhibit F

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

In re:)	
	)	Chapter 11
)	
CAESARS ENTERTAINMENT OPERATING	)	Case No. 15-01145 (ABG)
COMPANY, INC., <u>et al.</u> , ¹)	
)	
Debtors.	)	(Jointly Administered)
)	
	)	Hr'g Date: Feb. 17, 2016, at 1:30 p.m. (CT)
)	

**NOTICE OF DEBTORS' MOTION FOR THE ENTRY OF AN ORDER AUTHORIZING
THE DEBTORS TO (A) REJECT CERTAIN EXISTING RESTAURANT
AGREEMENTS AND (B) ENTER INTO NEW RESTAURANT AGREEMENTS**

PLEASE TAKE NOTICE that on the **17th day of February 2016, at 1:30 p.m. (prevailing Central Time)** or as soon thereafter as counsel may be heard, the Debtors shall appear before the Honorable A. Benjamin Goldgar or any other judge who may be sitting in his place and stead, in the Ceremonial Courtroom (Room No. 2525) in the Everett McKinley Dirksen United States Courthouse, 219 South Dearborn Street, Chicago, Illinois 60604, and present the attached *Debtors' Motion For Entry Of An Order Authorizing the Debtors to (A) Reject Certain Existing Restaurant Agreements and (B) Enter Into New Restaurant Agreements* (the "Motion").

PLEASE TAKE FURTHER NOTICE that any objection to the Motion must be filed with the Court by **February 10, 2016, at 4:00 p.m. (prevailing Central Time)** and served so as to be actually received by such time by: (a) counsel to the Debtors; (b) the Office of the United States Trustee for the Northern District of Illinois; and (c) any party that has requested notice pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure, a schedule of such parties may be found at <https://cases.primeclerk.com/CEOC>.

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

¹ A complete list of the Debtors and the last four digits of their federal tax identification numbers may be obtained at <https://cases.primeclerk.com/CEOC>.

Dated: January 14, 2016
Chicago, Illinois

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

James H.M. Sprayregen, P.C.

David R. Seligman, P.C.

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Counsel to the Debtors and Debtors in Possession

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

In re:)	
	)	Chapter 11
)	
CAESARS ENTERTAINMENT OPERATING	)	Case No. 15-01145 (ABG)
COMPANY, INC., <u>et al.</u> , ¹)	
)	
Debtors.	)	(Jointly Administered)
)	
	)	Hr'g Date: Feb. 17, 2016, at 1:30 p.m. (CT)
)	

**DEBTORS' MOTION FOR THE ENTRY OF AN ORDER AUTHORIZING THE
DEBTORS TO (A) REJECT CERTAIN EXISTING RESTAURANT AGREEMENTS
AND (B) ENTER INTO NEW RESTAURANT AGREEMENTS**

The above-captioned debtors and debtors in possession (collectively, the "Debtors") file this motion (the "Motion") for entry of an order, substantially in the form attached hereto as **Exhibit A**, (a) authorizing the rejection of (i) that certain Development, Operation, and License Agreement, dated as of May 16, 2014, by and between Debtor Boardwalk Regency Corporation, on the one hand, and celebrity chef Gordon Ramsay and his affiliated business, Gordon Ramsay Holdings Limited (together, "Ramsay"), on the other hand (as amended, restated, or otherwise supplemented from time to time, the "Atlantic City Restaurant Agreement") and (ii) that certain Development, Operation, and License Agreement, dated as of November 2011, by and between Debtor Desert Palace, Inc., on the one hand, and Ramsay, on the other hand (as amended, restated, or otherwise supplemented from time to time and together with the Atlantic City Restaurant Agreement, the "Existing Agreements") and (b) authorizing the Debtors to enter into and take all necessary actions to perform under certain new restaurant agreements with Ramsay

¹ A complete list of the Debtors and the last four digits of their federal tax identification numbers may be obtained at <https://cases.primeclerk.com/CEOC>.

(the “New Agreements”), the form of which are attached as **Exhibit 1** to **Exhibit A** hereto. In support of this Motion, the Debtors submit the declaration of Randall S. Eisenberg (the “Eisenberg Declaration”), attached hereto as **Exhibit B**. In further support of this Motion, the Debtors respectfully state as follows.

Jurisdiction and Venue

1. The United States Bankruptcy Court for the Northern District of Illinois (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory bases for the relief requested herein are sections 363 and 365 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”).

Relief Requested

2. By this Motion, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A**, (a) authorizing the rejection of the Existing Agreements and (b) authorizing the Debtors to enter into and take all necessary actions to perform under the New Agreements.

Background

3. Prior to the petition date in these chapter 11 cases, the Debtors entered into the Existing Agreements with Ramsay, which granted the Debtors the right to design, develop, construct, and operate “Gordon Ramsay Pub & Grill” restaurants at their Caesars Palace and Caesars Atlantic City properties (together, the “Ramsay Restaurants”). The Existing Agreements (a) provide the Debtors with, inter alia, the right to use certain trademarks associated with Gordon Ramsay, and (b) require Gordon Ramsay to make personal appearances at the Ramsay Restaurants and to provide ongoing services related to menu development and the operation of

the Ramsay Restaurants. Around the same time that they entered into the Existing Agreements, the Debtors entered into separate agreements with restaurateur Rowen Seibel and his affiliates, FERG, LLC and LLTQ Enterprises, LLC (collectively, with Rowen Seibel, “Seibel”), to obtain consulting services regarding employee staffing and training, marketing, and various operational matters for the Ramsay Restaurants (the “Seibel Agreements”).

4. The Ramsay Restaurants are an important and successful element of the Debtors’ restaurant offerings in connection with their casino operations. As would be expected, however, the Debtors have been conducting a review of all of their restaurant operations in an effort to improve their financial performance to maximize the value of their estates. As part of those efforts, the Debtors determined that there was a potential for significant cost savings at the Ramsay Restaurants.

5. Significantly, the Debtors determined that the costs associated with the services provided under the Seibel Agreements outweighed the benefits provided by such agreements and that the Debtors could operate the Ramsay Restaurants successfully without Seibel’s separate services. The Debtors therefore filed a motion that, among other things, seeks to reject the Seibel Agreements pursuant to section 365 of the Bankruptcy Code. See [Docket No. 1755] (the “Seibel Rejection Motion”).² FERG, LLC and LLTQ Enterprises, LLC filed a preliminary objection to the Seibel Rejection Motion [Docket No. 1774], asserting, among other things, that the Debtors could not reject the Seibel Agreements because (a) such agreements are allegedly not executory contracts subject to rejection under section 365 of the Bankruptcy Code and (b) the

² The Debtors ceased performing under the Seibel Agreements before June 11, 2015, and seek to reject the Seibel Agreements nunc pro tunc to that date. Seibel has filed a motion seeking an administrative expense for any and all amounts due under the Seibel Agreements from June 11 through the date of rejection (if any) of the Seibel Agreements. See [Docket No. 2531]. The Debtors filed a preliminary objection to such motion [Docket No. 2555], and reserve all rights with respect to the relief requested in such motion.

Seibel Agreements are integrated with the Existing Agreements and thus cannot be rejected on their own. The Seibel Rejection Motion remains pending.

6. The Debtors similarly believe that they can benefit from improved business terms relating to the Existing Agreements and the operation of the Ramsay Restaurants. After good-faith and arm's-length negotiations between the Debtors and Ramsay, the parties reached agreement on the terms of a new business deal. The Debtors and Ramsay documented this deal in the New Agreements, which will replace the Existing Agreements in full. The benefits of the New Agreements are two-fold: (a) they provide the Debtors with significant savings in terms of the payments owed to Ramsay from a reduced licensing fee; and (b) they allow for the continued operation of the profitable Ramsay Restaurants.

7. In particular, the New Agreements will provide Debtor Desert Palace, Inc. and Debtor Boardwalk Regency Corporation with aggregate annual cost savings of approximately \$144,000. Moreover, because the New Agreements replace the Existing Agreements in their entirety, the New Agreements completely mitigate the rejection damages that Ramsay may have otherwise asserted against the Debtors, which mitigation has been agreed to by the parties and is included in the proposed order attached hereto as **Exhibit A**. As part of the entry into the New Agreements, Desert Palace, Inc. and Boardwalk Regency Corporation are each agreeing to indemnification obligations similar to those in the Existing Agreements, but will also agree to indemnify Ramsay for any claims brought by Mr. Seibel or his affiliates related to Mr. Ramsay's entry into the New Agreements.

8. Accordingly, the Debtors respectfully submit that rejecting the Existing Agreements and entry into the New Agreements is a sound exercise of their business judgment, is in the best interests of their estates, creditors, and other stakeholders, and should be approved.

Basis for Relief

I. Rejection of the Existing Agreements is Warranted Under Section 365 of the Bankruptcy Code.

9. Section 365(a) of the Bankruptcy Code provides that a debtor in possession, “subject to the court’s approval, may . . . reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). Thus, pursuant to section 365 of the Bankruptcy Code, a debtor may, for the benefit of the estate, relieve itself of burdensome agreements where performance still remains. See In re StarNet, Inc., 355 F.3d 634, 637 (7th Cir. 2004) (noting that “[s]ection 365(a) gives debtors a right to walk away before the contract’s end (with the creditor’s entitlement converted to a claim for damages...)”); see also Stewart Title Guar. Co. v. Old Republic Nat’l Title Ins. Co., 83 F.3d 735, 741 (5th Cir. 1996) (stating that section 365 of the Bankruptcy Code “allows a [debtor] to relieve the bankruptcy estate of burdensome agreements which have not been completely performed”) (internal citation and quotation marks omitted).

10. The decision to assume or reject an executory contract or unexpired lease is a matter within a debtor’s “business judgment.” See Johnson v. Fairco Corp., 61 B.R. 317, 320 (N.D. Ill. 1986) (noting that the debtor must only demonstrate that rejection “will benefit the debtor’s estate or reorganization efforts”); In re Edison Mission Energy, No. 12-49219 (JPC), 2013 WL 5220139, at *5 (Bankr. N.D. Ill. Sept. 16, 2013) (“A debtor’s decision to assume or reject an executory contract is governed by the business judgment rule.”); NLRB v. Bildisco & Bildisco (In re Bildisco), 682 F.2d 72, 79 (3d Cir. 1982) (“The usual test for rejection of an executory contract is simply whether rejection would benefit the estate, the ‘business judgment’ test.”), aff’d, 465 U.S. 513 (1984); see also ReGen Capital I, Inc. v. UAL Corp. (In re UAL Corp.), 635 F.3d 312, 319 (7th Cir. 2011) (same for assumption). The business judgment standard mandates that a court approve a debtor’s business decision unless the decision is the

product of bad faith, whim, or caprice. See Lubrizol Enters., Inc. v. Richmond Metal Finishers, Inc. (In re Richmond Metal Finishers, Inc.), 756 F.2d 1043, 1047 (4th Cir. 1985); see also Fairco Corp., 61 B.R. at 320 (“Only where the debtor’s actions are in bad faith or in gross abuse of its managerial discretion should the decision be disturbed.”); Software Customizer, Inc. v. Bullet Jet Charter, Inc. (In re Bullet Jet Charter, Inc.), 177 B.R. 593, 601 (Bankr. N.D. Ill. 1995) (“This Court must ascertain whether rejecting such a contract will promote the best interests of Debtor’s estate, but only where the debtor acted in bad faith or grossly abused its retained managerial discretion should the decision be disturbed.”); Summit Land Co. v. Allen (In re Summit Land Co.), 13 B.R. 310, 315 (Bankr. D. Utah 1981) (absent extraordinary circumstances, court approval should be granted “as a matter of course”).

11. In this case, the Debtors have determined in their sound business judgment that by rejecting the Existing Agreements, they can enter into the New Agreements to realize significant cost-savings and other value to their estates. Further, in light of the fact that the New Agreements will replace the Existing Agreements in their entirety (and thus mitigate any rejection damages), the rejection of the Existing Agreements will have no adverse impact on the Debtors’ estates. Simply put, rejection of the Existing Agreements, along with entry into the New Agreements, only creates upside for the Debtors’ estates by modifying and increasing the benefits under an already profitable partnership. The Debtors therefore respectfully request that they be authorized to reject the Existing Agreements.³

12. This Court and other courts in this jurisdiction have approved relief similar to the relief requested herein. See, e.g., In re Caesars Entm’t Operating Co., Inc., No. 15-01145 (ABG) (Bankr. N.D. Ill. July 20, 2015); In re Caesars Entm’t Operating Co., Inc., No. 15-01145 (ABG)

³ For the avoidance of doubt, the Debtors seek to reject the Existing Agreements only if the Court approves the Debtors’ entry into the New Agreements.

(Bankr. N.D. Ill. June 22, 2015); In re Caesars Entm't Operating Co., Inc., No. 15-01145 (ABG) (Bankr. N.D. Ill. Apr. 27, 2015); In re Qualtec, Inc. d/b/a VCT New Jersey, Inc., No. 12-05861 (ERW) (Bankr. N.D. Ill. Apr. 10, 2013); In re Edison Mission Energy, No. 12-49219 (JPC) (Bankr. N.D. Ill. Jan. 17, 2013) (same).

II. Entry into the New Agreements Satisfies Section 363 of the Bankruptcy Code.

13. As an initial matter, the Debtors believe entry into the New Agreements is in the ordinary course because the Debtors routinely enter into agreements in the operation of restaurants and similar spaces. See In re Commercial Mortgage & Fin., Co., 414 B.R. 389, 393 (Bankr. N.D. Ill. 2009) (holding that whether a transaction is in the ordinary course is primarily determined by a reasonable expectations test, which, in turn, focuses on the debtor's prepetition conduct); In re Newton, 64 B.R. 790, 794 (Bankr. C.D. Ill. 1986) (applying both (a) a "vertical test," which requires the court to view a transaction from a hypothetical creditor's reasonable expectations and (b) a "horizontal test," which requires an industry-wide perspective, to determine whether an action is in the ordinary course). Here, the Debtors' entry into agreements for the operation of restaurants on their casino properties is ordinary course from both an industry-wide perspective—indeed, nearly every major casino enterprise offers a broad spectrum of entertainment and dining options in parallel with more traditional gaming offerings—and the reasonable expectations of the Debtors' creditors, whom surely appreciate that the success of the Debtors' business depends on complementary partnerships with the restaurants and similar entertainment options to attract and maintain steady casino patronage.

14. Out of an abundance of caution, however, the Debtors seek Court authorization for the entry into the New Agreements because the Debtors are also rejecting the Existing Agreements with the same parties. Even if considered under section 363(b) of the Bankruptcy Code, the Court should authorize the Debtors' entry into the New Agreements.

15. Section 363(b) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession, “after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). The use of estate property should be authorized under section 363(b) so long as a sound business purpose exists for the transaction. See Fulton State Bank v. Schipper (In re Schipper), 933 F.2d 513, 515 (7th Cir. 1991) (a transaction under section 363 of the Bankruptcy Code involves the exercise of fiduciary duties and requires an “articulated business justification”); see also Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel), 722 F.2d 1063, 1070 (2d Cir. 1983) (same); In re Telesphere Commc’ns, Inc., 179 B.R. 544, 552 (Bankr. N.D. Ill. 1994) (same). If a valid business justification exists for the use of the estate’s property, a debtor’s decision enjoys a strong presumption that “in making the business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action was in the best interests of the company.” In re S.N.A. Nut Co., 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (citations omitted); see generally In re Fleming Packaging Corp., 351 B.R. 626 (Bankr. C.D. Ill. 2006); In re H. King and Assocs., 295 B.R. 246 (Bankr. N.D. Ill. 2003).

16. In this instance, the Debtors have concluded in their sound business judgment to enter into and perform under the New Agreements.⁴ After consulting with their advisors and Ramsay, the Debtors determined that entry into the New Agreements would benefit their estates and stakeholders by continuing the profitable partnership with Ramsay for the operation of the Ramsay Restaurants. Further, the New Agreements are an improvement over the Existing Agreements by reducing the amount of fees and profit percentages payable to Ramsay compared to those owed under the rejected agreements by approximately \$144,000 on an annual basis.

⁴ For the avoidance of doubt, the Debtors seek to enter into and perform under the New Agreements only if the Court authorizes the rejection of the Existing Agreements.

Moreover, the parties expressly agree that the New Agreements replace the Existing Agreements in their entirety and thus fully mitigate any resulting damages under the Existing Agreements. The Debtors therefore believe that entry into the New Agreements will benefit their estates and stakeholders and should be authorized.

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

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

Notice

18. The Debtors have provided notice of this Motion to (a) the entities on the Service List (as defined in the Case Management Order and available on the Debtors’ case website at <https://cases.primeclerk.com/CEOC>), (b) Gordon Ramsay and Gordon Ramsay Holdings Limited, (c) counsel to Gordon Ramsay and Gordon Ramsay Holdings Limited, and (d) counsel to Rowen Seibel, FERG, LLC, and LLTQ Enterprises, LLC. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

19. No prior motion for the relief requested herein has been made to this or any other court.

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

Dated: January 14, 2016
Chicago, Illinois

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

James H.M. Sprayregen, P.C.

David R. Seligman, P.C.

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Counsel to the Debtors and Debtors in Possession

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:)	
	)	Chapter 11
)	
CAESARS ENTERTAINMENT OPERATING	)	Case No. 15-01145 (ABG)
COMPANY, INC., <u>et al.</u> , ¹)	
)	
Debtors.	)	(Jointly Administered)
)	
	)	Re: Docket No. ____

**ORDER AUTHORIZING THE DEBTORS TO
(A) REJECT CERTAIN EXISTING RESTAURANT AGREEMENTS
AND (B) ENTER INTO NEW RESTAURANT AGREEMENTS**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”), (a) authorizing the rejection of the Existing Agreements and (b) authorizing the Debtors to enter into and take all necessary actions to perform under the New Agreements, substantially in the form attached hereto as **Exhibit 1s**, all as more fully set forth in the Motion; and upon the Eisenberg Declaration; and after due deliberation, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The Existing Agreements are rejected pursuant to section 365(a) of the Bankruptcy Code.
3. The Debtors are authorized, but not directed, to enter into and take all necessary actions to perform under the New Agreements.

¹ A complete list of the Debtors and the last four digits of their federal tax identification numbers may be obtained at <https://cases.primeclerk.com/CEOC>.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

4. By agreement of the Debtors, Gordon Ramsay, and Gordon Ramsay Holdings Limited, the Debtors' entry into the New Agreements fully mitigates any and all damages arising from rejection of the Existing Agreements. By entry into the New Agreements, Gordon Ramsay and Gordon Ramsay Holdings Limited do not have any outstanding claims arising from the rejection of the Existing Agreements against the Debtors.

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

Dated: _____, 2016
Chicago, Illinois

The Honorable A. Benjamin Goldgar
United States Bankruptcy Judge

Exhibit 1

New Agreements

Exhibit 1-A

**Gordon Ramsay Pub & Grill
Caesars Palace - Las Vegas
License Agreement**

**GORDON RAMSAY PUB & GRILL
CAESARS PALACE – LAS VEGAS
LICENSE AGREEMENT**

THIS LICENSE AGREEMENT (the "Agreement") shall be deemed made and entered into as of the 12th day of January, 2016 by and among Desert Palace, Inc., a Nevada corporation having its principal place of business at 3570 Las Vegas Boulevard South, Las Vegas, Nevada 89109 ("Caesars"), Gordon Ramsay Holdings Limited, a UK limited company having its principal place of business located at 539-547 Wandsworth Road, London SW8 3JD ("GRH"), and to the extent specifically provided herein Gordon Ramsay, an individual. Capitalized terms in this Agreement shall have the definitions set forth in Exhibit A attached hereto and incorporated herein by this reference.

RECITALS

A. Caesars leases that that certain real property located at 3570 Las Vegas Boulevard South, Las Vegas, Nevada on which Caesars operates a resort hotel casino known as Caesars Palace ("Caesars Las Vegas" or "Hotel");

B. GRH has the rights to use and exploit the GR Marks and General GR Materials as required under this Agreement and also has certain qualifications, expertise and reputation in development and operation of first-class restaurants;

C. Caesars has designed, developed, constructed and desires to continue to operate a restaurant featuring primarily pub-style food and beverages currently known as "Gordon Ramsay Pub" (collectively, the "Restaurant") in those certain premises within the Hotel more particularly shown on Exhibit B attached hereto (the "Restaurant Premises"); and

D. Caesars desires to obtain a license to use the GR Marks and General GR Materials from GRH and to retain GRH to provide, their team and to retain Gordon Ramsay to perform certain services and fulfill certain obligations with respect to consultation concerning the design, development, construction, operation, promotion and quality of the Restaurant, and GRH desires to grant a license to use certain GR Marks and General GR Materials to Caesars and GRH and Gordon Ramsay desire to be retained by Caesars to perform (and/or GRH to cause their team to perform) such services and fulfill such obligations, and the parties desire to enter into this Agreement to set forth their respective rights and obligations with respect thereto, all as more particularly set forth herein.

NOW THEREFORE, in consideration of the promises and the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the foregoing recitals are true and correct and further agree as follows:

1. APPOINTMENT; EXCLUSIVITY; CERTAIN RIGHTS.

1.1 Appointment. On the terms and subject to the conditions set forth in this Agreement, Caesars hereby appoints GRH and GRH agree to provide their team and Gordon Ramsay, and GRH and Gordon Ramsay, hereby agree, to perform those services and fulfill those obligations set forth herein as to be performed or fulfilled by GRH, and/or their team or Gordon Ramsay, as applicable (collectively, the "Services"). In addition to the terms and conditions more particularly set forth in this Agreement, GRH and Gordon Ramsay each agrees to perform or cause to be performed their respective Services (a) in good faith and using sound business practice, due diligence and care, (b) using, at a minimum, the same degree of skill and attention GRH, Gordon Ramsay or their Affiliates, as the case may be, use in performing the same or similar services for its, his or their own accounts or the accounts of others (and in no event less than a reasonable degree of skill and attention), and (c) with sufficient resources and qualified personnel as are reasonably required to perform the Services in accordance with the standards set forth in this Agreement.

1.2 Exclusivity.

- (a) (i) Each of Gordon Ramsay and GRH severally covenant and agrees that, at all times during the Term, each of Gordon Ramsay and GRH will not and GRH will cause its Affiliates not to, directly or indirectly, except as contemplated by this Agreement or any other Agreement with Caesars or any of its Affiliates, use, or permit or license or offer or agree to permit or license any other Person to use, any GR Mark, General GR Materials or open a restaurant utilizing the Gordon Ramsay name as part of such restaurants name, within Clark County, Nevada in each case in connection with the operation of a restaurant where the concept is substantially similar to the Restaurant ("Competing Concepts"), excluding any operation for Caesars or its Affiliates; and (ii) each of Gordon Ramsay and GRH severally covenant and agrees that, at all times during the Term, each of Gordon Ramsay and GRH will not and will cause their Affiliates not to, directly or indirectly, except as contemplated by this Agreement or any other Agreement with Caesars or any of its Affiliates, engage in or become affiliated or associated with, or offer or agree to become engaged in or affiliated or associated with, any activities, business or operations involving any Competing Concept which is located within Clark County, Nevada, including as an owner, investor, operator, director, officer, manager, agent, consultant, licensor or employee of any such Competing Concept (collectively, clauses (i) and (ii), the "Exclusivity Provisions").
- (b) If this Agreement is terminated by Caesars prior to the end of the Term originally stated herein, and either Gordon Ramsay or GRH is in default or breach of this Agreement at the time of such termination, the Exclusivity Provisions shall continue for a period of eighteen (18) months following such termination.
- (c) Notwithstanding the foregoing, owning the securities of any company if the securities of such company are listed for trading on a national stock exchange or traded in the over-the counter market and the combined Gordon Ramsay, GRH and their respective Affiliates' holdings therein represent less than five percent (5%) of the total number of shares or principal amount of other securities of such company outstanding shall not be deemed violative of this Section 1.2.
- (d) Notwithstanding the foregoing: (i) nothing in this Section 1.2 shall preclude (a) the marketing or sale of any products branded with any GR Marks or any marketing or promotion in Clark County, Nevada of any products or services of Gordon Ramsay that are sold outside of this Agreement (and not in contravention of the Exclusivity Provisions) or (b) the marketing within Clark County, Nevada of other Gordon Ramsay or GRH restaurants and (ii) Caesars shall have no rights with respect to the sale of any products (other than any food products used in the Restaurant) branded with any GR Marks or provision of any services under the GR Marks, other than as specifically set forth in this Agreement.

1.3 Rights of First Refusal.

- (a) Each of GRH and Gordon Ramsay severally covenants and agrees that, at all times during the Term, each of GRH and Gordon Ramsay respectively will not and will cause their Affiliates not to, directly or indirectly, engage in or become affiliated or associated with, or offer or agree to become engaged in or affiliated or associated with, any activities, business or operations involving any restaurant or bar (including any lounge, nightclub, ultra lounge or similar operation), including as an owner, investor, operator, director, officer, manager, agent, consultant, licensor or employee of any such restaurant or bar, if such restaurant or bar is or is to be (a) located within Clark County (a "Restaurant Venture") or (b) located within a casino or other gaming facility in within a twenty-five (25) mile radius of any existing or publicly announced hotel or gaming facility owned or operated (or to be owned or operated) by Caesars or any of its Affiliates within the Atlantic City, New Jersey or New Orleans, Louisiana metropolitan areas (also a "Restaurant Venture"), except after compliance with this Section 1.3.

- (b) Before Gordon Ramsay, GRH or any of their respective Affiliates engages in or becomes affiliated or associated with, or offers or agrees to become engaged in or affiliated or associated with, any Restaurant Venture, Gordon Ramsay or GRH, as applicable, shall provide Caesars with an offer (available to Caesars and/or its Affiliates), in writing, to participate in such Restaurant Venture, which offer shall set forth reasonable detail regarding the proposed Restaurant Venture. If Caesars (or its designated Affiliate) indicates in writing within fifteen (15) days after receipt of such offer its interest in considering such opportunity, Gordon Ramsay and/or his team or GRH, as applicable, shall or shall cause its applicable Affiliates to enter into exclusive discussions, negotiations and due diligence with Caesars (or its designated Affiliate) for the succeeding thirty (30) days to determine if mutually agreeable terms of participation in the Restaurant Venture can be reached. If such mutually agreeable terms cannot be reached Gordon Ramsay or GRH, as applicable shall be free to proceed with the Restaurant Venture whether by itself or with any third party. During such thirty (30) day period, Gordon Ramsay and/or his team or GRH, as applicable, shall or shall cause its applicable Affiliates to provide Caesars (or its designated Affiliate) with all reasonable supporting or other documents it may reasonably request with respect to the Restaurant Venture.

1.4 Caesars Exclusivity. Caesars covenants and agrees that, at all times during the Term, Caesars will not and will cause its Affiliates not to, directly or indirectly, except as contemplated by this Agreement or any other Agreement with Gordon Ramsay, GRH or any of their respective Affiliates open a Competing Concept within the hotel portion of Caesars Las Vegas; provided, that this Section 1.4 shall not apply to the operation of any restaurant anywhere in the hotel portion of Caesars Las Vegas where, as of the date of this Agreement, there is a Competing Concept; provided further, that such restaurant may not be redesigned, rebranded or otherwise modified to be more similar to the Restaurant than it is at the date of this Agreement. For the avoidance of doubt, this Section 1.4 shall not apply to (i) any other type of bar, café or tavern or (ii) any casino or other gaming area or any adjacent facility or structure (including the Forum Shops).

2 RESTAURANT LOCATION, DESIGN, DEVELOPMENT AND OPERATION.

2.1 General. The Restaurant shall be comprised of that approximate square footage indicated on Exhibit B attached hereto. At all times during the Term and thereafter Caesars shall retain all right, title and interest in and to the Restaurant Premises.

2.2 Menu Development.

- (a) Menu Development. GRH (including Gordon Ramsay and/or other GRH employees) shall develop the initial food and beverage menus of the Restaurant, and the recipes for same, and thereafter, GRH (including Gordon Ramsay and/or other GRH employees) shall revise the food and beverage menus of the Restaurant, and the recipes for same (the "Menu Development Services"). Caesars shall have the reasonable opportunity to review any food and beverage menus prior to their implementation and make reasonable recommendations to same based upon the proposed costs and Caesars' experience with the Las Vegas, Nevada fine-dining industry. After consulting with and giving full and proper consideration to all reasonable advice and reasonable recommendations from GRH and Gordon Ramsay, Caesars shall establish the pricing of any food and beverage menus, in its sole and absolute but reasonable discretion. Menu Development Services, and meetings with respect to same, shall take place by conference call at times and on dates mutually agreed to by Gordon Ramsay, GRH and Caesars.
- (b) Menu Standards. GRH agree (a) to use commercially reasonable efforts to ensure that the food and beverage menus of the Restaurant, and the recipes for the same, shall be of a nature and cost that is consistent with the nature and cost menu offerings of casual up-scale restaurants in Las Vegas, Nevada and (b) the food menu of the Restaurant shall feature primarily pub-style dishes.

2.3 General Operation of the Restaurant. Unless expressly provided herein to the contrary and subject to the terms of this Agreement, Caesars shall be solely responsible for:

- (a) managing the operations, business, finances and Employees of the Restaurant on a day-to-day basis;
- (b) maintaining the Restaurant;
- (c) developing and enforcing employment and training procedures, marketing plans, pricing policies and quality standards of the Restaurant; and
- (d) supervising the use of the food and beverage menus and recipes developed by GRH (including Gordon Ramsay and/or other GRH employees) pursuant to the terms of Section 2.2.

2.4 Merchandise.

- (a) Upon Caesars' request, GRH (including Gordon Ramsay and/or other GRH employees) shall use commercially reasonable efforts to (a) introduce Caesars to such authorized manufacturers and suppliers of Gordon Ramsay merchandise for the purpose of purchasing and selling such merchandise in the Restaurant and (b) facilitate such services, provided that all such sales shall be included within Gross Restaurant Sales. Unless otherwise agreed by GRH, all merchandise sold in the Restaurant shall be purchased from an authorized manufacturer or supplier of Gordon Ramsay, provided that GRH shall consent to other manufacturers and suppliers sourced by Caesars so long as the merchandise is of at least equal quality to that provided by Gordon Ramsay's manufacturer or supplier and the price is equal to or less than the price charged by Gordon Ramsay's manufacturer or supplier.
- (b) No operating supplies bearing, based on or containing GR Marks or General GR Materials, including all menus, wine lists, business cards, tableware, uniforms and napkins, shall be produced or used in connection with the Restaurant without GRH's prior written approval (after, to the extent necessary, consultation with Gordon Ramsay), which shall not be unreasonably withheld, conditioned or delayed. GRH shall give notice of approval or rejection (with reasons) within ten (10) days following Caesars' written request for approval.
- (c) In the event that Caesars wishes to produce merchandise of any kind bearing, based on or containing the GR Marks or General GR Materials or otherwise relating to the Restaurant it shall provide full details of the same to GRH and the parties shall negotiate in relation thereto and enter into a separate agreement in connection therewith in the event that an agreement is reached.

2.5 Meetings and Personal Appearances. Whenever scheduling any meeting or personal appearance contemplated by this Agreement, Caesars shall make commercially reasonable efforts to take into account the other then existing commitments of Gordon Ramsay and give Gordon Ramsay prior notice as far in advance as is possible, of the contemplated date, time and place of each scheduled meeting or appearance. If advised of a conflict, Caesars shall make commercially reasonable efforts to reschedule such meeting or appearance to a date and time closest to the initially proposed scheduled appearance date, it being understood that all such scheduling shall be made by Caesars based upon the best interest of the Restaurant and Gordon Ramsay shall endeavor to make commercially reasonable efforts to meet the appearance schedule proposed by Caesars subject to previously scheduled commitments.

2.6 Additional Obligations. Each of Caesars, Gordon Ramsay and GRH warrants and undertakes to the other parties that it shall:

- (a) at all times (i) fully comply with all laws, statutes, ordinances, regulations, promulgations and mandates applicable to its obligations hereunder and the operation of the Restaurant and (ii) maintain all applicable business licenses and other licenses and permits relating to its business operations or its obligations hereunder, and in each case any failure to do so shall constitute a breach of this Agreement; and
- (b) perform its duties hereunder with reasonable care and skill and shall cultivate and maintain good relations with customers of the Restaurant in accordance with sound commercial principles.

3 TERM.

3.1 Term. The initial term of this Agreement shall commence on the Effective Date and shall expire on that date that is ten (10) years from the Effective Date, unless extended by the parties or unless earlier terminated pursuant to the terms hereof (the "Initial Term"). Upon the mutual agreement of Caesars and GRH, the term of this Agreement shall be extended for one additional five (5) year term (together with the Initial Term, the "Term"), which shall be on all of the same terms and conditions as contained herein. Thereafter, there shall be no additional extensions of the term of this Agreement.

3.2 Termination.

- (a) Death, Disability or Non-Involvement of Gordon Ramsay. This Agreement may be terminated by Caesars upon written notice to GRH and Gordon Ramsay having immediate effect if either (i) Gordon Ramsay dies or (ii) Gordon Ramsay suffers a disability, including any physical or mental condition, which impairs the ability of Gordon Ramsay to render, in a timely manner, substantially all of Gordon Ramsay's personal covenants, agreements and obligations hereunder for a period of twelve (12) months; and, in either case of (i) or (ii) above, the sales and Performance in the following twelve (12) months falls below the threshold set forth in clause Section 3.2(b) below.
- (b) Sales Performance. At any time during the sixty (60) days following the third (3rd) anniversary of the Effective Date and the sixty (60) days following the sixth (6th) anniversary of the Effective Date, this Agreement may be terminated by Caesars by written notice to GRH specifying the effective date of termination if (i) in the case of termination following the third (3rd) anniversary of the Effective Date, the Gross Restaurant Sales for the twelve (12) months prior to such anniversary are not at least Eight Million Dollars (\$8,000,000.00) or (ii) in the case of termination following the sixth (6th) anniversary of the Effective Date, the Gross Restaurant Sales for the twelve (12) months prior to such anniversary are not at least Eight Million Dollars (\$8,000,000.00).
- (c) Breach of Standards. This Agreement may be terminated by Caesars upon written notice to GRH and Gordon Ramsay having immediate effect if, following a breach of Section 10.1 of this Agreement, Caesars sends written notice of such breach to GRH and Gordon Ramsay and such material breach is not cured within thirty (30) days after receipt of such notice.
- (d) Unsuitability. This Agreement may be terminated by Caesars upon written notice to GRH and Gordon Ramsay having immediate effect as contemplated by Section 10.2.
- (e) Condemnation and Casualty. This Agreement may be terminated by Caesars upon written notice to GRH and Gordon Ramsay having immediate effect as contemplated by Article 11.
- (f) Material Breach.
 - (1) This Agreement may be terminated by Caesars upon written notice to GRH and Gordon Ramsay having immediate effect if, following a material breach of a material provision of this Agreement by Gordon Ramsay or GRH, Caesars sends written notice of such

material breach to GRH and Gordon Ramsay specifying in reasonable detail, the facts and circumstances underlying the claimed breach (including the provision(s) of the Agreement claimed to have been breached and what is required to cure the alleged breach) and Gordon Ramsay or GRH, as applicable, fails to cure or commence to cure such material breach within thirty (30) days after receipt of such notice; provided that if GRH or Gordon Ramsay shall have taken steps reasonably anticipated to cure such breach within such thirty (30) day period, Caesars shall not be permitted to terminate the Agreement unless such cure is not completed within a reasonable time thereafter.

- (2) This Agreement may be terminated by GRH and Gordon Ramsay upon written notice to Caesars having immediate effect if, following a material breach of a material provision of this Agreement by Caesars, GRH and Gordon Ramsay send written notice of such material breach to Caesars specifying in reasonable detail, the facts and circumstances underlying the claimed breach (including the provision(s) of the Agreement claimed to have been breached) and Caesars fails to cure such material breach within thirty (30) days after receipt of such notice for non-monetary breaches by Caesars (provided that if Caesars shall have taken steps reasonable anticipated to cure such breach within such thirty (30) day period, Caesars shall not be permitted to terminate the Agreement unless such cure is not completed within a reasonable time thereafter) and within five (5) days after written notice is given to Caesars for monetary breaches by Caesars (it being understood that Caesars' failure to pay any amount disputed in good faith shall not entitle GRH or Gordon Ramsay to terminate this Agreement).
- (g) Bankruptcy, etc. This Agreement may be terminated by Caesars upon written notice to GRH and Gordon Ramsay having immediate effect if Gordon Ramsay or GRH (i) becomes insolvent or admits in writing its inability to pay its debts as they become due, (ii) has instituted against it a proceeding seeking a judgment of insolvency, suspension of payment or bankruptcy, or a petition is presented against it for its winding up or liquidation, in each case that is not dismissed within sixty (60) days, (iii) institutes a proceeding seeking a judgment of insolvency, suspension of payment or bankruptcy, or files a petition for its winding up or liquidation, (iv) makes a general assignment for the benefit of its creditors, (v) seeks or becomes subject to the appointment of a receiver over all or substantially all of its assets, or (vi) any analogous procedure or step is taken in any jurisdiction, PROVIDED THAT this shall not apply to any insolvency for the purposes of reconstruction or amalgamation of GRH or any Affiliate.

3.3 Effect of Expiration or Termination.

- (a) Termination of Obligations: Survival. Upon expiration or termination of this Agreement, there shall be no liability or obligation on the part of any party with respect to this Agreement, other than that such termination or expiration shall not (i) relieve any party of any liabilities resulting from any breach hereof by such party on or prior to the date of such termination or expiration, (ii) relieve any party of any payment obligation arising prior to the date of such termination or expiration, or (iii) affect any rights arising as a result of such breach or termination or expiration. The provisions of this Section 3.3 and Sections 1.2(b), 5.2, 5.6, the last sentence of Section 11.2(b), and Articles 12 and 13 shall survive any termination or expiration of this Agreement.
- (b) Certain Rights of Caesars Upon Expiration or Termination. Upon expiration or termination of this Agreement:

- (1) Caesars shall cease operation of the Restaurant; provided, however, that (i) in the event of an early termination of this Agreement other than pursuant to Section 3.2(a), Caesars shall be entitled to operate the Restaurant and use the License for one hundred twenty (120) days from such termination to orderly and properly wind-up operations of the Restaurant; and (ii) in the event of an early termination of this Agreement pursuant to Section 3.2(a), Caesars shall (A) be entitled to operate the Restaurant and use the License for up to nine (9) months from such termination to orderly and properly reconcept or wind-up operations of the Restaurant and (B) continue to make payment of the License Fee during any such period of use of the License;
- (2) Caesars shall retain all right, title and interest in and to the Restaurant Premises except for the GR Marks and General GR Materials;
- (3) Caesars shall retain all right, title and interest in and to the furniture, fixtures, equipment, inventory, supplies and other tangible and intangible assets used or held for use in connection with the Restaurant, except as expressly provided in this Section 3.3(b);
- (4) Caesars shall retain all right, title and interest in and to Caesars Marks and Materials;
- (5) and Caesars shall have the right, but not the obligation, immediately or at any time after such expiration or termination, to operate a restaurant in the Restaurant Premises; provided, however, such restaurant shall not use any of the GR Marks or General GR Materials or a concept similar to the Restaurant.

3.4 Certain Rights of Gordon Ramsay/GRH Upon Expiration or Termination. Upon expiration or termination of this Agreement, subject to the limited license set out in Section 3.3(b)(1), all and any rights granted shall terminate and revert to GRH and GRH shall retain all right, title and interest in and to the GR Marks and General GR Materials and all right title and interest in and to the Restaurant's food and beverage menus and recipes developed by GRH and/or Gordon Ramsay.

4 RESTAURANT EMPLOYEES.

4.1 General Requirements.

- (a) Employees. Subject to the terms of this Article 4, after consulting with and giving full and proper consideration to all reasonable recommendations of GRH, Caesars shall be responsible for, and shall have final approval with respect to, hiring, training, managing, evaluating, promoting, disciplining and firing all kitchen and front-of-house management and staff of the Restaurant (collectively, the "Employees"). Notwithstanding anything herein to the contrary, all Employees, including all Senior Management Employees, shall be employees of Caesars and shall be expressly subject to (a) Caesars' human resources policies and procedures and hiring requirements in existence as of the Effective Date and as modified by Caesars from time to time during the Term, and (b) the compliance committee requirements applicable to Caesars and its Affiliates, as more particularly set forth in Section 10.2 hereof. Caesars shall be responsible for complying with all contracts of employment, labor laws and Union Agreements in relation to all employees.

- (b) Qualified Training by Caesars. At Caesars' option, exercisable in its sole discretion, all applicants for Employee front-of-house positions that require personal contact with guests of the Restaurant, as well as all cook, pantry, pastry, bakery and other skilled kitchen positions, shall be required to undergo specialized training (the "Training") and, upon the culmination of such specialized training, pass a test reasonably related to the Training in order to be qualified as an Employee. The Training shall be conducted by Caesars on the Employee's own time and at the Employee's own expense. At Caesars' option, exercisable in its sole discretion, the Training and related test may only be required of individuals who are employees of Caesars at the time of such individual's application for a position as an Employee.

4.2 Senior Management Employees. GRH shall advise Caesars as to those individuals whom it recommends to be hired for the following positions at the Restaurant as necessary based on position openings and shall use commercially reasonable efforts to give such advice to be provided within the time frames set forth below.

- (a) One full-time equivalent Executive Chef;
- (b) One full-time equivalent General Manager;
- (c) Two full-time equivalent Assistant Chefs;
- (d) Two full-time equivalent Assistant Managers.

The initial and any successor Executive Chef, General Manager, Assistant Chefs and Assistant Managers shall be referred to collectively, as the "Senior Management Employees" and individually, a "Senior Management Employee", with the understanding that said designation is for the purposes of reference for this document only and shall not be deemed to create a requirement or expectation of any particular level of compensation or benefits that may otherwise be available to individuals employed by Caesars having such employment designation. Subject to the terms of this Article 4, after consulting with and giving full and proper consideration to all reasonable recommendations of GRH, Caesars shall be responsible for, and shall have final approval with respect to, hiring, training, managing, evaluating, promoting, disciplining and firing Senior Management Employees (and any additional or replacement Senior Management Employees as reasonably required by Caesars from time to time). The parties acknowledge and agree that Caesars is under no obligation to hire any individual recommended pursuant to this Section 4.2.

4.3 Union Agreements.

- (a) Agreements. Each of Gordon Ramsay and GRH acknowledges and agrees that all of Caesars' agreements, covenants and obligations and all of Gordon Ramsay's and/or GRH's rights and agreements contained herein are subject to the provisions of any and all collective bargaining agreements and related union agreements to which Caesars or any of its Affiliates is or may become a party and that are or may be applicable to the Employees (as the same may be amended or supplemented from time to time, collectively, the "Union Agreements"). Each of Gordon Ramsay and GRH agrees that all of their agreements, covenants and obligations hereunder, including those obligations to train certain Employees, shall be undertaken in such manner as to be in accordance with and to assist and cooperate with Caesars' obligation to fulfill its obligations contained in the Union Agreements; provided, that Caesars now and hereafter shall advise GRH of the obligations contained in said Union Agreements that are applicable to Employees. Notwithstanding the foregoing, in no event shall Gordon Ramsay or GRH be deemed a party to any such Union Agreement whether by reason of this Agreement, the performance of its obligations hereunder or otherwise.
- (b) Amendments. Each of Gordon Ramsay and GRH acknowledges and agrees that from time to time during the Term, Caesars may negotiate and enter into amendments and supplements to the

Union Agreements. Each Union Agreement, as so amended or supplemented, may include those provisions agreed to by and between the applicable union and Caesars, in its sole discretion, including provisions for (i) notifying then-existing employees of Caesars in the bargaining units represented by the applicable union of employment opportunities in the Restaurant, (ii) preferences in training opportunities for such then-existing employees, (iii) preferences in hiring of such then-existing employees, if such then-existing employees are properly qualified, and (iv) other provisions concerning matters addressed in this Section 4.3.

- (c) Conflicts. In the event any agreement, covenant, obligation or right of a party contained herein is, or at any time during the Term shall be, prohibited pursuant to the terms of any Union Agreement, the applicable party shall be relieved of such agreement, covenant, obligation or right, with no continuing or accruing liabilities of any kind, and such agreement, covenant, obligation or right shall be deemed to be separate and severable from the other portions of this Agreement, and the other portions shall be given full force and effect. In the event any agreement, covenant, obligation or right under this Agreement is severed from this Agreement pursuant to this Section 4.3(c), the parties shall thereafter cooperate in good faith to modify this Agreement to provide the parties with continuing agreements, covenants, obligations and rights that are consistent with the requirements and obligations of this Agreement (including the economic provisions contained herein), such Union Agreement and applicable law, rules and regulations.

4.4 Training Support. As and if reasonably requested by Caesars from time to time during the Term, GRH shall advise Caesars as to the training GRH recommend be provided for refresher training of such appropriate kitchen and front-of-house Employees as reasonably selected by Caesars, including training with respect to any new food and beverage menus and recipes therefore developed and implemented from time to time during the Term. After consulting with and giving full and proper consideration to all reasonable recommendations of Gordon Ramsay and GRH, Caesars shall be responsible for, and shall have final approval with respect to such refresher training.

4.5 Evaluations. As reasonably requested by Caesars from time to time during the Term but not more than twice in any one (1) year during the Term, Gordon Ramsay and GRH shall be entitled to review, approve and make recommendations with respect to the annual evaluations of the Senior Management Employees as conducted by Caesars, and Gordon Ramsay shall participate in such review, approval and recommendation process in the event Caesars' request coincides with any GR Restaurant Visit and Gordon Ramsay's schedule otherwise permits; provided, however, Caesars shall have final approval with respect to all aspects of same. Such evaluation services, and meetings with respect to same, shall take place in Las Vegas, Nevada after reasonable advance notice.

4.6 Employment Authorization. Caesars shall be solely responsible for applying for, and shall be solely responsible for all costs and expenses related to obtaining (with the understanding that said costs shall be deemed to be an Operating Expense of the Restaurant), any work authorizations from the United States Citizenship and Immigration Services, a Bureau of the United States Department of Homeland Security ("USCIS"), that may be required in order for the Senior Management Employees to be employed by Caesars at the Restaurant; provided, however, each such Employee shall be required to cooperate with Caesars with respect to applying for such work authorization and shall be required to diligently provide to Caesars or directly to USCIS, as applicable, all information such Employee is required to provide in support of the application for such work authorization; provided further, however, GRH expressly acknowledge that, in the event that Caesars is unable to reasonably obtain such work authorization for any Employee, the offer of employment for such Employee shall be revoked.

5 LICENSE.

5.1 Marks and Materials. Each of Gordon Ramsay and GRH severally represent and warrant to Caesars that Gordon Ramsay and/or an entity controlled by him is and at all times during the Term will be the owner of any GR Marks and General GR Materials as contemplated by this Agreement and at all times during the Term GRH will possess the necessary right to license the GR Marks and General

GR Materials to Caesars pursuant to this Agreement, free and clear of any restrictions except those imposed by this Agreement.

5.2 Ownership.

- (a) By GRH or Gordon Ramsay. Caesars acknowledges and agrees that Gordon Ramsay and/or an entity controlled by him is the owner of the GR Marks and the General GR Materials and any modification, adaptation, improvement or derivative of or to the foregoing. GRH has a license of all necessary rights to grant the licenses and rights set out in this Agreement. Caesars acknowledges and agrees that all use of the GR Marks and General GR Materials (including any goodwill generated by such use) shall inure to the benefit of Gordon Ramsay and/or GRH and, except for the limited License set forth in this Agreement, Caesars shall not have or obtain any right, title or interest in or to any of the GR Marks or General GR Materials. Notwithstanding the foregoing, each of Gordon Ramsay and GRH acknowledges and agrees that Caesars shall own all copyright and other rights, title and interest in and to all materials described in Section 5.2(b)(ii) below, save to the extent that such materials use or contain any or all of the GR Marks or General GR Materials and, in addition to the rights granted by copyright, Caesars may use such materials and the GR Marks or General GR Materials licensed in this Agreement in promotional pieces listing, indicating or depicting people or entities that have or have had an appearance, relationship or other connection to Caesars or any of its Affiliates. If and to the extent that Caesars has or comes to have any right, title or interest in any intellectually property rights in the GR Marks or General GR Materials or any modification, adaptation, improvement or derivative of or to the foregoing, Caesars hereby assigns to Gordon Ramsay and GRH as applicable all such intellectual property rights and will enter into any documents reasonably required by Gordon Ramsay or GRH to confirm or perfect such assignment.
- (b) By Caesars. Each of Gordon Ramsay and GRH acknowledges and agrees that Caesars shall own: (i) any works, trade names, trademarks, designs, trade dress, service names and service marks, and registrations thereof and applications for registration thereof, and all works of authorship, programs, techniques, processes, formulas, developmental or experimental work, work-in-process, methods or trade secrets and all other materials, work product, intangible assets or other intellectual property rights created or developed by Caesars for use in association with the Restaurant except for the GR Marks or General GR Materials and except for any modification, adaptation, improvement or derivative thereto or as otherwise provided in Section 5.2(a); and (ii) any materials that that are created by any party pursuant to this Agreement in which the GR Marks or the General GR Materials are embodied or incorporated, including all photographic or video images, all promotional materials produced in accordance with the provisions of Article 6 hereof and all marketing materials produced in accordance with the provisions of Article 8 hereof (clauses (i), and (ii), collectively, the "Caesars Marks and Materials"). Each of Gordon Ramsay and GRH acknowledges and agree that neither Gordon Ramsay nor GRH shall have or obtain any right, title or interest in or to any of the Caesars Marks and Materials. Notwithstanding the foregoing, except as licensed expressly in this Agreement, Caesars shall not acquire any rights in any GR Marks or General GR Materials included or embedded in any of the Caesars Marks and Materials.

- 5.3 Intellectual Property License. Subject to the payment of the License Fee and compliance with the terms of this Agreement, GRH hereby grants to Caesars and its Affiliates a non-exclusive, non-transferable, limited, non-sublicensable right and license, during the Term (the "License"), to use and employ the GR Marks and the General GR Materials solely on and in connection with the operation of the Restaurant in the Restaurant Premises and the marketing and promotion thereof, and in connection with the marketing, promotion and retail sale of certain products in the Restaurant Premises as is contemplated in Section 2.4 under the terms and conditions set forth in this Agreement. Each of Gordon Ramsay and GRH shall, at Caesars' reasonable request and Caesars's sole but reasonable cost and expense, provide information or documents possessed by Gordon Ramsay or GRH, and execute documents, that are necessary for Caesars and its Affiliates to exercise their rights under the License. Each of Gordon Ramsay and GRH severally represents and

warrants to Caesars that, if Gordon Ramsay dies during the Term and this Agreement is not terminated pursuant to Section 3.2(a), the License shall continue in full force and effect during the remainder of the Term.

5.4 Quality Control.

- (a) Quality Control Standards. Caesars acknowledges that the GR Marks have secondary meaning in the eyes of purchasers and the public, that the GR Marks enjoy an excellent reputation and that the provision of restaurant services of poor quality under the GR Marks could adversely affect such reputation. Caesars agrees that it shall use its commercially reasonable efforts to maintain the reputation of the GR Marks and further agrees that its use of the GR Marks shall be of a quality consistent with the quality used in connection with Caesars' use of its own trademarks.
- (b) Inspection of Operations. During the Term, Gordon Ramsay and GRH shall each have the right, upon reasonable notice and during regular business hours, to inspect Caesars' operations that touch or concern the Restaurant operation, including inspection of the Restaurant Premises, to ensure that the quality standards for the GR Marks are being maintained.
- (c) Notices. Caesars shall place appropriate trademark and copyright notices and symbols on any marketing, advertising, promotional or other materials incorporating the GR Marks and General GR Materials and at the Restaurant Premises, with information to be included in such notices and symbols to be obtained from Gordon Ramsay or GRH. Moreover, Caesars shall use commercially reasonable efforts to include any specific trademark and copyright notices relating to the GR Marks as are requested by GRH.

5.5 Gordon Ramsay's Rights in Marks.

- (a) Protection. Gordon Ramsay and/or GRH shall, at their own cost and expense, maintain in full force and effect the GR Marks and General GR Materials that are registered. Nothing in this Section 5.5(a) implies an obligation to register any GR Marks or General GR Materials that are not registered as of the date hereof; provided, that if GRH or any of its affiliates registers any GR Marks or General GR Materials after the date hereof, this Section 5.5(a) shall apply to such GR Marks and General GR Materials from and after such registration. GRH hereby confirms that it has applied to register "Gordon Ramsay Pub & Grill" in the United States Patent & Trademark Office and will keep Caesars informed with respect to such application.
- (b) No Registration. Caesars shall not, either during or after the Term of this Agreement: (i) use or register any mark which is identical or confusingly similar to any of the GR Marks or any variation thereof, in any jurisdiction; or (ii) register any domain name consisting of or including any of the GR Marks or any variation thereof.
- (c) No Challenges. Caesars acknowledges the validity of the GR Marks, and agrees that at no time either during or after the Term of this Agreement will it directly or indirectly challenge or assist others to challenge the validity or strength of the GR Marks, or GRH's ownership thereof, provided that nothing herein shall preclude Caesars from complying with any lawful subpoena or other legal requirement.

5.6 Indemnification of Caesars. GRH covenants and agrees to defend, indemnify and save and hold harmless Caesars and its Affiliates and their respective stockholders, directors, officers, agents and employees from and against all claims, losses, expenses, obligations, liabilities, liens, demands, charges, litigation and judgments, including court costs and reasonable attorneys' fees, arising directly or indirectly from any claim by any third Person (including any GR Associates or any direct or indirect owner of any GR Associates) alleging that the use permitted hereunder by Caesars or its Affiliates of the GR Marks or General GR Materials violates, infringes or otherwise conflicts with any

intellectual property or other rights of a third Person. Caesars shall notify Gordon Ramsay and GRH of any such claim and each of Gordon Ramsay and GRH may and, upon Caesars' request, shall, at their sole cost and expense, defend such claim or cause such claim to be defended by counsel designated by Gordon Ramsay and/or GRH and reasonably acceptable to Caesars. In addition, and without limiting the indemnification obligations of Gordon Ramsay and GRH as set forth in the foregoing sentence, GRH covenants and agrees to cause each GR Associate to not bring any such claim arising directly or indirectly from this Agreement, including the operation of the Restaurant and use of the License, against Caesars or any of its Affiliates.

- 5.7 Infringement by Third Persons. GRH shall make good faith efforts to monitor for possible infringement of the GR Marks or General GR Materials and each party shall promptly inform the others in writing if it becomes aware of any actual or potential infringement of the GR Marks or General GR Materials. GRH shall use and shall cause its Affiliates to use all commercially reasonable efforts to prosecute infringement of Caesars' right to use GR Marks or General GR Materials granted hereunder. If GRH shall not prosecute in a reasonable and timely manner an infringement of the GR Marks or General GR Materials or shall cease such prosecution once commenced, then Caesars may, but shall not be required to, prosecute such infringement. In such event, Caesars shall treat any income as Restaurant Sales and the out-of-pocket costs of prosecution shall be treated as an Operating Expense of the Restaurant. The parties shall provide to each other such information and assistance as may reasonably be requested in the course of any prosecution of infringements as contemplated by this Section 5.7.

6 PROMOTION AND OPERATIONAL PRESENCE.

- 6.1 Restaurant Visits. From and after the Effective Date, (a) Gordon Ramsay shall visit and attend to the Restaurant at least one (1) time per year of the Term (the "GR Restaurant Visit"), and each visit shall be for a minimum of twenty four (24) consecutive hours, as reasonably scheduled by Caesars taking into consideration the scheduling requirements described in Section 2.5, and any scheduling requirements of Gordon Ramsay under any other agreements with Caesars or any of its Affiliates (it being understood that GR Restaurant Visits may occur concurrently with any such other required visit but any concurrent visit shall be for a minimum of thirty-six (36) consecutive hours and that Gordon Ramsay shall devote adequate time to meet his obligations under this Agreement and such other agreements), (b) Caesars may request that Gordon Ramsay make additional visits to the Restaurant and Gordon Ramsay shall reasonably consider such requests but shall not be in breach if he is unable to fulfill such request (collectively, the "Additional GR Restaurant Visits") and (c) upon the reasonable request of Caesars, Gordon Ramsay's team shall visit and attend the Restaurant (collectively, the "Team Visits"). During the GR Restaurant Visits and Additional GR Restaurant Visits, Gordon Ramsay shall engage in promotional activities for the Restaurant, which may include commercial photography of Gordon Ramsay, as reasonably requested by Caesars and approved in advance by Gordon Ramsay (such approval not to be unreasonably withheld, conditioned or delayed). During the GR Restaurant Visits, Additional GR Restaurant Visits and the Team Visits, Gordon Ramsay shall, or, if applicable, shall cause his team to, review and provide advice and recommendations with respect to the Restaurant's operational, efficiency and profitability issues, the food and beverage menu standards and implementation, and Employee training, evaluations and customer service, media interviews and such other promotional events as Caesars may reasonably require.

6.2 Travel Expenses.

- (a) For each GR Restaurant Visit and Additional GR Restaurant Visits, Caesars or its travel desk shall purchase for Gordon Ramsay's use first class round trip airfare between any airport designated from time to time by Gordon Ramsay and Las Vegas McCarran International Airport. The parties shall each endeavor to ensure all such airline tickets are booked not less than thirty (30) calendar days in advance of the departure date. If a GR Promotional Visit or GR Restaurant Visit is cancelled for any reason, Caesars shall be entitled to the entire refund or credit, if any, resulting from the cancellation of the airline ticket associated with same. Subject to availability,

Caesars may at its option instead provide (at no cost to Gordon Ramsay) the use of a private jet for round trip travel for Gordon Ramsay to Las Vegas, Nevada. For each Additional GR Restaurant Visit, Caesars or its travel desk shall purchase for Gordon Ramsay's use first class round trip airfare between any airport designated by Gordon Ramsay and Las Vegas McCarran International Airport. During the duration of each GR Promotional Visit and GR Restaurant Visit and subject to availability, Caesars shall provide for Gordon Ramsay's use, at no cost or expense to Gordon Ramsay, a total of three (3) deluxe rooms at the Hotel or the property owned by an Affiliate of Caesars known as Caesars Palace (room and all applicable taxes); provided, however, Gordon Ramsay shall be responsible for all incidental room charges (subject to a thirty percent (30%) discount) and other expenses incurred during the occupancy of such rooms. Any cost or expense to Caesars or its Affiliates associated with the provision of travel accommodations and room charges under this Section 6.2(a) shall be for the account of Caesars, and shall not be an Operating Expense of the Restaurant.

- (b) For each Team Visit, Caesars and GRH shall agree, acting reasonably and in good faith, the number of team members or representatives of GRH to make the Team Visit and the length of such Team Visit. For each team member (other than Gordon Ramsay for whom Section 6.2(a) shall apply): (a) Caesars or its travel desk shall purchase for such team member, as applicable, (i) coach round trip airfare between any airport in the United States and Las Vegas McCarran International Airport or (ii) business round trip airfare between any airport outside the United States and Las Vegas McCarran International Airport; and (b) Caesars shall provide for such team member's use, at no cost or expense to such team member, one (1) standard single room at the Hotel or the property owned by an Affiliate of Caesars known as Caesars Palace (room and all applicable taxes); provided, however, such team member shall be responsible for all incidental room charges (subject to a thirty percent (30%) discount) and other expenses incurred during the occupancy of such room.

7 FEES.

- 7.1 Fees. From and after the Effective Date, in consideration of the License provided hereunder, and in consideration of the Services provided hereunder, Caesars shall pay to GRH a fee (the "License Fee") equal to:

For Gross Restaurant Sales up to and including Ten Million Dollars (\$10,000,000.00), a quarterly payment equal to 5% of Gross Restaurant Sales;

For Gross Restaurant Sales greater than Ten Million Dollars (\$10,000,000.00) up to and including Fifteen Million Dollars (\$15,000,000.00), a quarterly payment equal to 5.5% of Gross Restaurant Sales; and

For Gross Restaurant Sales greater than Fifteen Million Dollars (\$15,000,000.00), a quarterly payment equal to 6% of Restaurant Sales.

Gordon Ramsay hereby consents to the License of the GR Marks and the General GR Material to Caesars by GRH and the payment of the License Fee to GRH, and acknowledges that the Fee is fair and reasonable consideration in exchange for the performance of the Services.

- 7.2 Timing and Manner of Payments. The License Fee shall be payable on a calendar quarter basis and shall be paid by Caesars no later than thirty (30) days after the end of quarter to which it relates by check, money order or wire transfer in lawful funds of the United States of America to such address or account located within the United States of America as directed by GRH, as applicable, from time to time.

- 7.3 Calculations. Caesars shall be solely responsible for maintaining and shall maintain, all books and records necessary to calculate the License Fee and, within thirty (30) days after the end of each

quarter during each Fiscal Year shall deliver notice to GRH reasonably detailing the calculation of the Fee. Caesars' calculations shall be conclusive and binding unless: (i) within sixty (60) calendar days' of Caesars' delivery of such notice, GRH notifies Caesars in writing of any claimed manifest calculation error therein; or (ii) notwithstanding (i) above such calculations are determined to be inaccurate as the result of any audit pursuant to Section 7.4. Upon receipt of any such notification, Caesars shall review the claimed manifest calculation error and, within thirty (30) calendar days of such notification, advise GRH as to the corrected calculation, if any. If GRH still disagrees with such calculation, the calculation shall not be binding and GRH shall be deemed to have reserved all of his rights related thereto under this Agreement.

7.4 Audit. Subject to the remaining provisions of this Section 7.4, GRH shall be entitled at any time, at its sole cost and expense, upon ten (10) calendar days' notice to Caesars, but not more than two (2) times per calendar year, to cause an audit to be made, during normal business hours, by any Person designated by GRH and approved by Caesars (who shall not unreasonably withhold, delay or condition said approval), of all books, records, accounts and receipts required to be kept for the calculation of the Fee, which shall not include tax returns of Caesars filed on a consolidated basis, which audit shall be conducted without material disruption or disturbance to Caesars' operations. If such audit discloses that any Fee was calculated in error or otherwise shows an underpayment to GRH, Caesars shall be entitled to review such audit materials and to conduct its own audit related to such period. If Caesars does not dispute the result of GRH's audit within ninety (90) days after conclusion and presentation by GRH to Caesars of GRH's findings, Caesars shall (in the next quarterly allocation) pay to GRH such additional monies necessary to compensate GRH. If such audit discloses that the Fee owed by Caesars for any Fiscal Year exceeds the amount paid to Gordon Ramsay or GRH for such year more than five (5%) percent, Caesars shall pay GRH the actual third party costs of such audit. Caesars may condition any audit under this Section 7.4 on the receipt of a reasonable confidentiality undertaking from any Person to whom information will be disclosed in connection with such audit, in form and substance satisfactory to Caesars.

8 OPERATIONS.

8.1 Marketing and Publicity. GRH and Caesars shall jointly make all determinations regarding maintaining, updating or otherwise modifying the marketing plan for the Restaurant. Caesars shall make all determinations regarding the actual advertising, sales, promotional and other publicity materials relating to the Restaurant or the transactions contemplated by this Agreement and shall market the Restaurant in accordance with Caesars' then current marketing procedures utilized for similar third party licensed restaurants; provided, that any such materials containing the GR Marks or General GR Materials shall require the prior approval of GRH not to be unreasonably withheld, conditioned or delayed; provided further, that Caesars shall not be in breach of such marketing obligations to the extent delayed or prevented due to the lack of prior approval of GRH if required herein. Except as set forth in the immediately preceding sentence, no party shall, and each party shall cause its Affiliates not to, publish or make any press release or other public statement relating to the Restaurant or the transactions contemplated by this Agreement without the prior consent of the other parties, such consents not to be unreasonably withheld, conditioned or delayed. Neither Gordon Ramsay nor GRH will, and each will cause its Affiliates not to, publish, make or use any such materials without the prior written consent of Caesars. Marketing consultations and meetings with respect to same, shall take place at such times and such places as the parties agree from time to time. Caesars shall inform GRH if it becomes aware of any publicity related to the Restaurant that may have a material negative impact on Gross Restaurant Sales or otherwise have a material adverse effect on the Restaurant (it being understood that Caesars has no obligation to make any effort to monitor for any such publicity). For the avoidance of doubt, the obligations of GRH set forth in this Section 8.1 shall not affect or otherwise modify GRH's obligations set forth in Sections 6.1 and 6.2.

8.2 Operational Efficiencies. As reasonably required by Caesars from time to time during the Term, GRH shall consult with Caesars and provide Caesars with advice regarding the Restaurant's food and beverage menus, quality standards, and operational, efficiency and profitability issues; provided,

however, that Caesars, after fully and properly considering all reasonable recommendations received from GRH, shall have final approval with respect to all aspects of same. Such operational consulting and advice and meetings with respect to same, shall take place at such times and such places as the parties agree from time to time.

9 REPRESENTATIONS AND WARRANTIES.

9.1 Caesars' Representations and Warranties. Caesars hereby represents and warrants to Gordon Ramsay and GRH that:

- (a) Caesars is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization;
- (b) Caesars has the valid corporate power to execute and deliver, and perform its obligations under, this Agreement and such execution, delivery and performance has been authorized by all necessary corporate action on the part of Caesars;
- (c) subject to the entry of an order by the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court") presiding over Caesars' and certain of its affiliates' voluntary Chapter 11 Cases under Title 11 of the United States Code authorizing Caesars to enter into the Agreement (the "Authorization Order"), no consent or approval or authorization of any Person is required in connection with Caesars' execution and delivery, and performance of its obligations under, this Agreement;
- (d) there are no actions, suits or proceedings pending or, to the best knowledge of Caesars, threatened against Caesars in any court or administrative agency that would prevent Caesars from completing the transactions provided for herein;
- (e) this Agreement constitutes the legal, valid and binding obligation of Caesars, enforceable in accordance with its terms;
- (f) as of the Effective Date, no representation or warranty made herein by Caesars contains any untrue statement of material fact, or omits to state a material fact necessary to make such statements not misleading; and
- (g) at all times during the Term, the Restaurant shall be a first-class gourmet restaurant and the Hotel shall maintain the standard and quality of the Hotel existing on the Effective Date.

9.2 Gordon Ramsay's Representations and Warranties. Gordon Ramsay hereby represents and warrants to Caesars that:

- (a) Gordon Ramsay has the legal capacity to execute and deliver, and perform his obligations under, this Agreement;
- (b) GRH is entitled to use and authorize others to use the GR Marks and the General GR Materials as contemplated by this Agreement, no other Person has any right (by ownership, license or otherwise) to use or permit the use of the General GR Materials that would constitute a violation of the Exclusivity Provisions;
- (c) no consent or approval or authorization of any Person (other than any governmental authority) is required in connection with the execution and delivery by Gordon Ramsay of, and performance by Gordon Ramsay of his obligations under, this Agreement, and to the best of his knowledge and belief, no such consent or approval or authorization is required of any applicable governmental authority;

- (d) there are no actions, suits or proceedings pending or, to the best knowledge of Gordon Ramsay, threatened against Gordon Ramsay in any court or before any administrative agency that would prevent Gordon Ramsay from completing the transactions provided for herein (including granting the License);
- (e) Gordon Ramsay holds and at all times during the Term shall hold, directly or indirectly, at least fifty-one percent (51%) of the outstanding equity interests in GRH and its affiliates (the "GR Entities") and has and at all times during the Term shall have voting and management control of each of the GR Entities;
- (f) this Agreement constitutes the legal, valid and binding obligation of Gordon Ramsay, enforceable in accordance with its terms; and
- (g) as of the Effective Date, no representation or warranty made herein by Gordon Ramsay contains any untrue statement of a material fact, or omits to state a material fact necessary to make such statements not misleading.

9.3 GRH's Representation and Warranties. GRH hereby represents and warrants to Caesars that:

- (a) GRH is a limited liability company duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization;
- (b) GRH has a license and can grant to Caesars all necessary rights in and to the GR Marks, GRH has taken or will hereafter take all actions necessary to maintain the GR Marks, there is no restriction that exists on GRH's use of the GR Marks, the GR Marks are not subject to a current claim of infringement, interference or unfair competition or other claim and, to the best of GRH's knowledge, the GR Marks are not being infringed upon or violated by any third party, no other Person has any right (by ownership, license or otherwise) to use the GR Marks that would constitute a violation of the Exclusivity Provisions or the License, and GRH hereby approves and consents to the use of the GR Marks and General GR Material as contemplated by this Agreement;
- (c) no consent or approval or authorization of any Person (including the GR Entities, but other than any governmental authority) is required in connection with the execution and delivery by GRH of, and performance by GRH of its obligations under, this Agreement, and to the best of GRH's knowledge and belief, no such consent or approval or authorization is required of any applicable governmental authority;
- (d) there are no actions, suits or proceedings pending or, to the best knowledge of GRH, threatened against GRH in any court or before any administrative agency that would prevent GRH from completing the transactions provided for herein (including granting the License);
- (e) this Agreement constitutes the legal, valid and binding obligation of GRH, enforceable in accordance with its terms; and
- (f) as of the Effective Date, no representation or warranty made herein by GRH contains any untrue statement of a material fact, or omits to state a material fact necessary to make such statements not misleading.

10 STANDARDS; PRIVILEGED LICENSE.

- 10.1 Standards. Each of Gordon Ramsay and GRH acknowledges that the Hotel is an exclusive first-class resort hotel casino and that the Restaurant shall be an exclusive first-class restaurant and that

the maintenance of Caesars', the GR Marks', the Hotel's and the Restaurant's reputation and the goodwill of all of Caesars', the Hotel's and the Restaurant's guests and invitees is absolutely essential to Caesars, and that any impairment thereof whatsoever will cause great damage to Caesars. Each of Gordon Ramsay and GRH therefore covenants and agrees that (a) it shall not and it shall cause its Affiliates not to use or license GR Marks or General GR Materials in a manner that is inconsistent with, or take any action that dilutes or denigrates, the current level of quality, integrity and upscale positioning associated with the GR Marks and General GR Materials and (b) it shall and it shall cause its Affiliates to conduct themselves in accordance with the highest standards of honesty, integrity, quality and courtesy so as to maintain and enhance the reputation and goodwill of Caesars, the GR Marks, the Hotel and the Restaurant and at all times in keeping with and not inconsistent with or detrimental to the operation of an exclusive, first-class resort hotel casino and an exclusive, first-class restaurant. Each of Gordon Ramsay and GRH shall use commercially reasonable efforts to continuously monitor the performance of each of its and its Affiliates' respective agents, employees, servants, contractors and licensees and shall ensure the foregoing standards are consistently maintained by all of them. Any failure by Gordon Ramsay, GRH or any of their respective Affiliates or any of their respective agents, employees, servants, contractors or licensees to maintain the standards described in this Section 10.1 shall, in addition to any other rights or remedies it Caesars have, give Caesars the right to terminate this Agreement pursuant to Section 3.2(a) in its sole and absolute discretion. For the avoidance of doubt, Gordon Ramsay's persona as exhibited on the television show Hell's Kitchen prior to the date hereof shall not constitute a failure by Gordon Ramsay to maintain the standards described in this Section 10.1.

10.2 Privileged License. As a holder of privileged gaming licenses, Licensor and its affiliates are required to adhere to strict laws and regulations regarding vendor and other business relationships. If at any time Licensor determines, in its sole discretion, that its association with Licensee could violate any statutes and/or regulations regarding prohibited relationships with gaming companies, or if Licensor determines in its sole discretion, that it would be in its best interest to terminate its relationship with Licensee in order to protect any pending licensing applications or any of its privileged gaming licenses, Licensor may immediately terminate this Agreement. Licensee agrees to cooperate with Licensor, if requested, to undergo a background investigation to comply with Licensor's compliance policies and to continue to cooperate with Licensor throughout the term of this Agreement to establish and maintain Licensee suitability. If Licensee is or becomes required to be licensed by any federal, state, and/or local gaming regulatory agency, Licensee shall secure said licensing at its sole cost and expense, or if it fails to become so licensed, or, once licensed, fails to maintain such license, Licensor may immediately terminate this Agreement. Notwithstanding any other terms of this Agreement, in the event of termination of this Agreement pursuant to this Section, Licensor shall have no further liability to Licensee, except for any then-outstanding obligations and obligations that expressly survive the early termination or expiration of this Agreement, unless otherwise prohibited by a gaming regulatory agency. Licensee agrees to notify Licensor of any change of control in its ownership which is defined as any change of ownership on twenty percent (20%) or more of its common stock, or any change of ownership of any of its three largest holders holding five percent (5%) or more of the outstanding common stock. Licensee agrees to comply with, all federal, state, local, provincial or other laws or regulations applicable to countries outside of the United States, including but not limited to laws and regulations governing anti-corruption, anti-bribery, foreign corrupt practices, and anti-money laundering laws and regulations applicable to its business. Failure to do so could result in termination of this Agreement pursuant to this Section.

11 CONDEMNATION; CASUALTY; FORCE MAJEURE.

11.1 Condemnation. In the event that during the Term the whole of the Restaurant shall be taken under power of eminent domain by any governmental authority or conveyed by Caesars to any governmental authority in lieu of such taking, then this Agreement shall terminate as of the date of such taking. In the event that during the Term a substantial portion of the Restaurant (thirty percent (30%) or more) shall be taken under power of eminent domain by any governmental authority or conveyed by Caesars to any governmental authority in lieu of such taking (as determined by Caesars in its sole and absolute discretion), Caesars may, in the exercise of its sole discretion, terminate this

Agreement upon written notice give not more than thirty (30) calendar days after the date of such taking. All compensation awarded by any such governmental authority shall be the sole property of Caesars and neither Gordon Ramsay nor GRH shall have any right, title or interest in and to same except that Gordon Ramsay and GRH may pursue their own separate claim; provided, that any such claim will not reduce the award granted to Caesars.

11.2 Casualty.

- (a) Permanent and Substantial Damage. If the Hotel or the Restaurant experiences any Permanent Damage or any Substantial Damage, in each case Caesars shall have the right to terminate this Agreement upon written notice having immediate effect delivered to GRH within one hundred twenty (120) days after the occurrence of the Permanent Damage or Substantial Damage, as the case may be. All insurance proceeds recovered in connection with any damage or casualty to the Hotel or Restaurant shall be the sole property of Caesars and neither Gordon Ramsay nor GRH shall have any right, title or interest in and to same.
- (b) Obligation in Connection With a Casualty. If (i) Caesars does not terminate this Agreement the event of a Substantial Damage to the Hotel or Restaurant within the time periods provided in Section 11.2(a), (ii) restoration and repair of the damage is permitted under applicable Law and the terms of any agreement to which Caesars or any of its Affiliates is a party and (iii) Caesars has received net insurance proceeds sufficient to complete restoration and repair, Caesars shall use commercially reasonable restore and repair the Hotel or the Restaurant, as applicable, to its condition and character immediately prior to the damage. If all such restoration and repair is not completed within one hundred eighty (180) days following the occurrence of the damage, GRH shall have the right to terminate this Agreement upon written notice having immediate effect delivered to Caesars within one hundred twenty (120) days after one hundred eighty (180) days following the date of the damage and Caesars shall have no liability related to the failure of such completion to have occurred.

11.3 Excusable Delay. In the event that during the Term any party shall be delayed in or prevented from the performance of any of such party's respective agreements, covenants or obligations hereunder by reason of strikes, lockouts, unavailability of materials, failure of power, fire, earthquake or other acts of God, restrictive applicable laws, riots, insurrections, the act, failure to act or default of the other party, war, terrorist acts or other reasons wholly beyond its control and not reasonably foreseeable (each, an "Excusable Delay"), then the performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay. Notwithstanding the foregoing, lack of funds shall not be deemed an Excusable Delay. Any claim for an extension of time due to an Excusable Delay must be made in writing and received by the other parties not more than fifteen (15) calendar days after the commencement of such delay, otherwise, such party's rights under this Section 11.3 shall be deemed waived.

11.4 No Extension of Term. Nothing in this Article 11 shall extend the Term and no other payments shall accrue during any period during which the Restaurant is closed by reason of such condemnation, casualty or Excusable Delay.

12 ARBITRATION.

12.1 Dispute Resolution. Except for a breach by Caesars of Article 5 or Section 13.17 or by Gordon Ramsay or GRH of Section 1.2, 1.3, or 13.17 or Article 5, as applicable, in the event of any other dispute, controversy or claim arising out of or relating to this Agreement between the parties to this Agreement ("Dispute"), any party may serve written notice (a "Dispute Notice") upon the other parties setting forth the nature of the Dispute and the relief sought, and the parties shall attempt to resolve the Dispute by negotiation. If the Dispute has not been resolved within thirty (30) days of receipt of a Dispute Notice, any party may serve on the other parties a request to resolve the Dispute by arbitration. All Disputes not resolved by the foregoing negotiation shall be finally settled by binding

arbitration. Such arbitration shall be held in Las Vegas, Nevada in accordance with the Commercial Rules of Arbitration of the American Arbitration Association ("AAA"), in effect on the date of the Dispute Notice (the "Rules") by one or more arbitrators appointed in accordance with Section 12.2 hereof.

- 12.2 Arbitrator(s). If the claim in the Dispute Notice does not exceed Two Hundred Thousand and 00/100 Dollars (\$200,000.00), there shall be a single arbitrator nominated by mutual agreement of Gordon Ramsay and/or GRH (as the case may be) and Caesars and appointed according to the Rules. If the claim in the Dispute Notice exceeds Two Hundred Thousand and 00/100 Dollars (\$200,000.00), the arbitration panel shall consist of three (3) members unless Gordon Ramsay and/or GRH (as the case may be) and Caesars agree to use a single arbitrator. One of the arbitrators shall be nominated by Caesars, one of the arbitrators shall be nominated by GRH and the third, who shall serve as chairman, shall be nominated by the two (2) party-arbitrators within thirty (30) days of the confirmation of the nomination of the second arbitrator. If either Gordon Ramsay and/or GRH, on the one hand, or Caesars, on the other hand, fails to timely nominate an arbitrator in accordance with the Rules, or if the two (2) arbitrators nominated by Gordon Ramsay and/or GRH and Caesars fail to timely agree upon a third arbitrator, then such arbitrator will be selected by the AAA Court of Arbitration in accordance with the Rules. The arbitral award shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction over any of the parties or any of their assets.

13 MISCELLANEOUS.

- 13.1 No Partnership or Joint Venture. Nothing expressed or implied by the terms of this Agreement shall make or constitute any party hereto the agent, partner or joint venturer of and with any other party. Accordingly, the parties acknowledge and agree that all payments made to GRH under this Agreement shall be for services rendered as an independent contractor and, unless otherwise required by law, Caesars shall report as such on IRS Form 1099, and all parties shall report this for financial and tax purposes in a manner consistent with the foregoing.
- 13.2 Successors, Assigns and Delagees. Except as otherwise set forth in this Agreement, no party may assign this agreement or any right, benefit or obligation hereunder, or delegate any obligation hereunder, without the prior written of the other parties (which consent may not be unreasonably withheld or delayed); provided, however, that Caesars may assign or delegate all or any portion of this Agreement to an Affiliate of Caesars and may assign this Agreement in whole as contemplated by Section 13.4; provided further, that (a) GRH may assign this Agreement in its entirety to Gordon Ramsay or other GR or GRH Associates so long as, at or prior to such assignment, Gordon Ramsay or the GR Associates or the GRH Associates as applicable becomes the exclusive owner of the GR Marks and/or possesses and at all times during the Term will possess the necessary right to license the GR Marks to Caesars pursuant to this Agreement, free and clear of any restrictions except those imposed by this Agreement, and (b) Gordon Ramsay may assign his interest in this Agreement in its entirety to a Person that is controlled by Gordon Ramsay (subject to: (i) Gordon Ramsay having first provided to Caesars written disclosure regarding such Person; and (ii) the Caesars' compliance committee having issued its necessary approvals, shall not to be unreasonably withheld, conditioned or delayed), provided, that in the event of any change of control of such Person, the interest in this Agreement assigned by Gordon Ramsay shall be deemed to be automatically assigned back to Gordon Ramsay and Caesars shall have the right to terminate this Agreement pursuant to Section 3.2(g) (it being understood that any such change of control shall be deemed a material breach of this Agreement). Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns and delagees.
- 13.3 Waiver of Rights. Failure to insist on compliance with any of the agreements, obligations and covenants hereof shall not be deemed a waiver of such agreements, obligations and covenants, nor shall any waiver or relinquishment of any right or power hereunder at anyone or more time or times be deemed a waiver or relinquishment of such rights or powers at any other time or times. The

exercise of any right or remedy shall not impair Caesars', Gordon Ramsay's or GRH's right to any other remedy.

13.4 Divestiture or Transfer of Management Rights of the Hotel. Notwithstanding Section 13.2, Caesars may assign this Agreement to any purchaser or other acquirer of the Hotel or to any entity to which Caesars assigns management or operational responsibility of the Hotel. Notwithstanding the foregoing, Section 1.2 shall terminate upon consummation of such divestiture or assignment unless otherwise agreed by the acquirer or assignee.

13.5 Notices. Any notice or other communication required or permitted to be given by a party hereunder shall be in writing, and shall be deemed to have been given by such party to the other party or parties (a) on the date of personal delivery, (b) on the next business day following any facsimile transmission to a party at its facsimile number set forth below (if confirmation of transmission is received), (c) three (3) calendar days after being given to an international delivery company, (d) five (5) calendar days after being placed in the mail, as applicable, registered or certified, postage prepaid addressed to the following addresses, or (e) on the next business day if sent by first class overnight, nationally known delivery or courier service, prepaid in a sealed envelope or package addressed to the following addresses (each of the parties shall be entitled to specify a different address by giving notice as aforesaid):

If to Caesars:

Desert Palace, Inc.
3570 Las Vegas Boulevard South
Las Vegas, Nevada 89109

With a copy (which shall not constitute notice) to:

Caesars Entertainment Corporation
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attention: General Counsel

If to Gordon Ramsay:

Gordon Ramsay
c/o Gordon Ramsay Holdings Limited
539-547 Wandsworth Road, London SW8 3JD, United Kingdom

With a copy (which shall not constitute notice) to:

Michael Thomas
Sheridans Solicitors
Seventy Six Wardour Street
London W1F 0UR
United Kingdom

If to GRH:

Gordon Ramsay Holdings Limited
539-547 Wandsworth Road
London SW8 3JD
United Kingdom

Attention: Managing Director

Gordon Ramsay Holdings Limited
539-547 Wandsworth Road
London SW8 3JD
United Kingdom
Attention: Stuart Gillies

With a copy (which shall not constitute notice) to:

Michael Thomas
Sheridans Solicitors
Seventy Six Wardour Street
London W1F 0UR
United Kingdom

- 13.6 Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written.
- 13.7 Severability. If any part of this Agreement is determined to be void, invalid or unenforceable, such void, invalid, or unenforceable portion shall be deemed to be separate and severable from the other portions of this Agreement, and the other portions shall be given full force and effect, as though the void, invalid or unenforceable portions or provisions were never a part of this Agreement.
- 13.8 Amendment and Modification. No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the party to be bound. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.
- 13.9 Headings. Article or Section headings are not to be considered part of this Agreement and are included solely for convenience and reference and shall not be held to define, construe, govern or limit the meaning of any term or provision of this Agreement. References in this Agreement to an Article or Section shall be reference to an Article or Section of this Agreement unless otherwise stated or the context otherwise requires.
- 13.10 Governing Law; Submission to Jurisdiction; Specific Performance.
- (a) The laws of the State of Nevada applicable to agreements made in that State shall govern the validity, construction, performance and effect of this Agreement.
- (b) Notwithstanding any other provision of this Agreement, the Parties acknowledge and agree that monetary damages would be inadequate in the case of any breach by Caesars of Article 5 or Section 13.17 or Gordon Ramsay or GRH, as applicable, of the covenants contained in Section 1.2, 1.3, or 13.17 or Article 5 of this Agreement. Accordingly, each party shall be entitled, without limiting its other remedies and without the necessity of proving actual damages or posting any bond, to equitable relief, including the remedy of specific performance or injunction, with respect to any breach or threatened breach of such covenants and each party (on behalf of itself and its Affiliates) consents to the entry thereof in any affected jurisdiction. In the event that any proceeding is brought in equity to enforce the provisions of this Agreement, no party hereto shall allege, and each party hereto hereby waives the defense or counterclaim that there is an adequate remedy at law.

- (c) Subject to the provisions of Sections 12.1 and 13.10(b), Gordon Ramsay, GRH and Caesars each agree to submit to the exclusive jurisdiction of any state or federal court within the Clark County Nevada (the "Nevada Courts") for any court action or proceeding to compel or in support of arbitration or for provisional remedies in aid of arbitration, including any action to enforce the provisions of Article 12 (each an "Arbitration Support Action") or for any action or proceeding contemplated by Section 13.10(b). Each of the parties hereto irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding in a Nevada Court arising out of this Agreement including, but not limited to, an Arbitration Support Action or action or proceeding contemplated by Section 13.10(b) and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

13.11 Interpretation. This Agreement is to be deemed to have been prepared jointly by the parties hereto, and if any inconsistency or ambiguity exists herein, it shall not be interpreted against any party but according to the application of rules of the interpretation of contracts. Each party has had the availability of legal counsel with respect to its execution of this Agreement. The use of the terms "includes" or "including" shall in all cases herein mean "includes, without limitation" and "including, without limitation", respectively. All obligations and duties of Gordon Ramsay and GRH to provide recommendations or advice to Caesars shall require Gordon Ramsay and GRH to coordinate and provide only one communication with respect to such advice. The use of the terms "Gordon Ramsay and/or GRH" or words of similar import shall in all cases herein mean "Gordon Ramsay shall, or GRH shall cause one or more members of his team to," and the requirement of Caesars to obtain any consent or approval from GRH and/or Gordon Ramsay shall be satisfied upon the consent or approval of any team member of GRH designated by GRH in writing, and Caesars shall be entitled to rely on all communications from any such team member.

13.12 Third Persons. Except as provided in Section 13.15 and 13.16, nothing in this Agreement, expressed or implied, is intended to confer upon any Person other than the parties hereto any rights or remedies under or by reason of this Agreement.

13.13 Attorneys' Fees. The prevailing party in any dispute that arises out of or relates to the making or enforcement of the terms of this Agreement shall be entitled to receive an award of its expenses incurred in pursuit or defense of said claim, including, without limitation, attorneys' fees and costs, incurred in such action.

13.14 Counterparts. This Agreement may be executed in counterparts, each one of which so executed shall be deemed an original, and all of which shall together constitute one and the same agreement.

13.15 Indemnification Against Third Party Claims.

- (a) By Caesars. Caesars covenants and agrees to defend, indemnify and save and hold harmless Gordon Ramsay, GRH and their respective Affiliates and their and their respective Affiliates' existing and former stockholders, directors, officers, agents and employees from and against all claims, losses, expenses, obligations, liabilities, liens, demands, charges, litigation and judgments, including court costs and reasonable attorneys' fees, incurred or suffered by them arising directly or indirectly from any claim, action, suit, demand, assessment, investigation, arbitration or other proceeding by or in respect of any third Person (a "Third-Party Claim") arising out of Caesars' breach, performance or non-performance of its obligations under or in connection with this Agreement. Caesars further agrees to indemnify and save and hold Gordon Ramsay, GRH and their respective Affiliates and their and their respective Affiliates' stockholders, directors, officers, agents and employees harmless from and against any and all claims, actions, damages, losses, liabilities, and expenses (including legal fees) arising out of or relating to any actions initiated by Rowen Seibel (or any affiliated entities or persons) relating to Gordon Ramsay's and/or GRH's entry into or performance under this Agreement.

- (b) By Gordon Ramsay and GRH. Each of Gordon Ramsay (as to his breach, performance or non-performance only) and GRH (as to its breach, performance or non-performance only) covenants and agrees severally to defend, indemnify and save and hold harmless Caesars and its Affiliates and Caesars' and Caesars' Affiliates' respective existing and former stockholders, directors, officers, agents and employees from and against all claims, losses, expenses, obligations, liabilities, liens, demands, charges, litigation and judgments, including court costs and reasonable attorneys' fees, incurred or suffered by them arising directly or indirectly from any Third-Party Claim arising out of Gordon Ramsay's and/or GRH's breach, performance or non-performance of its obligations under or in connection with this Agreement.
- (c) Procedures. In connection with any Third Party Claim for which a Person (any of such Persons, an "Indemnified Person") is entitled to indemnification under this Section 13.15, the Indemnified Person asserting a claim for indemnification under this Section 13.15 shall notify the party from which indemnification is being sought (the "Indemnifying Person") of such Third Party Claim promptly after the Indemnified Party becomes aware of such Third Party Claim, but the failure to give such prompt notice shall not relieve the Indemnifying Party of its indemnification obligations hereunder except to the extent the delay in giving such notice shall actually prejudice the Indemnifying Party, and the Indemnifying Person shall, at its sole cost and expense, defend such Third Party Claim or cause the same to be defended by counsel designated by the Indemnifying Person and reasonably acceptable to the Indemnified Person. Notwithstanding the foregoing, the Indemnified Person, at the Indemnifying Person's expense, if the Indemnifying Person does not undertake and duly pursue the defense of such Third Party Claim in a timely manner or, in the case of Caesars, if the Third Party Claim is asserted by any governmental authority, may defend such action, suit or proceeding or cause the same to be defended by counsel designated by the Indemnified Person. Neither the Indemnified Person nor the Indemnifying Person shall settle or compromise any Third Party Claim that is the subject of a claim for indemnification under this Section 13.15 without the prior written consent of the other, which consent shall not be unreasonably withheld, conditioned or delayed.

13.16 Withholding and Tax Indemnification.

- (a) If Caesars is required to deduct and withhold from any payments or other consideration payable or otherwise deliverable pursuant to this Agreement to Gordon Ramsay or GRH any amounts under the Internal Revenue Code of 1986, as amended (the "Code"), or any provision of United States federal, state, local or foreign law, statute, regulation, treaty, administrative ruling, pronouncement or other authority or judicial opinion, Caesars agrees that, prior to said deduction and withholding, it shall provide Gordon Ramsay and GRH with notice of same. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid. In the event of any withholding Caesars will supply GRH with all documents in its possession or a certificate of withholding if applicable and will use commercially reasonable efforts to assist GRH to recover such withholding or obtain a credit for such withholding if applicable. If requested by Caesars, GRH shall promptly deliver, or cause to be promptly delivered, to Caesars all the appropriate Internal Revenue Service forms necessary for Caesars, in its sole and absolute discretion deems necessary to make a determination as to its responsibility to make any such U.S. federal withholding with respect to any payment payable pursuant to this Agreement.
- (b) Notwithstanding anything to the contrary in this Agreement, GRH shall be responsible for and shall indemnify and hold harmless Caesars and its Affiliates against (i) all Taxes (including, without limitation, any interest and penalties imposed thereon) payable by or assessed against Caesars or any of its Affiliates with respect to all amounts payable by Caesars to GRH pursuant to this Agreement and (ii) any and all claims, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and expenses) suffered or paid by Caesars or any of its Affiliates as a result of or in connection with such Taxes. Caesars shall have the right to reduce any payment payable by Caesars to GRH pursuant to this Agreement in order to satisfy any

indemnity claim pursuant to this Section 13.16. For purposes of this Section 13.16, the term "Tax" or "Taxes" means all taxes, assessments, charges, duties, fees, levies or other governmental charges, including all federal, state, local and foreign income, franchise, profits, capital gains, capital stock, transfer, sales, use, value added, occupation, property, excise, severance, windfall profits, stamps, license, payroll, social security, withholding and other taxes, or other governmental assessments, duties, fees, levies or charges of any kind whatsoever, all estimated taxes, deficiency assessments, additions to tax, penalties and interest.

13.17 Confidentiality.

- (a) Each party agrees that it shall not use, nor shall it induce or permit others to use, any of the Confidential Information of another party for any purpose other than to further the purpose of this Agreement consistent with the terms hereof or as otherwise contemplated hereby. Each party further agrees that it shall not reveal, nor shall it permit or induce others to reveal, any of the Confidential Information of another party to any other Person: (i) except to the Representatives of the receiving party to the extent such Persons require knowledge of the same in connection with the transactions contemplated in this Agreement; (ii) except as required to comply with applicable laws, regulation or legal process (but only after compliance with Section 13.17(b)); and (iii) except as otherwise agreed by the party to which the Confidential Information belongs in writing. Each party receiving, or whose Representatives receive, Confidential Information of another party (a "Recipient") shall inform its Representatives of the proprietary nature of such Confidential Information and shall be responsible for any further disclosure of such Confidential Information by any such Representative unless the Recipient would have been permitted to make such disclosure hereunder. Each Recipient, upon written request following termination of this Agreement, shall destroy any Confidential Information of another party in its or any of its Representative's possession (and certify to the destruction thereof).
- (b) In the event that a Recipient or any of its Representatives is requested or required by applicable law, regulation or legal process to disclose any of the Confidential Information of another party, the Recipient will notify the other party promptly in writing so that the other party may seek a protective order or other appropriate remedy, or, in the other party's sole discretion, waive compliance with the terms of this Agreement. The Recipient agrees not to, and agrees to cause its Representatives not to, oppose any action by the other party to obtain a protective order or other appropriate remedy. In the event that no such protective order or other remedy is obtained, or that the other party waives compliance with the terms of this agreement, the Recipient and its respective Representatives will furnish only that portion of the Confidential Information of the other party which the Recipient is advised by its counsel is legally required to be disclosed at that time and the Recipient will exercise its reasonable best efforts to obtain confidential treatment, to the extent available, for such Confidential Information so disclosed.

- 13.18 Subordination. For the avoidance of doubt, this Agreement does not create in favor of Gordon Ramsay or GRH any interest in real or personal property or any lien or encumbrance on the Hotel or any ground or similar lease affecting all or any portion of the Hotel (as the same may be renewed, modified, consolidated, replaced or extended, a "Ground Lease"). Each of Gordon Ramsay and GRH acknowledges and agrees that Caesars may from time to time assign or encumber all or any part of its interest in the Hotel or any Ground Lease by way of any one or more mortgages, deeds of trust, security agreements or similar instruments (as the same may be renewed, modified, consolidated, replaced or extended, "Mortgages"), assign or encumber all or any part of its interest in this Agreement as security to any holder of a Mortgage or a landlord under a Ground Lease or enter into a Ground Lease. The rights of Gordon Ramsay and GRH hereunder whether with respect to the Hotel and the revenue thereof or otherwise shall be inferior and subordinate to the rights and remedies of the holder of any Mortgage and the landlord under any Ground Lease. For the avoidance of doubt, neither Gordon Ramsay nor GRH shall have any right to encumber or subject the Hotel or the Restaurant, or any interest of Caesars therein, to any lien, charge or security interest, including any mechanic's or materialman's lien, charge or encumbrance of any kind. Gordon Ramsay and GRH, at their sole cost and expense, shall promptly cause any and all such liens, charges or security interests

to be released by payment, bonding or otherwise (as acceptable to Caesars in its sole discretion) within ten (10) days after GRH first has notice thereof. If Gordon Ramsay and/or GRH fails to timely take such action, Caesars may pay the claim relating to such lien, charge or security interest and any amounts so paid by Caesars shall be reimbursed by Gordon Ramsay or GRH upon demand.

13.19 Comps and Reward Points. Gordon Ramsay shall be entitled to reasonable comp privileges to be reasonably agreed to by the parties. Caesars shall cause the Restaurant to participate in Caesars' reward points system and the Restaurant shall be entitled to receive the point redemption thresholds in place as of the date of this Agreement for other first class, gourmet restaurants in the Hotel. For purposes of this Agreement, one reward point shall entitle the holder thereof to \$1.00 of food or beverage in the Restaurant.

13.20 Effectiveness. This Agreement shall be effective and binding upon the Parties upon entry of the Authorization Order by the Bankruptcy Court (the "Effective Date").

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first written hereinabove.

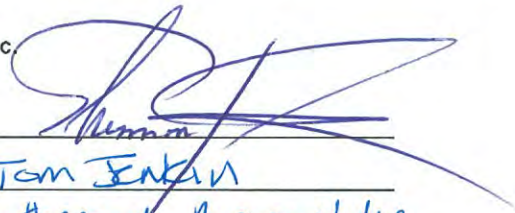
Desert Palace, Inc.

By:

Name:

Its:

Date:



Tom Entin
Authorized Representative
1/12/2016

Gordon Ramsay Holdings Limited

By:



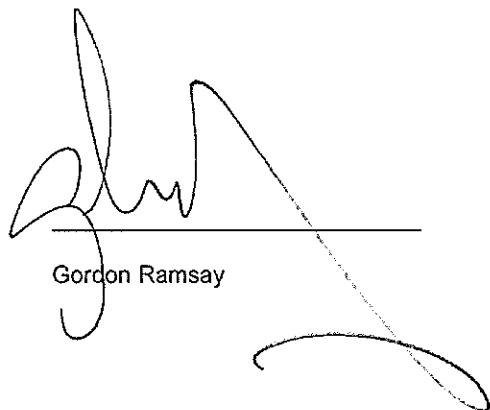
Name:

Stuart Gillies

Its:

Director

Date:



Gordon Ramsay

EXHIBIT A

DEFINITIONS

As used herein, the following terms have the meanings set forth or referenced below.

"Additional GR Restaurant Visits" has the meaning set forth in Section 6.1.

"Affiliate" means, with respect to a specified Person, any other Person who or which is directly or indirectly controlling, controlled by or under common control with the specified Person, or any member, stockholder, director, officer, manager or comparable principal of, or Relative of, the specified Person or such other Person or any Relative of such Person. For purposes of this definition, (i) "control", "controlling", "controlled" mean the right to exercise, directly or indirectly, at least ten percent (10%) of the voting power of the stockholders, members or owners of any entity and, with respect to any individual, partnership or trust, the possession, directly or indirectly, of the power to direct or cause the direction of the management of the controlled Person, and (ii) with respect to Licensee, the term "Affiliate" shall only include Caesars Entertainment Corporation, a Delaware corporation ("CEC") Caesars Acquisition Company, a Delaware corporation ("Caesars Acquisition"), and their respective direct and indirect controlled subsidiaries and shall not include any shareholder or director of CEC, Caesars Acquisition or any Affiliate of such shareholder or director (other than CEC, Caesars Acquisition and their respective direct and indirect controlled subsidiaries).

"Arbitration Support Action" has the meaning set forth in Section 13.10(c).

"Caesars Marks and Materials" has the meaning set forth in Section 5.2(b).

"Caesars Parent" means Caesars Entertainment Corporation, a corporation organized under the laws of Delaware of the United States, and its successors and assigns.

"Competing Concepts" has the meaning set forth in Section 1.2(a).

"Confidential Information" means, as to a party, information about that party and its Affiliates, including information such as business plans, strategies, costing information, prospects and locations, that (i) is furnished by or on behalf of the party to a Recipient or its Representatives, or (ii) otherwise becomes known to a Recipient or its Representatives as a result of the transactions contemplated hereby; provided, that, "Confidential Information" shall not include any information which the Recipient can clearly show (a) is or has become openly known to the public through no fault of the Recipient or its Representatives, (b) was lawfully obtained by the Recipient from a source other than the disclosing party or its Representatives, who the Recipient reasonably believes (after due inquiry) is not subject to any obligation of confidentiality or restriction on use or disclosure to the disclosing party or its Affiliates or any other Person or (c) was developed independently by the Recipient or its Affiliates.

"Dispute" has the meaning set forth in Section 12.1.

"Dispute Notice" has the meaning set forth in Section 12.1.

"Effective Date" means the later of the date of this Agreement and the date on which Caesars determines, in its sole discretion, that none of the GR Associates is an Unsuitable Person.

"Exchange Act" has the meaning set forth the definition of GR Change of Control.

"Exclusivity Provisions" has the meaning set forth in Section 1.2(a).

"Excusable Delay" has the meaning set forth in Section 11.3.

"Fiscal Year" means (a) for the first Fiscal Year shall mean the period commencing on the Effective Date and ending on December 31 of the calendar year in which the Effective Date occurs and (b) each subsequent period of twelve months commencing on January 1 and ending on December 31 of any calendar year.

"GR Associates" means Gordon Ramsay, GRH, their respective Affiliates and their respective directors, officers, and employees.

"GR Marks" means the trademark "Gordon Ramsay Pub & Grill" or, upon mutual agreement of the Parties, the trademark "London House", and the name, likeness, voice, image and sobriquet of Gordon Ramsay.

"General GR Materials" means the concept, system, designs, menus, uniforms and recipes designed for use in connection with the Restaurant that are (a) created by or for Gordon Ramsay or GRH or containing trade secrets of Gordon Ramsay or GRH as of the Effective Date and (b) as are provided from time to time by Gordon Ramsay or GRH to Caesars for the purposes of this Agreement.

"Gross Restaurant Sales" means all receipts or revenues of the Restaurant from all sources of any kind (subject to the limitations set forth in this Agreement), including the sale of food and beverage, door charges, room rental fees and sale of merchandise computed on an accrual basis in accordance with generally accepted accounting principles consistently applied by Caesars, excluding only (i) federal, state and local excise, sales, use or rent taxes collected from customers from receipts which are included in Gross Restaurant Sales, (ii) gratuities paid to the employees of the Restaurant (or paid to Caesars and paid by Caesars to such employees) by patrons with respect to functions which generate Gross Restaurant Sales, (iii) amounts collected by Caesars from patrons for the account of, and for direct payment to, unrelated third parties providing services specifically for a patron's function which generate Gross Restaurant Sales, such as flowers, music and entertainment, (iv) proceeds paid as a result of an insurable loss (unless paid for the loss or interruption of business and representing payment for damage for loss of income and profits of those Restaurant operations which are intended to generate Gross Restaurant Sales), (v) proceeds of condemnation and eminent domain awards, litigation awards and settlement payments, (vi) any proceeds or other economic benefits of any borrowings or financings of Caesars, (vii) any proceeds or other economic benefit from any sale, exchange or other disposition of all or any part of the Hotel or Restaurant, including any furniture, furnishings, decorations, and equipment, or any other similar items, (viii) funds provided by Caesars, (ix) payments made under any warranty or guaranty and (x) any other receipts or payments that are not standard or typical in the ordinary course of operating a restaurant or that are excluded by Caesars in a manner consistent with the determination of gross revenues of operations of Caesars and its Affiliates similar to the Restaurant. Gross Restaurant Sales shall be reduced by the amount of credit card fees and over-rings, refunds and credits given, paid or returned by Caesars in the course of obtaining Gross Restaurant Sales. In addition to receipts from transactions occurring at the Restaurant, Gross Restaurant Sales shall include, without limitation, all receipts for food, beverages or merchandise delivered from the Restaurant in satisfaction of orders therefor received away from the Restaurant and receipts for food, beverages and merchandise delivered away from the Restaurant in satisfaction of orders received at the Restaurant and receipts for food, beverages and merchandise delivered away from the Restaurant in satisfaction of orders received away from the Restaurant but sold, transferred or solicited with reference to the Restaurant. Notwithstanding the foregoing, Gross Restaurant Sales shall include the menu price of all food and beverages offered on a complimentary basis by Caesars to its customers and, unless the promotion was made with the prior written consent of GRH, shall include the full menu price of all food and beverages provided on a discounted basis to its customers (except that employees of Caesars or its Affiliates shall be entitled to a twenty (20%) percent discount off the full menu price and such twenty (20%) percent discount amount shall not be included in Gross Restaurant Sales).

"Ground Lease" has the meaning set forth in Section 13.18.

"GR Restaurant Visits" has the meaning set forth in Section 6.1.

"GR Entities" has the meaning set forth in Section 9.2(e).

"Initial Term" has the meaning set forth in Section 3.1.

"License Fee" has the meaning set forth in Section 7.1.

"Menu Development Services" has the meaning set forth in Section 2.2(a).

"Mortgages" has the meaning set forth in Section 13.18.

"Nevada Courts" has the meaning set forth in Section 13.10(c).

"Permanent Damage" means any damage by fire or other casualty to the Hotel or Restaurant (a) where the net insurance proceeds are not sufficient to restore and repair the damaged portion of the Hotel or Restaurant substantially to its condition and character just prior to the occurrence of such casualty or (b) where it is not reasonably practicable to restore and repair the Hotel or Restaurant due to restrictions under applicable Law or for other reasons beyond Caesars' reasonable control within three hundred sixty five (365) days from the damage, in each case as reasonably determined by Caesars.

"Person" means any individual, corporation, proprietorship, firm, partnership, limited partnership, limited liability company, trust, association or other entity, including any governmental authority.

"Recipient" has the meaning set forth in Section 14.17(a).

"Relative" means, with respect to any Person, such Person's mother, father, spouse, brother, sister and children.

"Representatives" means, with respect to any Person, such Person's employees, agents, independent contractors, representatives and Affiliates.

"Restaurant Venture" has the meaning set forth in Section 2.4(a).

"Rules" has the meaning set forth in Section 13.1.

"Senior Management Employee(s)" has the meaning set forth in Section 5.2.

"Substantial Damage" means any damage, other than a Permanent Damage, by fire or other casualty to the Hotel or Restaurant (a) that results in more than twenty percent (20%) of the area of the Hotel or Restaurant, as applicable, being rendered unusable, (b) where the estimated length of time required to restore the Hotel or Restaurant, as applicable, substantially to its condition and character just prior to the occurrence of such casualty shall be in excess of one hundred eighty (180) days or (c) if the estimated cost of restoration and repair of the damage exceeds twenty percent (20%) of the then current replacement cost of the Hotel or Restaurant, as applicable, in each case as determined by Caesars in its reasonable discretion.

"Team Visits" has the meaning set forth in Section 7.2.

"Term" has the meaning set forth Section 4.1.

"Third-Party Claim" has the meaning set forth in Section 14.15.1.

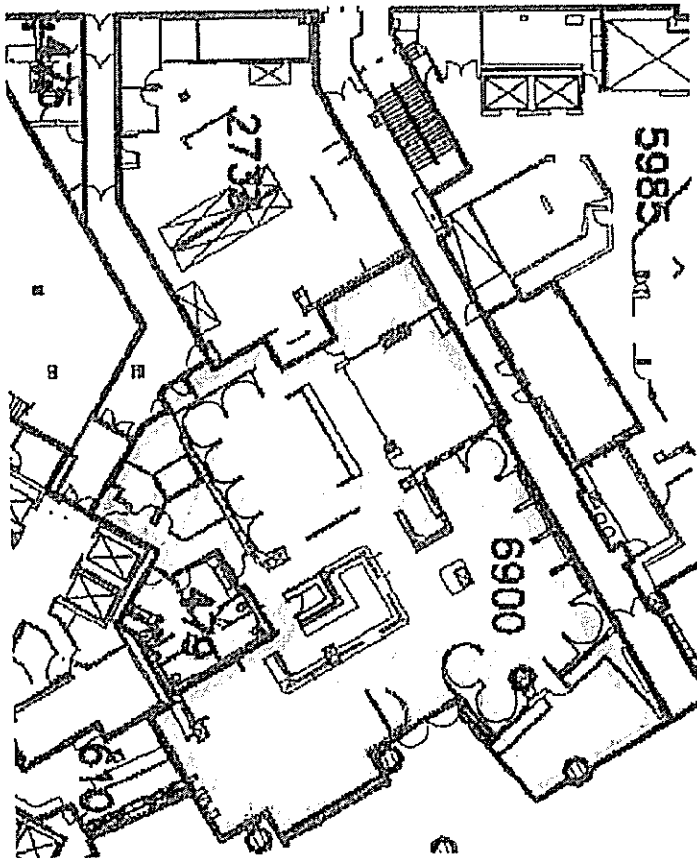
"Training" has the meaning set forth in Section 5.1.2.

"Union Agreements" has the meaning set forth in Section 5.3.1.

"Unsuitable Person" is any Person (a) whose association with Caesars or its Affiliates could be anticipated to result in a disciplinary action relating to, or the loss of, inability to reinstate or failure to obtain, any registration, application or license or any other rights or entitlements held or required to be held by Caesars or any of its Affiliates under any United States, state, local or foreign laws, rules or regulations relating to gaming or the sale of alcohol, (b) whose association or relationship with Caesars or its Affiliates could be anticipated to violate any United States, state, local or foreign laws, rules or regulations relating to gaming or the sale of alcohol to which Caesars or its Affiliates are subject, (c) who is or might be engaged or about to be engaged in any activity which could adversely impact the business or reputation of Caesars or its Affiliates, or (d) who is required to be licensed, registered, qualified or found suitable under any United States, state, local or foreign laws, rules or regulations relating to gaming or the sale of alcohol under which Caesars or any of its Affiliates is licensed, registered, qualified or found suitable, and such Person is not or does not remain so licensed, registered, qualified or found suitable.

"USCIS" has the meaning set forth in Section 5.6.

EXHIBIT B
RESTAURANT PREMISES



Bradley Ogden

*Kitchen sq ft- 2733
Front of House sq ft- 6900
Rest Rooms- 479*

EXHIBIT C

GR MARKS

GORDON RAMSAY PUB & GRILL

Word Mark	GORDON RAMSAY PUB & GRILL
Goods and Services	IC 043. US 100 101. G & S: RESTAURANT AND BAR SERVICES. FIRST USE: 20121200. FIRST USE IN COMMERCE: 20121200
Standard Characters Claimed	
Mark Drawing Code	(4) STANDARD CHARACTER MARK
Serial Number	86030705
Filing Date	August 6, 2013
Current Basis	1A
Original Filing Basis	1A
Published for Opposition	November 12, 2013
Owner	(APPLICANT) Gordon Ramsay Holdings Limited LIMITED LIABILITY COMPANY UNITED KINGDOM 1 Catherine Place London UNITED KINGDOM SW1E6DX
Attorney of Record	Evan M. Kent
Prior Registrations	3480629;3664523;4311511;4360141
Disclaimer	NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "PUB & GRILL" APART FROM THE MARK AS SHOWN
Type of Mark	SERVICE MARK
Register	PRINCIPAL
Other Data	The name "GORDON RAMSAY" identifies a living individual whose consent is of record in Registration Nos. 4360141, 4311511, 3480629 and 3664523.
Live/Dead Indicator	LIVE
Type of Mark	TRADEMARK. SERVICE MARK
Register	PRINCIPAL
Other Data	The name "GORDON RAMSAY" identifies a living individual whose consent is of record.
Live/Dead Indicator	LIVE

Exhibit 1-B

**Gordon Ramsay Pub & Grill
Caesars Atlantic City
License Agreement**

**GORDON RAMSAY PUB & GRILL
CAESARS ATLANTIC CITY
LICENSE AGREEMENT**

THIS LICENSE AGREEMENT (the "Agreement") shall be deemed made and entered into as of this 12th day of January, 2016 by and among Boardwalk Regency Corporation d/b/a Caesars Atlantic City having its principal place of business at 2100 Pacific Avenue, Atlantic City, New Jersey 08401 ("CAC") and Gordon Ramsay Holdings Limited, a UK limited company having its principal place of business located at 539-547 Wandsworth Road, London SW8 3JD ("GRH") and to the limited extent specifically provided herein, Gordon Ramsay, an individual with an address at 1 Catherine Place London SW1E 6X United Kingdom. Capitalized terms in this Agreement shall have the definitions set forth in Exhibit A attached hereto and incorporated herein by this reference.

RECITALS

- A. CAC owns or operates a hotel/casino resort complex located at 2100 Pacific Avenue, Atlantic City, New Jersey 08401, currently known as Caesars Atlantic City ("Hotel");
- B. GRH has the rights to use and exploit the GR Marks and General GR Materials as required under this Agreement and also has certain qualifications, expertise and reputation in development and operation of first-class restaurants;
- C. CAC has designed, developed, constructed and desires to continue to operate a restaurant featuring primarily pub-style food and beverages currently known as "Gordon Ramsay Pub & Grill" (collectively, the "Restaurant") in those certain premises within the Hotel more particularly shown on Exhibit B attached hereto (the "Restaurant Premises"); and
- D. CAC desires to obtain a license to use the GR Marks and General GR Materials from GRH and to retain GRH to provide, their team and to retain Gordon Ramsay to perform certain services and fulfill certain obligations with respect to consultation concerning the design, development, construction, operation, promotion and quality of the Restaurant, and GRH desires to grant a license to use certain GR Marks and General GR Materials to CAC and GRH and Gordon Ramsay desire to be retained by CAC to perform (and/or GRH to cause their team to perform) such services and fulfill such obligations, and the parties desire to enter into this Agreement to set forth their respective rights and obligations with respect thereto, all as more particularly set forth herein.

NOW THEREFORE, in consideration of the promises and the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree that the foregoing recitals are true and correct and further agree as follows:

1. APPOINTMENT; EXCLUSIVITY; CERTAIN RIGHTS.

1.1 Appointment. On the terms and subject to the conditions set forth in this Agreement, CAC hereby appoints GRH and GRH agree to provide their team and Gordon Ramsay, and GRH and Gordon Ramsay, hereby agree, to perform those services and fulfill those obligations set forth herein as to be performed or fulfilled by GRH, and/or their team or Gordon Ramsay, as applicable (collectively, the "Services"). In addition to the terms and conditions more particularly set forth in this Agreement, GRH and Gordon Ramsay each agrees to perform or cause to be performed their respective Services (a) in good faith and using sound business practice, due diligence and care, (b) using, at a minimum, the same degree of skill and attention GRH, Gordon Ramsay or their Affiliates, as the case may be, use in performing the same or similar services for its, his or their own accounts or the accounts of others (and in no event less than a reasonable degree of skill and attention), and (c) with sufficient resources and qualified personnel as are reasonably required to perform the Services in accordance with the standards set forth in this Agreement.

1.2 Exclusivity.

(a) (i) Each of Gordon Ramsay and GRH severally covenant and agrees that, at all times during the Term, each of Gordon Ramsay and GRH will not and GRH will cause its Affiliates not to, directly or indirectly, except as contemplated by this Agreement or any other Agreement with CAC or any of its Affiliates, use, or permit or license or offer or agree to permit or license any other Person to use, any GR Mark, General GR Materials or open a restaurant utilizing the Gordon Ramsay name as part of such restaurant's name, within Atlantic County, New Jersey in each case in connection with the operation of a restaurant where the concept is substantially similar to the Restaurant ("Competing Concepts"), excluding any operation for CAC or its Affiliates; and (ii) each of Gordon Ramsay and GRH severally covenant and agrees that, at all times during the Term, each of Gordon Ramsay and GRH will not and will cause their Affiliates not to, directly or indirectly, except as contemplated by this Agreement or any other Agreement with CAC or any of its Affiliates, engage in or become affiliated or associated with, or offer or agree to become engaged in or affiliated or associated with, any activities, business or operations involving any Competing Concept which is located within Atlantic County, New Jersey, including as an owner, investor, operator, director, officer, manager, agent, consultant, licensor or employee of any such Competing Concept (collectively, clauses (i) and (ii) herein, the "Exclusivity Provisions").

(b) If this Agreement is terminated by CAC prior to the end of the Term originally stated herein, and either Gordon Ramsay or GRH is in default or breach of this Agreement at the time of such termination, the Exclusivity Provisions shall continue for a period of eighteen (18) months following such termination.

(c) Notwithstanding the foregoing, owning the securities of any company if the securities of such company are listed for trading on a national stock exchange or traded in the over-the-counter market and the combined Gordon Ramsay, GRH and their respective Affiliates' holdings therein represent less than five percent (5%) of the total number of shares or principal amount of other securities of such company outstanding shall not be deemed to violate of this Section 1.2.

(d) Notwithstanding the foregoing: (i) nothing in this Section 1.2 shall preclude (a) the marketing or sale of any products branded with any GR Marks or any marketing or promotion in Atlantic County, New Jersey of any products or services of Gordon Ramsay or GRH that are sold outside of this Agreement (and not in contravention of the Exclusivity Provisions) or (b) the marketing within Atlantic County, New Jersey of other Gordon Ramsay or GRH (or Affiliates of either) restaurants and (ii) CAC shall have no rights with respect to the sale of any products (other than any food products used in the Restaurant) branded with any GR Marks or provision of any services under the GR Marks, other than as specifically set forth in this Agreement.

1.3 Rights of First Refusal.

(a) Each of GRH and Gordon Ramsay severally covenants and agrees that, at all times during the Term, each of GRH and Gordon Ramsay respectively will not and will cause their Affiliates not to, directly or indirectly, engage in or become affiliated or associated with, or offer or agree to become engaged in or affiliated or associated with, any activities, business or operations involving any restaurant or bar (including any lounge, nightclub, ultra lounge or similar operation), including as an owner, investor, operator, director, officer, manager, agent, consultant, licensor or employee of any such restaurant or bar, if such restaurant or bar is or is to be (a) located within Atlantic County (a "Restaurant Venture") or (b) located within a casino or other gaming facility within a twenty-five (25) mile radius of any existing or prior to the date hereof publicly announced hotel or gaming facility owned or operated (or to be owned or operated) by CAC or any of its Affiliates in the Las Vegas, Nevada or New Orleans, Louisiana metropolitan areas (also a "Restaurant Venture"), except after compliance with this Section 1.3.

(b) Before Gordon Ramsay, GRH or any of their respective Affiliates engages in or becomes affiliated or associated with, or offers or agrees to become engaged in or affiliated or associated with, any Restaurant Venture, Gordon Ramsay or GRH, as applicable, shall provide CAC with an offer (available to CAC and/or its Affiliates), in writing, to participate in such Restaurant Venture, which offer

shall set forth reasonable detail regarding the proposed Restaurant Venture. If CAC (or its designated Affiliate) indicates in writing within fifteen (15) days after receipt of such offer its interest in considering such opportunity, Gordon Ramsay and/or his team, as applicable, shall or shall cause its applicable Affiliates to enter into exclusive discussions, negotiations and due diligence with CAC (or its designated Affiliate) for the succeeding thirty (30) days to determine if mutually agreeable terms of participation in the Restaurant Venture can be reached. If such mutually agreeable terms cannot be reached Gordon Ramsay or GRH, as applicable shall be free to proceed with the Restaurant Venture whether by itself or with any third party. During such thirty (30) day period, Gordon Ramsay and/or his team or GRH, as applicable, shall or shall cause its applicable Affiliates to provide CAC (or its designated Affiliate) with all reasonable supporting or other documents it may reasonably request with respect to the Restaurant Venture.

1.4 CAC Exclusivity. CAC covenants and agrees that, at all times during the Term, CAC will not and will cause its Affiliates not to, directly or indirectly, except as contemplated by this Agreement or any other Agreement with Gordon Ramsay, GRH or any of their respective Affiliates open a Competing Concept within the hotel portion of CAC; provided, that this Section 1.4 shall not apply to the operation of any restaurant anywhere in the hotel portion of CAC where, as of the date of this Agreement, there is a Competing Concept; provided further, that such restaurant may not be redesigned, rebranded or otherwise modified to be more similar to the Restaurant than it is at the date of this Agreement. For the avoidance of doubt, this Section 1.4 shall not apply to (i) any other type of bar, café or tavern or (ii) any casino or other gaming area or any adjacent facility or structure.

2. RESTAURANT LOCATION, DESIGN, DEVELOPMENT AND OPERATION.

2.1 General. The Restaurant shall be comprised of that approximate square footage indicated on Exhibit B attached hereto. At all times during the Term and thereafter CAC shall retain all right, title and interest in and to the Restaurant Premises.

2.2 Menu Development.

(a) Menu Development. GRH (including Gordon Ramsay and/or other GRH employees) shall develop the initial food and beverage menus of the Restaurant, and the recipes for same, and thereafter, GRH (including Gordon Ramsay and/or other GRH employees shall revise the food and beverage menus of the Restaurant, and the recipes for same (the "Menu Development Services"). CAC shall have the reasonable opportunity to review any food and beverage menus prior to their implementation and make reasonable recommendations to same based upon the proposed costs and CAC's experience with the Atlantic City, New Jersey, fine-dining industry. After consulting with and giving full and proper consideration to all reasonable advice and reasonable recommendations from GRH and Gordon Ramsay, CAC shall establish the pricing of any food and beverage menus, in its sole and absolute but reasonable discretion. Menu Development Services, and meetings with respect to same, shall take place by conference call at times and on dates mutually agreed to by GRH, Gordon Ramsay and CAC.

(b) Menu Standards. GRH agree (a) to use commercially reasonable efforts to ensure that the food and beverage menus of the Restaurant, and the recipes for the same, shall be of a nature and cost that is consistent with the nature and cost menu offerings of casual up-scale restaurants in Atlantic City, New Jersey and (b) the food menu of the Restaurant shall feature primarily pub-style dishes.

2.3 General Operation of the Restaurant. Unless expressly provided herein to the contrary and subject to the terms of this Agreement, CAC shall be solely responsible for:

(a) managing the operations, business, finances and Employees of the Restaurant on a day-to-day basis;

- (b) maintaining the Restaurant;
- (c) developing and enforcing employment and training procedures, marketing plans, pricing policies and quality standards of the Restaurant; and
- (d) supervising the use of the food and beverage menus and recipes developed by GRH (including Gordon Ramsay and/or other GRH employees) pursuant to the terms of Section 2.2.
- (e) providing copies of the Restaurant's unaudited income statement to GRH (i) for each month within fifteen (15) days after the end of each month, (ii) for each quarter, within forty-five days after the end of each calendar quarter and (iii) for each Fiscal Year, within one hundred twenty (120) days following the conclusion of such Fiscal Year.

2.4 Merchandise.

(a) Upon CAC's request, GRH (including Gordon Ramsay and/or other GRH employees) shall use commercially reasonable efforts to (a) introduce CAC to such authorized manufacturers and suppliers of Gordon Ramsay merchandise for the purpose of purchasing and selling such merchandise in the Restaurant and (b) facilitate such services, provided that all such sales shall be included within Restaurant Sales. Unless otherwise agreed by GRH, all merchandise sold in the Restaurant shall be purchased from an authorized manufacturer or supplier of Gordon Ramsay, provided that GRH shall consent to other manufacturers and suppliers sourced by CAC so long as the merchandise is of at least equal quality to that provided by Gordon Ramsay's manufacturer or supplier and the price is equal to or less than the price charged by Gordon Ramsay's manufacturer or supplier.

(b) No operating supplies bearing, based on or containing GR Marks or General GR Materials, including all menus, wine lists, business cards, tableware, uniforms and napkins, shall be produced or used in connection with the Restaurant without GRH's prior written approval (after, to the extent necessary, consultation with Gordon Ramsay), which shall not be unreasonably withheld, conditioned or delayed. GRH shall give notice of approval or rejection (with reasons) within ten (10) days following CAC's written request for approval.

(c) In the event that CAC wishes to produce merchandise of any kind bearing, based on or containing the GR Marks or General GR Materials or otherwise relating to the Restaurant it shall provide full details of the same to GRH and the parties shall negotiate in relation thereto and enter into a separate agreement in connection therewith in the event that an agreement is reached.

2.5 Meetings and Personal Appearances. Whenever scheduling any meeting or personal appearance contemplated by this Agreement, CAC shall make commercially reasonable efforts to take into account the other then existing commitments of Gordon Ramsay and give Gordon Ramsay reasonable prior notice as far in advance as is possible, of the contemplated date, time and place of each scheduled meeting or appearance. If advised of a conflict, CAC shall make commercially reasonable efforts to reschedule such meeting or appearance to a date and time closest to the initially proposed scheduled appearance date, it being understood that all such scheduling shall be made by CAC based upon the best interest of the Restaurant and Gordon Ramsay shall endeavor to make commercially reasonable efforts to meet the appearance schedule proposed by CAC subject to previously scheduled commitments.

2.6 Additional Obligations. Each of CAC, Gordon Ramsay and GRH warrants and undertakes to the other parties that it shall:

- (a) at all times (i) fully comply with all laws, statutes, ordinances, regulations, promulgations and mandates applicable to its obligations hereunder and the operation of the Restaurant and (ii) maintain all applicable business licenses and other licenses and permits relating to its business operations or its obligations hereunder, and in each case any failure to do so shall constitute a breach of

this Agreement; and

(b) perform its duties hereunder with reasonable care and skill and shall cultivate and maintain good relations with customers of the Restaurant in accordance with sound commercial principles.

3. TERM.

3.1 Term. The initial term of this Agreement shall commence on the Effective Date and shall expire on that date that is ten (10) years from the Effective Date, unless extended by the parties or unless earlier terminated pursuant to the terms hereof (the "Initial Term"). Upon the mutual agreement of CAC and GRH, the term of this Agreement shall be extended for one additional five (5) year term (together with the Initial Term, the "Term"), which shall be on all of the same terms and conditions as contained herein. Thereafter, there shall be no additional extensions of the term of this Agreement.

3.2 Termination.

(a) Death, Disability or Non-Involvement of Gordon Ramsay. This Agreement may be terminated by CAC upon written notice to GRH and Gordon Ramsay having immediate effect if either (i) Gordon Ramsay dies or (ii) Gordon Ramsay suffers a disability, including any physical or mental condition, which impairs the ability of Gordon Ramsay to render, in a timely manner, substantially all of Gordon Ramsay's personal covenants, agreements and obligations hereunder for a period of twelve (12) months; and, in either case of (i) or (ii) above, the sales and Performance in the following twelve (12) months falls below the threshold set forth in clause Section 3.2(b) below.

(b) Sales Performance. At any time during the sixty (60) days following the third (3rd) anniversary of the Effective Date and the sixty (60) days following the sixth (6th) anniversary of the Effective Date, this Agreement may be terminated by CAC by written notice to GRH specifying the effective date of termination if (i) in the case of termination following the third (3rd) anniversary of the Effective Date, the Restaurant Sales for the twelve (12) months prior to such anniversary are not at least Three Million Two Hundred Thousand Dollars (\$3,200,000.00) or (ii) in the case of termination following the sixth (6th) anniversary of the Effective Date, the Restaurant Sales for the twelve (12) months prior to such anniversary are not at least Three Million Seven Hundred Dollars (\$3,700,000.00).

(c) Breach of Standards. This Agreement may be terminated by CAC upon written notice to GRH and Gordon Ramsay having immediate effect if, following a material breach of Section 10.1 of this Agreement, CAC sends written notice of such breach to GRH and Gordon Ramsay and such material breach is not cured within thirty (30) days after receipt of such notice.

(d) Unsuitability. This Agreement may be terminated by CAC upon written notice to GRH and Gordon Ramsay having immediate effect as contemplated by Section 10.2.

(e) Condemnation and Casualty. This Agreement may be terminated by CAC upon written notice to GRH and Gordon Ramsay having immediate effect as contemplated by Article 11.

(f) Material Breach.

1. This Agreement may be terminated by CAC upon written notice to GRH and Gordon Ramsay having immediate effect if, following a material breach of a material provision of this Agreement by Gordon Ramsay or GRH, CAC sends written notice of such material breach to GRH and Gordon Ramsay specifying in reasonable detail, the facts and circumstances underlying the claimed breach (including the provision(s) of the Agreement claimed to have been breached and what is required to cure the alleged breach) and Gordon Ramsay or GRH, as applicable, fails to cure or

commence to cure such material breach within thirty (30) days after receipt of such notice; provided that if GRH or Gordon Ramsay shall have taken steps reasonably anticipated to cure such breach within such thirty (30) day period, CAC shall not be permitted to terminate the Agreement unless such cure is not completed within a reasonable time thereafter.

2. This Agreement may be terminated by GRH upon written notice to CAC having immediate effect if, following a material breach of a material provisions of this Agreement by CAC, GRH sends written notice of such material breach to CAC specifying in reasonable detail, the facts and circumstances underlying the claimed breach (including the provision(s) of the Agreement claimed to have been breached) and CAC fails to cure such material breach within thirty (30) days after receipt of such notice for non-monetary breaches by CAC (provided that if CAC shall have taken steps reasonable anticipated to cure such breach within such thirty (30) day period, CAC shall not be permitted to terminate the Agreement unless such cure is not completed within a reasonable time thereafter) and within five (5) days after written notice is given to CAC for monetary breaches by CAC (it being understood that CAC's failure to pay any amount disputed in good faith shall not entitle Gordon Ramsay to terminate this Agreement).

(g) Bankruptcy, etc. This Agreement may be terminated by CAC upon written notice to GRH and Gordon Ramsay having immediate effect if Gordon Ramsay or GRH (i) becomes insolvent or admits in writing its inability to pay its debts as they become due, (ii) has instituted against it a proceeding seeking a judgment of insolvency, suspension of payment or bankruptcy, or a petition is presented against it for its winding up or liquidation, in each case that is not dismissed within sixty (60) days, (iii) institutes a proceeding seeking a judgment of insolvency, suspension of payment or bankruptcy, or files a petition for its winding up or liquidation, (iv) makes a general assignment for the benefit of its creditors, (v) seeks or becomes subject to the appointment of a receiver over all or substantially all of its assets, or (vi) any analogous procedure or step is taken in any jurisdiction, PROVIDED THAT this shall not apply to any insolvency for the purposes of reconstruction or amalgamation of GRH or any Affiliate.

3.3 Effect of Expiration or Termination.

(a) Termination of Obligations; Survival. Upon expiration or termination of this Agreement, there shall be no liability or obligation on the part of any party with respect to this Agreement, other than that such termination or expiration shall not (i) relieve any party of any liabilities resulting from any breach hereof by such party on or prior to the date of such termination or expiration, (ii) relieve any party of any payment obligation arising on or prior to the date of such termination or expiration, or (iii) affect any rights arising as a result of such breach or termination or expiration. The provisions of this Section 3.3 and Sections 1.2(b), 5.2, 5.6, the last sentence of Section 11.2(b) and Articles 12 and 13 shall survive any termination or expiration of this Agreement.

(b) Certain Rights of CAC Upon Expiration or Termination. Upon expiration or termination of this Agreement:

1. CAC shall cease operation of the Restaurant and its use of any GR Marks and General GR Materials; provided, however, that (i) in the event of an early termination of this Agreement, other than pursuant to Section 3.2(a), CAC shall be entitled to operate the Restaurant and use the License for one hundred twenty (120) days from such termination to orderly and properly wind-up operations of the Restaurant; and (ii) in the event of an early termination of this Agreement pursuant to Section 3.2(a), CAC shall be entitled to operate the Restaurant and use the License for up to nine (9) months from such termination to orderly and properly reconcept or wind-up operations of the Restaurant; provided that in the event of a termination pursuant to clause (i) or (ii) during the

applicable post-termination period during which CAC is operating the Restaurant, CAC shall continue to be obligated to pay GRH all amounts due GRH hereunder that accrue during such period in accordance with the terms of this Agreement as if this Agreement had not been terminated;

2. CAC shall retain all right, title and interest in and to the Restaurant Premises except for the GR Marks and General GR Materials and any personal property containing any GR Marks;

3. CAC shall retain all right, title and interest in and to the furniture, fixtures, equipment, inventory, supplies and other tangible and intangible assets used or held for use in connection with the Restaurant, except as expressly provided in this Section 3.3(b)3;

4. CAC shall retain all right, title and interest in and to CAC Marks and Materials; and

5. CAC shall have the right, but not the obligation, immediately or at any time after such expiration or termination, to operate a restaurant in the Restaurant Premises; provided, however, such restaurant shall not use the Restaurant's food and beverage menus or recipes developed by GRH and/or Gordon Ramsay or use any of the GR Marks or General GR Materials or a concept similar to the Restaurant.

(c) Certain Rights of Gordon Ramsay/GRH Upon Expiration or Termination. Upon expiration or termination of this Agreement, subject to the limited license set out in Section 3.3(b)1, all and any rights granted shall terminate and revert to GRH and GRH shall retain all right, title and interest in and to the GR Marks and General GR Materials and all right title and interest in and to the Restaurant's food and beverage menus and recipes developed by GRH and/or Gordon Ramsay.

4. RESTAURANT EMPLOYEES.

4.1 General Requirements.

(a) Employees. Subject to the terms of this Article 4, after consulting with and giving full and proper consideration to all reasonable recommendations of GRH, CAC shall be responsible for, and shall have final approval with respect to, hiring, training, managing, evaluating, promoting, disciplining and firing all kitchen and front-of-house management and staff of the Restaurant (collectively, the "Employees"). Notwithstanding anything herein to the contrary, all Employees, including all Senior Management Employees, shall be employees of CAC and shall be expressly subject to (i) CAC's human resources policies and procedures and hiring requirements in existence as of the Effective Date and as modified by CAC from time to time during the Term, and (ii) the compliance committee requirements applicable to CAC and its Affiliates, as more particularly set forth in Section 10.2 hereof. CAC shall be responsible for complying with all contracts of employment, labor laws and Union Agreements in relation to all employees.

(b) Qualified Training by CAC. At CAC's option, exercisable in its sole discretion, all applicants for Employee front-of-house positions that require personal contact with guests of the Restaurant, as well as all cook, pantry, pastry, bakery and other skilled kitchen positions, shall be required to undergo specialized training (the "Training") and, upon the culmination of such specialized training, pass a test reasonably related to the Training in order to be qualified as an Employee. The Training shall be conducted by CAC on the Employee's own time and at the Employee's own expense. At CAC's option, exercisable in its sole discretion, the Training and related test may only be required of individuals who are employees of CAC at the time of such individual's application for a position as an Employee.

4.2 Senior Management Employees. GRH shall advise CAC as to those individuals whom it recommends to be hired for the following positions at the Restaurant as necessary based on position openings and shall use commercially reasonable efforts to give such advice to be provided within the time frames set forth below.

- (a) One full-time equivalent Executive Chef;
- (b) One full-time equivalent General Manager;
- (c) Two full-time equivalent Assistant Chefs; and
- (d) Two full-time equivalent Assistant Managers.

The initial and any successor Executive Chef, General Manager, Assistant Chefs and Assistant Managers shall be referred to collectively, as the "Senior Management Employees" and individually, a "Senior Management Employee", with the understanding that said designation is for the purposes of reference for this document only and shall not be deemed to create a requirement or expectation of any particular level of compensation or benefits that may otherwise be available to individuals employed by CAC having such employment designation. Subject to the terms of this Article 4, after consulting with and giving full and proper consideration to all reasonable recommendations of GRH, CAC shall be responsible for, and shall have final approval with respect to, hiring, training, managing, evaluating, promoting, disciplining and firing Senior Management Employees (and any additional or replacement Senior Management Employees as reasonably required by CAC from time to time). The parties acknowledge and agree that CAC is under no obligation to hire any individual recommended pursuant to this Section 4.2.

4.3 Union Agreements.

(a) Agreements. Each of Gordon Ramsay and GRH acknowledges and agrees that all of CAC's agreements, covenants and obligations and all of Gordon Ramsay's and/or GRH's rights and agreements contained herein are subject to the provisions of any and all collective bargaining agreements and related union agreements to which CAC or any of its Affiliates is or may become a party and that are or may be applicable to the Employees (as the same may be amended or supplemented from time to time, collectively, the "Union Agreements"). Each of Gordon Ramsay and GRH agrees that all of their agreements, covenants and obligations hereunder, including those obligations to train certain Employees, shall be undertaken in such manner as to be in accordance with and to assist and cooperate with CAC's obligation to fulfill its obligations contained in the Union Agreements; provided, that CAC now and hereafter shall advise Gordon Ramsay and GRH of the obligations contained in said Union Agreements that are applicable to Employees. Notwithstanding the foregoing, in no event shall Gordon Ramsay or GRH be deemed a party to any such Union Agreement whether by reason of this Agreement, the performance of its obligations hereunder or otherwise.

(b) Amendments. Each of Gordon Ramsay and GRH acknowledges and agrees that from time to time during the Term, CAC may negotiate and enter into amendments and supplements to the Union Agreements. Each Union Agreement, as so amended or supplemented, may include those provisions agreed to by and between the applicable union and CAC, in its sole discretion, including provisions for (i) notifying then-existing employees of CAC in the bargaining units represented by the applicable union of employment opportunities in the Restaurant, (ii) preferences in training opportunities for such then-existing employees, (iii) preferences in hiring of such then-existing employees, if such then-existing employees are properly qualified, and (iv) other provisions concerning matters addressed in this Section 4.3.

(c) Conflicts. In the event any agreement, covenant, obligation or right of a party contained herein is, or at any time during the Term shall be, prohibited pursuant to the terms of any Union Agreement, the applicable party shall be relieved of such agreement, covenant, obligation or right, with no continuing or accruing liabilities of any kind, and such agreement, covenant, obligation or right shall be

deemed to be separate and severable from the other portions of this Agreement, and the other portions shall be given full force and effect. In the event any agreement, covenant, obligation or right under this Agreement is severed from this Agreement pursuant to this Section 4.3(c), the parties shall thereafter cooperate in good faith to modify this Agreement to provide the parties with continuing agreements, covenants, obligations and rights that are consistent with the requirements and obligations of this Agreement (including the economic provisions contained herein), such Union Agreement and applicable law, rules and regulations.

4.4 Training Support. As and if reasonably requested by CAC from time to time during the Term, GRH shall advise CAC as to the training GRH recommends be provided for refresher training of such appropriate kitchen and front-of-house Employees as reasonably selected by CAC, including training with respect to any new food and beverage menus and recipes therefore developed and implemented from time to time during the Term. After consulting with and giving full and proper consideration to all reasonable recommendations of Gordon Ramsay and GRH, CAC shall be responsible for, and shall have final approval with respect to such refresher training.

4.5 Evaluations. As reasonably requested by CAC from time to time during the Term but not more than twice in any one (1) year during the Term, Gordon Ramsay and GRH shall be entitled to review, approve and make recommendations with respect to the annual evaluations of the Senior Management Employees as conducted by CAC, and shall participate in such review, approval and recommendation process in the event CAC's request coincides with any GR Restaurant Visits and Gordon Ramsay's schedule otherwise permits; provided, however, CAC shall have final approval with respect to all aspects of same. Such evaluation services, and meetings with respect to same, shall take place in Atlantic City, New Jersey after reasonable advance notice.

4.6 Employment Authorization. CAC shall be solely responsible for applying for, and shall be solely responsible for all costs and expenses related to obtaining (with the understanding that said costs shall be deemed to be an Operating Expense of the Restaurant), any work authorizations from the United States Citizenship and Immigration Services, a Bureau of the United States Department of Homeland Security ("USCIS"), that may be required in order for the Senior Management Employees to be employed by CAC at the Restaurant; provided, however, each such Employee shall be required to cooperate with CAC with respect to applying for such work authorization and shall be required to diligently provide to CAC or directly to USCIS, as applicable, all information such Employee is required to provide in support of the application for such work authorization; provided further, however, GRH expressly acknowledges that, in the event that CAC is unable to reasonably obtain such work authorization for any Employee, the offer of employment for such Employee shall be revoked.

5. LICENSE.

5.1 Marks and Materials. Each of Gordon Ramsay and GRH severally represent and warrant to CAC that Gordon Ramsay and/or an entity controlled by him is and at all times during the Term will be the owner of any GR Marks and General GR Materials as contemplated by this Agreement and at all times during the Term GRH will possess the necessary right to license the GR Marks and General GR Materials to CAC pursuant to this Agreement, free and clear of any restrictions except those imposed by this Agreement.

5.2 Ownership.

(a) By GRH or Gordon Ramsay. CAC acknowledges and agrees that Gordon Ramsay and/or an entity controlled by him is the owner of the GR Marks and the General GR Materials and any modification, adaptation, improvement or derivative of or to the foregoing. GRH has a license of all necessary rights to grant the licenses and rights set out in this Agreement. CAC acknowledges and agrees and that all use of the GR Marks and General GR Materials (including any goodwill generated by such use) shall inure to the benefit of Gordon Ramsay and/or GRH and, except for the limited License set forth in this Agreement, CAC shall not have or obtain any right, title or interest in or to any of the GR Marks or General GR Materials. Notwithstanding the foregoing, each of Gordon Ramsay and GRH

acknowledges and agrees that CAC shall own all copyright and other rights, title and interest in and to all materials described in Section 5.2(b) below, save to the extent that such materials use or contain any or all of the GR Marks or General GR Materials and, in addition to the rights granted by copyright, CAC may use such materials and the GR Marks or General GR Materials licensed in this Agreement in promotional pieces listing, indicating or depicting people or entities that have or have had an appearance, relationship or other connection to CAC or any of its Affiliates. If and to the extent that CAC has or comes to have any right, title or interest in any intellectual property rights in the GR Marks or General GR Materials or any modification, adaptation, improvement or derivative of or to the foregoing, CAC hereby assigns to Gordon Ramsay and GRH as applicable all such intellectual property rights and will enter into any documents reasonably required by Gordon Ramsay or GRH to confirm or perfect such assignment.

(b) By CAC. Each of Gordon Ramsay and GRH acknowledges and agrees that CAC shall own: (i) any works, trade names, trademarks, designs, trade dress, service names and service marks, and registrations thereof and applications for registration thereof, and all works of authorship, programs, techniques, processes, formulas, developmental or experimental work, work-in-process, methods or trade secrets and all other materials, work product, intangible assets or other intellectual property rights created or developed by CAC for use in association with the Restaurant except for the GR Marks or General GR Materials and except for any modification, adaptation, improvement or derivative thereto or as otherwise provided in Section 5.2(a); and (ii) any materials that are created by any party pursuant to this Agreement in which the GR Marks or the General GR Materials are embodied or incorporated, including all photographic or video images, all promotional materials produced in accordance with the provisions of Article 6 hereof and all marketing materials produced in accordance with the provisions of Article 8 hereof (clauses (i), and (ii)), collectively, the "CAC Marks and Materials"). Each of Gordon Ramsay and GRH acknowledges and agree that neither Gordon Ramsay nor GRH shall have or obtain any right, title or interest in or to any of the CAC Marks and Materials. Notwithstanding the foregoing, except as licensed expressly in this Agreement, CAC shall not acquire any rights in any GR Marks or General GR Materials included or embedded in any of the CAC Marks and Materials.

5.3 Intellectual Property License. Subject to the payment of the Base License Fee and Incentive License Fee (if applicable) and compliance with the terms of this Agreement, each of Gordon Ramsay and GRH as necessary hereby grants to CAC and its Affiliates a non-exclusive, non-transferable, limited, non-sublicensable right and license, during the Term (the "License"), to use and employ GR Marks and the General GR Materials solely on and in connection with the operation of the Restaurant in the Restaurant Premises and the marketing and promotion thereof, and in connection with the marketing, promotion and retail sale of certain products in the Restaurant Premises as is contemplated in Section 2.4 under the terms and conditions set forth in this Agreement. Each of Gordon Ramsay and GRH shall, at CAC's reasonable request and CAC's sole but reasonable cost and expense, provide information or documents possessed by Gordon Ramsay or GRH, and execute documents, that are necessary for CAC and its Affiliates to exercise their rights under the License. Each of Gordon Ramsay and GRH severally represents and warrants to CAC that, if Gordon Ramsay dies during the Term and this Agreement is not terminated pursuant to Section 3.2(a), the License shall continue in full force and effect during the remainder of the Term.

5.4 Quality Control.

(a) Quality Control Standards. CAC acknowledges that the GR Marks have secondary meaning in the eyes of purchasers and the public, that the GR Marks enjoy an excellent reputation and that the provision of restaurant services of poor quality under the GR Marks could adversely affect such reputation. CAC agrees that it shall use its commercially reasonable efforts to maintain the reputation of the GR Marks and further agrees that its use of the GR Marks shall be of a quality consistent with the quality used in connection with CAC's use of its own trademarks.

(b) Inspection of Operations. During the Term, Gordon Ramsay and GRH shall each have the right, upon reasonable notice and during regular business hours, to inspect CAC's operations that touch or concern the Restaurant operation, including inspection of the Restaurant Premises, to ensure that the quality standards for the GR Marks are being maintained.

(c) Notices. CAC shall place appropriate trademark and copyright notices and symbols on any marketing, advertising, promotional or other materials incorporating the GR Marks and General GR Materials and at the Restaurant Premises, with information to be included in such notices and symbols to be obtained from Gordon Ramsay or GRH. Moreover, CAC shall use commercially reasonable efforts to include any specific trademark and copyright notices relating to the GR Marks as are requested by GRH.

5.5 Gordon Ramsay's Rights in Marks.

(a) Protection. Gordon Ramsay and/or GRH shall, at their own cost and expense, maintain in full force and effect the GR Marks and General GR Materials that are registered. Nothing in this Section 5.5(a) implies an obligation to register any GR Marks or General GR Materials that are not registered as of the date hereof; provided, that if GRH or any of its affiliates registers any GR Marks or General GR Materials after the date hereof, this Section 5.5(a) shall apply to such GR Marks and General GR Materials from and after such registration. GRH hereby confirms that it has applied to register "Gordon Ramsay Pub & Grill" in the United States Patent & Trademark Office and will keep CAC informed with respect to such application.

(b) No Registration. CAC shall not, either during or after the Term of this Agreement: (i) use or register any mark which is identical or confusingly similar to any of the GR Marks or any variation thereof, in any jurisdiction; or (ii) register any domain name consisting of or including any of the GR Marks or any variation thereof.

(c) No Challenges. CAC acknowledges the validity of the GR Marks, and agrees that at no time either during or after the Term of this Agreement will it directly or indirectly challenge or assist others to challenge the validity or strength of the GR Marks or GRH's ownership thereof, provided that nothing herein shall preclude CAC from complying with any lawful subpoena or other legal requirement.

5.6 Indemnification of CAC. GRH covenants and agrees to defend, indemnify and save and hold harmless CAC and its Affiliates and their respective stockholders, directors, officers, agents and employees from and against all claims, losses, expenses, obligations, liabilities, liens, demands, charges, litigation and judgments, including court costs and reasonable attorneys' fees, arising directly or indirectly from any claim by any third Person (including any GR Associates or any direct or indirect owner of the GR Associates) alleging that the use permitted hereunder by CAC or its Affiliates of the GR Marks or General GR Materials violates, infringes or otherwise conflicts with any intellectual property or other rights of a third Person. CAC shall notify Gordon Ramsay and GRH of any such claim and each of Gordon Ramsay and GRH may and, upon CAC's request, shall, at their sole cost and expense, defend such claim or cause such claim to be defended by counsel designated by Gordon Ramsay and/or GRH and reasonably acceptable to CAC. In addition, and without limiting the indemnification obligations of GRH as set forth in the foregoing sentence, Gordon Ramsay covenants and agrees to cause the GR Associate to not bring any such claim arising directly or indirectly from this Agreement, including the operation of the Restaurant and use of the License, against CAC or any of its Affiliates.

5.7 Infringement by Third Persons. GRH shall make good faith efforts to monitor for possible infringement of the GR Marks or General GR Materials and each party shall promptly inform the other in writing if it becomes aware of any actual or potential infringement of the GR Marks or General GR Materials. GRH shall use and shall cause its Affiliates to use all commercially reasonable efforts to prosecute infringement of CAC's right to use GR Marks or General GR Materials granted hereunder. If GRH shall not prosecute in a reasonable and timely manner an infringement of the GR Marks or General GR Materials or shall cease such prosecution once commenced, then CAC may, but shall not be required to, prosecute such infringement. In such event, CAC shall treat any income as Restaurant Sales and the out-of-pocket costs of prosecution shall be treated as an Operating Expense of the Restaurant. The parties shall provide to each other such information and assistance as may reasonably be requested in the course of any prosecution of infringements as contemplated by this Section 5.7.

6. PROMOTION AND OPERATIONAL PRESENCE.

6.1 Restaurant Visits. From and after the Effective Date, CAC may request that Gordon Ramsay visit and attend the Restaurant as it may be necessary during the Term (the "GR Restaurant Visits"), and Gordon Ramsay shall reasonably consider such requests but shall not be in breach if he is unable to fulfill such request, taking into consideration the scheduling requirements described in Section 2.3 and any scheduling requirements of Gordon Ramsay under any other agreements with CAC or any of its Affiliates. In addition, CAC may request Gordon Ramsay's team or representatives of GRH visit and attend the Restaurant as it may be necessary during the Term (collectively, the "Team Visits"), and Gordon Ramsay shall reasonably consider such requests but shall not be in breach if he is unable to fulfill such request and taking into account any scheduling requirements of the Parties. During the GR Restaurant Visits Gordon Ramsay shall engage in promotional activities for the Restaurant, which may include commercial photography of Gordon Ramsay, as reasonably requested by CAC and approved in advance by Gordon Ramsay (such approval not to be unreasonably withheld, conditioned or delayed). During the GR Restaurant Visits and the Team Visits, Gordon Ramsay shall, or, if applicable, shall cause his team or GRH to, review and provide advice and recommendations with respect to the Restaurant's operational, efficiency and profitability issues, the food and beverage menu standards and implementation, and Employee training, evaluations and customer service, media interviews and such other promotional events as CAC may reasonably require.

6.2 Travel Expenses.

(a) For each GR Promotional Visit and GR Restaurant Visit, CAC or its travel desk shall purchase for Gordon Ramsay's use first class round trip airfare between any airport designated from time to time by Gordon Ramsay and Atlantic City area airports. The parties shall each endeavor to ensure all such airline tickets are booked not less than thirty (30) calendar days in advance of the departure date. If a GR Promotional Visit or GR Restaurant Visit is cancelled for any reason, CAC shall be entitled to the entire refund or credit, if any, resulting from the cancellation of the airline ticket associated with same. Subject to availability, CAC may at its option instead provide (at no cost to Gordon Ramsay) the use of a private jet for round trip travel for Gordon Ramsay to Atlantic City, New Jersey. For each Additional GR Restaurant Visit, CAC or its travel desk shall purchase for Gordon Ramsay's use first class round trip airfare between any airport designated by Gordon Ramsay and Atlantic City area airports. During the duration of each GR Promotional Visit and GR Restaurant Visit and subject to availability, CAC shall provide for Gordon Ramsay's use, at no cost or expense to Gordon Ramsay, a total of three (3) deluxe rooms at the Hotel or a property owned by an Affiliate of CAC (room and all applicable taxes); provided, however, Gordon Ramsay shall be responsible for all incidental room charges (subject to a thirty percent (30%) discount) and other expenses incurred during the occupancy of such rooms. Any cost or expense to CAC or its Affiliates associated with the provision of travel accommodations and room charges under this Section (a) shall be for the account of CAC, and shall not be a Project Cost or an Operating Expense of the Restaurant.

(b) For each Team Visit, CAC and GRH shall agree, acting reasonably and in good faith, the number of team members or representatives of GRH to make the Team Visit and the length of such Team Visit. For each team member or GRH representative (other than Gordon Ramsay for whom Section (a) shall apply): (a) CAC or its travel desk shall purchase for such person, as applicable, (i) coach round trip airfare between any airport in the United States and Atlantic City area airports or (ii) business round trip airfare between any airport outside the United States and Atlantic City area airports; and (b) CAC shall provide for the use of such team member or representative of GRH, at no cost or expense to such person, one (1) standard single room at the Hotel or a property owned by an Affiliate of CAC (room and all applicable taxes); provided, however, such person shall be responsible for all incidental room charges (subject to a thirty percent (30%) discount) and other expenses incurred during the occupancy of such room.

7. BASE AND INCENTIVE LICENSE FEES.

7.1 Base and Incentive License Fees.

(a) First, CAC shall pay to GRH a base license fee for CAC's use of GRH's Intellectual Property and for GRH's services equal to a percentage of Restaurant Sales in any given Fiscal Year pursuant to the following schedule (the "Base License Fee"):

1. For Comp Sales, a quarterly payment equal to 2.1% of Comp Sales;
2. For Restaurant Sales up to and including the Baseline Amount, a quarterly payment equal to 2.1% of Restaurant Sales;
3. For Restaurant Sales greater than the Baseline Amount up to and including Two Million Two Hundred Thousand Dollars (\$2,200,000.00), a quarterly payment equal to 4.2% of Restaurant Sales;
4. For Restaurant Sales greater than Two Million Two Hundred Thousand Dollars (\$2,200,000.00) up to and including Three Million Three Hundred thousand Dollars (\$3,300,000.00), a quarterly payment equal to 4.9% of Restaurant Sales; and
5. For Restaurant Sales greater than Three Million Three Hundred Thousand Dollars (\$3,300,000.00), a quarterly payment equal to 5% of Restaurant Sales.

(b) Next, out of any remaining Available Restaurant Proceeds after application of the payments set out in Section 7.1(a) above, CAC shall be entitled to retain a capital reserve starting after the third anniversary of the Effective Date, in an amount equal to two percent (2%) of Total Restaurant Sales subject to a cap of Fifty Thousand Dollars (\$50,000) per Fiscal Year and a maximum of Two Hundred Fifty Thousand Dollars at any given time (the "Capital Reserve") (the amount of the aggregate Capital Reserve credited by CAC hereunder less the aggregate amount expended by CAC is the "Capital Reserve Account"). No later than ninety (90) days after the end of each quarter, CAC shall credit the Capital Reserve Account with the Capital Reserve (if any) for such quarter. After the Effective Date, any replacements and capital improvements for the Restaurant which are required to be capitalized under generally accepted accounting principles ("Capital Expenditures") paid by CAC shall reduce the amount of the Capital Reserve Account (but not below zero). CAC may draw upon the Capital Reserve Account to fund Capital Expenditures in the Restaurant from time to time.

(c) Next, out of any remaining Available Restaurant Proceeds after application of the payments set out in Sections (a) and (b) above, CAC shall be entitled to retain \$4,668,693.00 based upon a schedule of forty-nine (49) months following the Effective Date, with a fixed interest rate of five percent (5%) per annum on the unamortized portion thereof ("Retention Installment"). If there are not sufficient positive Available Restaurant Proceeds for CAC to receive the full amount of its Retention Installment in any year, the shortfall, together with all interest owing thereon, shall be retained from the Available Restaurant Proceeds in any subsequent period before payment of any other amount pursuant to Section 7.1(d) below.

(d) Next, out of any remaining Available Restaurant Proceeds after application of the payments set forth in Sections 7.1(a), (b) and 7.1(c) above, at the end of each Fiscal Year, the Parties shall determine the total dollar value of 28% of Available Restaurant Proceeds during such Fiscal Year. CAC shall pay to GRH an additional amount (if any) in addition to the Base License Fee equal to the total dollar value of 28% of Available Restaurant Proceeds in excess of the Base License Fee (the "Incentive License Fee").

7.2 Timing and Manner of Payments. The Base License Fee shall be payable on a calendar quarter basis and shall be paid by CAC no later than thirty (30) days after the end of the quarter to which it relates by check, money order or wire transfer in lawful funds of the United States of America to such address or account located within the United States of America as directed by GRH, from time to time. If

the Incentive License Fee is due, it shall be paid by CAC to GRH on or before April 15 of the following year.

7.3 Calculations. CAC shall be solely responsible for maintaining and shall maintain, all books and records necessary to calculate the Base License Fee and Incentive License Fee and, within: (a) thirty (30) days after the end of each quarter during each Fiscal Year shall deliver notice to GRH reasonably detailing the calculation of the Base License Fee, and (b) by April 15 after the end of the applicable Fiscal Year shall deliver notice to GRH reasonably detailing the calculation of the Incentive License Fee. CAC's calculations shall be conclusive and binding unless: (i) within thirty (30) calendar days' of CAC's delivery of such notice, GRH notifies CAC in writing of any claimed manifest calculation error therein; or (ii) notwithstanding (i) above such calculations are determined to be inaccurate as the result of any audit pursuant to Section 7.4. Upon receipt of any such notification, CAC shall review the claimed manifest calculation error and, within thirty (30) calendar days of such notification, advise GRH as to the corrected calculation, if any. If GRH still disagrees with such calculation, the calculation shall not be binding and GRH shall be deemed to have reserved all of his rights related thereto under this Agreement.

7.4 Audit. Subject to the remaining provisions of this Section 7.4, GRH shall be entitled at any time, at its sole cost and expense, upon ten (10) calendar days' notice to CAC, but not more than two (2) times per calendar year, to cause an audit to be made, during normal business hours, by any Person designated by GRH and approved by CAC (who shall not unreasonably withhold, delay or condition said approval), of all books, records, accounts and receipts required to be kept for the calculation of the Base License Fee, Incentive License Fee and/or the repayment of the Initial Capital Investment, which shall not include tax returns of CAC filed on a consolidated basis, and which audit shall be conducted without material disruption or disturbance to CAC's operations. If such audit discloses that any Base License Fee, Incentive License Fee and/or the repayment of the Initial Capital Investment was calculated in error or otherwise shows an underpayment to GRH, CAC shall be entitled to review such audit materials and to conduct its own audit related to such period. If CAC does not dispute the result of GRH's audit within ninety (90) days after conclusion and presentation by GRH to CAC of GRH's findings, CAC shall (in the next quarterly allocation) pay to GRH such additional monies necessary to compensate GRH. If such audit discloses that the Base License Fee or Incentive License Fee owed by CAC for any Fiscal Year exceeds the amount paid to GRH for such year more than five percent (5%), CAC or that the amount charged as repayment of the Initial Capital Investment was five (5%) or more less than it should have been, CAC shall pay Gordon Ramsay the actual third party costs of such audit. CAC may condition any audit under this Section 7.4 on the receipt of a reasonable confidentiality undertaking from any Person to whom information will be disclosed in connection with such audit, in form and substance satisfactory to CAC.

8. OPERATIONS.

8.1 Marketing and Publicity. GRH and CAC shall jointly make all determinations regarding maintaining, updating or otherwise modifying the marketing plan for the Restaurant. CAC shall make all determinations regarding the actual advertising, sales, promotional and other publicity materials relating to the Restaurant or the transactions contemplated by this Agreement and shall market the Restaurant in accordance with its standard procedures; provided, that any such materials containing the GR Marks or General GR Materials shall require the prior approval of GRH not to be unreasonably withheld, conditioned or delayed; provided further, that CAC shall not be in breach of such marketing obligations to the extent delayed or prevented due to the lack of prior approval of Gordon Ramsay or GRH if required herein. Except as set forth in the immediately preceding sentence, no party shall, and each party shall cause its Affiliates not to, publish or make any press release or other public statement relating to the Restaurant or the transactions contemplated by this Agreement without the prior consent of the other parties, such consents not to be unreasonably withheld, conditioned or delayed. Neither Gordon Ramsay nor GRH will, and each will cause its Affiliates not to, publish, make or use any such publicity materials without the prior written consent of CAC. Marketing consultations and meetings with respect to same shall take place at such times and such places as the parties agree from time to time. CAC shall inform GRH if it becomes aware of any publicity related to the Restaurant that may have a material negative impact on Restaurant Sales or otherwise have a material adverse effect on the Restaurant (it being

understood that CAC has no obligation to make any effort to monitor for any such publicity). For the avoidance of doubt, the obligations of Gordon Ramsay and GRH set forth in this Section 8.1 shall not affect or otherwise modify the obligations of Gordon Ramsay or GRH set forth in Section 6.1.

8.2 Operational Efficiencies. As reasonably required by CAC from time to time during the Term, GRH shall consult with CAC and provide CAC with advice regarding the Restaurant's food and beverage menus, quality standards, and operational, efficiency and profitability issues; provided, however, that CAC, after fully and properly considering all reasonable recommendations received from GRH, shall have final approval with respect to all aspects of same. Such operational consulting and advice and meetings with respect to same, shall take place at such times and such places as the parties agree from time to time.

9. REPRESENTATIONS AND WARRANTIES.

9.1 CAC's Representations and Warranties. CAC hereby represents and warrants to Gordon Ramsay and GRH that:

(a) CAC is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization;

(b) CAC has the valid corporate power to execute and deliver, and perform its obligations under, this Agreement and such execution, delivery and performance has been authorized by all necessary corporate action on the part of CAC;

(c) subject to the entry of an order by the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court") presiding over Caesars' and certain of its affiliates' voluntary Chapter 11 Cases under Title 11 of the United States Code authorizing Caesars to enter into the Agreement (the "Authorization Order"), no consent or approval or authorization of any Person is required in connection with CAC's execution and delivery, and performance of its obligations under, this Agreement;

(d) there are no actions, suits or proceedings pending or, to the best knowledge of CAC, threatened against CAC in any court or administrative agency that would prevent CAC from completing the transactions provided for herein;

(e) this Agreement constitutes the legal, valid and binding obligation of CAC, enforceable in accordance with its terms;

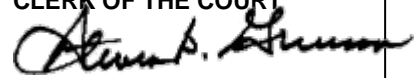
(f) as of the Effective Date, no representation or warranty made herein by CAC contains any untrue statement of material fact, or omits to state a material fact necessary to make such statements not misleading;

(g) at all times during the Term, the Restaurant shall be a first-class gourmet restaurant and the Hotel shall maintain the standard and quality of the Hotel existing on the Effective Date; and

9.2 Gordon Ramsay's Representations and Warranties. Gordon Ramsay hereby represents and warrants to CAC that:

(a) Gordon Ramsay has the legal capacity to execute and deliver, and perform his obligations under, this Agreement;

(b) GRH is entitled to use and authorize others to use the GR Marks and the General GR Materials as contemplated by this Agreement, no other Person has any right (by ownership, license or otherwise) to use or permit the use of the General GR Materials that would constitute a



APEN

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*Attorneys for Defendants LLTQ Enterprises, LLC;
LLTQ Enterprises 16, LLC;
FERG, LLC; and FERG 16, LLC*

DISTRICT COURT

CLARK COUNTY, NEVADA

ROWEN SEIBEL, an individual and citizen of
New York, derivatively on behalf of Real Party
in Interest GR BURGR LLC, a Delaware limited
liability company,

Plaintiff,

v.

PHWLTV, LLC, a Nevada limited liability
company; GORDON RAMSAY, an individual;
DOES I through X; ROE CORPORATIONS I
through X,

Defendants,

AND ALL RELATED MATTERS

Case No.: A-17-751759-B
Dept. No.: 15

Consolidated with:
Case No.: A-17-760537-B

**APPENDIX OF EXHIBITS IN SUPPORT OF
AMENDED MOTION TO DISMISS OR, IN
THE ALTERNATIVE, TO STAY CLAIMS
ASSERTED AGAINST LLTQ/FERG
DEFENDANTS – VOLUME III**

This document applies to:
A-17-760537-B

1 **IN THE SUPREME COURT OF THE STATE OF NEVADA**

2 ROWEN SEIBEL; LLTQ
3 ENTERPRISES, LLC; LLTQ
4 ENTERPRISES 16, LLC; FERG, LLC;
5 FERG 16, LLC; MOTI PARTNERS,
6 LLC; MOTI PARTNERS 16, LLC; TPOV
7 ENTERPRISES, LLC; TPOV 16
8 ENTERPRISES, LLC; DNT
9 ACQUISITION, LLC, appearing
10 derivatively by one of its two members, R
11 Squared Global Solutions, LLC,

12 Petitioners

13 vs.

14 CLARK COUNTY DISTRICT COURT,
15 THE HONORABLE JOSEPH HARDY,
16 DEPARTMENT 15,

17 Respondent,

18 DESERT PALACE, INC.; PARIS LAS
19 VEGAS OPERATING COMPANY,
20 LLC; PHWLTV, LLC; and BOARDWALK
21 REGENCY CORPORATION d/b/a
22 CAESARS ATLANTIC CITY,

23 Real Parties in Interest.

Case Number:

Electronic Filed
Eighth Judicial District
Case No. A-17-76037-18
Jun 18 2018 04:43 p.m.
Dept. 15, Honorable Joseph Hardy
Elizabeth A. Brown
Clerk of Supreme Court

**APPENDIX TO PETITION FOR
WRIT OF MANDAMUS OR
PROHIBITION**

VOLUME 8 OF 15

(APP. 1751 – 2000)

24 **MCNUTT LAW FIRM**
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26 MATTHEW C. WOLF (SBN 10801)
27 625 South Eighth Street
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 Attorneys for Petitioners

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HYMAN**
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40 **BARACK FERRAZZANO**
41 **KIRSCHBAUM &**
42 **NAGELBERG**
43 NATHAN Q. RUGG
44 Admitted Pro Hac Vice
45 200 W. Madison Street, Suite 3900
46 Chicago, IL 60606
47 Attorneys for Petitioners

1 **CERTIFICATE OF SERVICE**

2 Pursuant to NEV. R. APP. P. 25, I certify that I am an employee of MCNUTT
3 LAW FIRM. On June 18, 2018, I caused a copy of the **APPENDIX TO PETITION**
4 **FOR WRIT OF MANDAMUS OR PROHIBITION** to be hand delivered, in a
5 sealed envelope, on the date and to the addressee(s) shown below:

6 Honorable Joseph Hardy
7 District Court Judge, Dept. 15
8 Regional Justice Center
9 200 Lewis Ave., Las Vegas, NV 89155
10 *Respondent*

11 James J. Pisanelli, Esq.
12 Pisanelli Bice, PLLC
13 400 S. 7th Street, Suite 300
14 Las Vegas, NV 89101
15 *Attorney for Real Parties in Interest*

16 /s/ Lisa Heller
17 Employee of McNutt Law Firm, P.C.
18
19
20
21
22
23
24
25
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**APPENDIX TO PETITION FOR WRIT OF MANDAMUS OR
PROHIBITION**

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**APPENDIX TO PETITION FOR WRIT OF MANDAMUS OR
PROHIBITION**

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1 THE CLERK: Caesars Entertainment
2 Operating Company, Incorporated, et al.

3 MR. ARNAULT: Good morning, Your
4 Honor. Bill Arnault on behalf of the debtors.

5 MR. RUGG: Good morning, Your Honor.
6 Nathan Rugg on behalf of FERG, LLC, LLTQ Enterprises,
7 and MOTI Partners.

8 THE COURT: Good morning. We are here
9 on the motion for a protective order, and I have a
10 ruling that I will read. You can have a seat, if
11 you'd like.

12 Before me for ruling is the motion of
13 LLTQ Enterprises, LLC, and FERG, LLC, for a
14 protective order. For reasons I will describe, the
15 motion will be denied.

16 In June 2015, the debtors moved to
17 reject contracts with LLTQ and FERG. The contracts
18 concerned the development and operation of
19 restaurants at Caesars facilities in Nevada and New
20 Jersey. The restaurants bear the name of British
21 celebrity chef Gordon Ramsay who himself had
22 contracts with two of the debtors. Some months
23 later, LLTQ and FERG filed a request for payment of
24 administrative expenses in connection with the
25 restaurants, expenses they said had to be calculated

1 under the contracts. The debtors then moved to
2 reject the two contracts with Ramsay and to enter
3 into new agreements with him. LLTQ and FERG moved
4 for partial summary judgment on their administrative
5 expense request, but the motion was denied. Each of
6 the motions is consequently still pending and is
7 hotly contested. Discovery on the motions seems to
8 have been extensive.

9 Meanwhile, in April 2016, Rowen
10 Seibel, a manager and owner of both LLTQ and FERG,
11 pled guilty to federal charges of obstructing the tax
12 laws. In August 2016, the debtors learned of
13 Seibel's conviction and terminated the LLTQ and FERG
14 contracts. The debtors then asserted that Seibel's
15 criminal activities made him an "unsuitable person"
16 with whom they could not have done business and
17 indeed would never have done business had they only
18 known what he was up to. The debtors took the
19 position that Seibel had fraudulently induced them to
20 enter into the two contracts and began discovery on
21 the subject, what both sides call "suitability
22 discovery."

23 Precisely what discovery the parties
24 have taken on suitability to date is unclear. Their
25 papers on the current motion suggest the discovery

1 has been primarily if not entirely written, that
2 there have yet to be any depositions. The debtors
3 intend to continue pursuing suitability discovery.
4 LLTQ and FERG maintain that enough is enough. In
5 fact, LLTQ and FERG contend that enough is too much,
6 that no suitability discovery should have been taken.
7 They request a protective order under Rule 26(c)(1)
8 terminating discovery on the subject.

9 Although I have some sympathy for LLTQ
10 and FERG's position, their motion for protective
11 order must be denied. They argue that suitability
12 discovery should cease because the debtors' arguments
13 about suitability are deficient as a matter both of
14 fact and law. That is not a conclusion I am willing
15 to draw on a discovery motion.

16 Under Bankruptcy Rules 6004(b),
17 6006(a), and 9014(c), Fed. R. Bankr. P. 6004(b),
18 6006(a), 9014(c), Rule 26 of the Civil Rules applies
19 to contested matters like the ones here. The scope
20 of permissible discovery is set out in Rule 26(b)(1).
21 That rule says parties may obtain discovery on any
22 non-privileged matter that is "relevant to any
23 party's claim or defense." Fed. R. Civ. P. 26(b)(1).
24 Relevance for this purpose has the same meaning it
25 has under Rule 401 of the Federal Rules of Evidence.

1 Zimnicki v. General Foam Plastics Corp., No. 09 C
2 2132, 2011 WL 833601, at *2 (N.D. Ill. Mar. 3, 2011).
3 Rule 401 says that evidence is relevant "if (a) it
4 has any tendency to make a fact more or less probable
5 than it would be without the evidence, and (b) the
6 fact is of consequence in determining the action."
7 Fed. R. Evid. 401.

8 For discovery to be permissible under
9 Rule 26(b)(1), though, the matter in question must
10 not only be relevant, it must also be "proportional
11 to the needs of the case." Fed. R. Civ. P. 26(b)(1).
12 Proportionality depends on "the importance of the
13 issues at stake in the action, the amount in
14 controversy, the parties' relative access to relevant
15 information, the parties' resources, the importance
16 of the discovery in resolving the issues, and whether
17 the burden or expense of the proposed discovery
18 outweighs its likely benefit." Id.

19 The Federal Rules are designed to
20 promote liberal discovery. Kim v. Hopfauf, No. 15 C
21 9127, 2017 WL 85441, at *2 (N.D. Ill. Jan. 27, 2017);
22 LaPorta v. City of Chicago, No. 14 C 9665, 2016 WL
23 4429746, at *3 (N.D. Ill. Aug. 22, 2016). The burden
24 therefore rests with a party resisting discovery to
25 show why discovery is improper and should not be

1 allowed. Last Atlantis Capital LLC v. AGS Specialist
2 Partners, 292 F.R.D. 568, 573 (N.D. Ill. 2013).

3 Whether to permit discovery is a matter over which a
4 trial court has broad discretion. Kuttner v. Zaruba,
5 819 F.3d 970, 974 (7th Cir. 2016).

6 The motion for protective order
7 essentially collapses relevance and proportionality
8 into a single inquiry. LLTQ and FERG say little
9 about the proportionality factors mentioned in Rule
10 26(b)(1): The importance of the issues, the amount
11 in controversy, the parties' access to information,
12 their resources, the importance of the proposed
13 discovery to the issues, or the burdens and benefits
14 discovery would entail. They offer conclusions but
15 no detail. Instead, they argue principally that the
16 subject of suitability is irrelevant because the
17 debtors have no legally or factually plausible theory
18 under which suitability could have an effect on the
19 outcome of the contested matters. Because
20 suitability is irrelevant, any discovery on the
21 subject would be disproportionate. (See, e.g., Mot.
22 at 20).

23 I agree that the debtors' legal
24 theories look thin. At an earlier hearing, I raised
25 questions about the fraudulent inducement theory. I

1 asked about the procedural context in which the
2 debtors might argue fraudulent inducement, since the
3 pending motions did not appear to provide one. I
4 also asked how rescission based on fraudulent
5 inducement could be accomplished since rescission
6 involves restoring each side to its original
7 position. That did not look like a possibility here.

8 The debtors have yet to answer those
9 questions. Recognizing that there seem to have been
10 no misrepresentations about suitability in connection
11 with either the LLTQ agreement or the FERG agreement,
12 the debtors now maintain that Seibel misrepresented
13 his suitability in connection with another restaurant
14 agreement, the MOTI agreement. But that agreement
15 involved a different entity, MOTI Partners. It
16 involved a different restaurant. And it predated the
17 LLTQ and FERG agreements by several years. It is
18 hard to understand how Seibel's misrepresentation in
19 connection with one agreement in 2009 could have
20 fraudulently induced the debtors to enter into two
21 different agreements three and five years later. The
22 debtors could have trouble demonstrating the
23 requisite mental state as well as the reasonableness
24 of their reliance.

25 For the first time, the debtors also

1 argue that LLTQ and FERG breached their agreements
2 when they failed to disclose Seibel's unsuitability.
3 Citing Arlington LF, LLC v. Arlington Hospitality,
4 Inc., 637 F.3d 706 (7th Cir. 2011), a case with which
5 I am all too familiar, the debtors argue that the
6 non-disclosure was an anticipatory repudiation,
7 absolving the debtors of their obligations under the
8 agreements. But as Arlington Hospitality explains,
9 anticipatory repudiation involves a party's
10 manifestation of its intent not to perform under a
11 contract when its performance is due. Id. at 713.
12 The debtors fail to explain how the failure of LLTQ
13 and FERG to disclose Seibel's unsuitability
14 manifested an intent not to perform under the
15 agreements. Perhaps the failure was a breach, but it
16 does not appear to have been an anticipatory
17 repudiation.

18 My skepticism is not so great, though,
19 that I am prepared to conclude discovery on the
20 subject of suitability should simply stop, as FERG
21 and LLTQ request. The facts adduced thus far suggest
22 that Seibel may have made a false disclosure to the
23 debtors in 2009, a disclosure the debtors insist they
24 relied on in connection with the LLTQ and FERG
25 agreements. The facts also suggest that the LLTQ and

1 FERG agreements required their affiliates (Seibel was
2 an affiliate) to behave with honesty and integrity.
3 Seibel's conviction, another fact, tends to show he
4 did neither. Although the relevance standard in Rule
5 26 is narrower than it used to be, it "is still a
6 very broad one." 8 Charles Alan Wright, Arthur R.
7 Miller & Richard L. Marcus, Federal Practice &
8 Procedure § 2008 at 130 (3d ed. 2010). Discovery
9 should shut down when the information would have "no
10 conceivable bearing on the case," id. at 142, but the
11 relevance of suitability to the contested matters is
12 certainly conceivable, even if the debtors have
13 explained it poorly. As for the legal sufficiency of
14 the debtors' theories, "[d]iscovery is not to be
15 denied because it relates to a claim or defense that
16 is being challenged as insufficient." Id. at 137.

17 It might be another matter if LLTQ and
18 FERG had made more of the proportionality end of
19 things, arguing (for example) that suitability
20 discovery should not be permitted because the issues
21 are too insignificant, the expense too great, the
22 benefit too small, and offering specifics to back up
23 the arguments. But they have not. They have
24 objected to the discovery as if they were moving for
25 summary judgment, claiming that the facts and law

1 show the debtors' theories are so devoid of merit
2 that all discovery on suitability should stop.
3 Dubious though the debtors' legal theories seem to be
4 - at least based on what I have been given to date -
5 that is not a determination I am comfortable making
6 on a discovery motion.

7 The motion of LLTQ Enterprises, LLC,
8 and FERG, LLC, for a protective order is denied.

9 Now, we also have a motion to compel,
10 and I had postponed addressing that until I could
11 deal with the protective order motion, figuring that
12 if I granted the protective order motion, I wouldn't
13 have to deal with the motion to compel. Now I have
14 to deal with the motion to compel, and that I will do
15 on June 19.

16 So everything that is currently set
17 for today will be continued until June 19. And I
18 expect to have a ruling for you on the motion to
19 compel then.

20 All right. Anything else need to be
21 discussed today?

22 MR. RUGG: I don't believe so, Your
23 Honor.

24 MR. ARNAULT: No, Your Honor.

25 MR. RUGG: Thank you, Your Honor.

1 MR. ARNAULT: Thank you.

2 THE COURT: Okay. Thank you very
3 much.

4 (Brief pause.)

5 THE COURT: June 21 let's make that.
6 Everything will be continued to June 21. The idea
7 was to put everything with the omnibus date, so
8 that's just my calendar impairedness exhibiting
9 itself.

10 (Which were all the proceedings had in
11 the above-entitled cause, May 31,
12 2017, 10:00 a.m.)

13 I, AMY B. DOOLIN, CSR, RPR, DO HEREBY CERTIFY
14 THAT THE FOREGOING IS A TRUE AND ACCURATE
15 TRANSCRIPT OF PROCEEDINGS HAD IN THE ABOVE-
16 ENTITLED CAUSE.
17
18
19
20
21
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25

EXHIBIT H

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CAESARS ENTERTAINMENT OPERATING)
COMPANY, INC., et al.,) No. 15 B 01145
) Chicago, Illinois
) 1:30 p.m.
Debtor.) June 21, 2017

TRANSCRIPT OF PROCEEDINGS BEFORE THE
HONORABLE A. BENJAMIN GOLDFAR

APPEARANCES:

For the Debtors: Mr. Joseph Graham;
For the Unsecured Creditors
Committee: Mr. Paul Possinger;
For Sidley & Austin: Mr. Matthew Linder;
For FERG, LLTQ Enterprises,
and MOTI Partners: Mr. Nathan Rugg;

Court Reporter: Amy Doolin, CSR, RPR
U.S. Courthouse
219 South Dearborn
Room 661
Chicago, IL 60604.

1 THE CLERK: We are taking up all
2 matters on the call at 1:30 in the Caesars
3 Entertainment Operating Company, Incorporated
4 bankruptcy case.

5 MR. GRAHAM: Good morning, Your Honor
6 -- or good afternoon, Your Honor. Joe Graham,
7 Kirkland & Ellis, on behalf of the debtors.

8 THE COURT: Good afternoon.

9 MR. GRAHAM: Before we get into
10 today's agenda, I referenced a few months ago that we
11 would give you an update of kind of where we are on
12 our path towards emergence. So I wanted to quickly
13 do that, or relatively quickly.

14 THE COURT: Take your time.

15 MR. GRAHAM: All right.

16 A decent amount of this has been
17 probably -- you know, it's all been probably publicly
18 shown at this point given that we issued some press
19 releases when many of these things happened. But I
20 wanted to kind of give it to you, because I don't
21 expect you to be sitting there watching our press
22 release newswire.

23 So under the plan, there are numerous
24 conditions to the effective date, as you are well
25 aware. A lot of those are related to, you know,

1 finalizing certain documentation and making sure that
2 certain payments are made on the date of the
3 effective date, obviously, pursuant to the terms of
4 the plan. In addition to that, there are, I would
5 say, three primary kinds of non-definitive document
6 work streams. Those are financing, the merger
7 between our parent company and Caesars Acquisition,
8 and the regulatory approval process.

9 On the first of those, raising
10 financing at reorganized CEOC as well as at Caesars
11 Palace, the latter of which will be the obligation of
12 the REIT being created under our plan, we've made
13 significant progress. Back in April, on April 4th,
14 we received commitments from a syndicate of lenders
15 for a \$1.235 billion term loan and a \$200 million
16 revolving facility. That 1.235 billion term loan
17 will be used to make payments -- you know, fees under
18 the term loan, but also to pay most -- a large
19 portion of the cash due to our creditors under our
20 plan. That was committed financing, so, you know, as
21 far as the debtors are concerned, that part of
22 process is done.

23 We also announced earlier this month
24 that we've gone to market to raise financing at
25 Caesars Palace. We are seeking to raise up to \$2.2

1 billion. Under the plan, it's between 1.8 and 2.6,
2 but the requirement is 1.8. We are highly confident
3 that we will get that \$1.8 billion number, and very
4 optimistic that we'll get up to \$2.2 billion in cash.

5 The plan has several other securities
6 and debt we can hand out to our creditors as
7 distributions for that period -- that amount, between
8 1.8 and 2.6, to the extent we don't raise more than
9 1.8. And we are, you know, deep into negotiations
10 trying to raise that money. We expect that we will
11 be able to announce commitments hopefully in the next
12 few weeks.

13 In terms of the second big work
14 stream, that is, the merger between Caesars
15 Entertainment and Caesars Acquisition, back in March,
16 Caesars Entertainment and Caesars Acquisition filed
17 an S-4 with the SEC. That has gone through a round
18 of comments. They actually filed another version of
19 it this week and are seeking to send out their proxy
20 materials early next week, I believe, with a
21 shareholders meeting sometime near the end of July.

22 I wanted to note on that front that as
23 part of all the various restructuring support
24 agreements, the entity, Hamlet Holdings, that owns an
25 irrevocable proxy from the sponsors and their

1 coinvestors, has agreed to vote in favor of that
2 merger, but we do have to do the merger vote. So we
3 are very confident that should be handled by around
4 the end of July, Your Honor.

5 The final part of the process is what
6 I'll say is probably the long pole in the tent right
7 now, which is regulatory approval. Depending on the
8 state, we need approval for either the REIT
9 transaction under the plan, various financing under
10 the plan, the CEC/CAC merger, and various other
11 transactions.

12 At this time, we have all necessary
13 approvals from the state of Illinois, state of Iowa,
14 Maryland, Mississippi and Pennsylvania. And we also
15 have certain of the necessary approvals from New
16 Jersey. The company continues to need remaining
17 approvals from New Jersey at this time, as well as
18 approvals from Indiana, Nevada, Louisiana, and
19 Missouri.

20 We're very confident that over the
21 next couple weeks we'll get a few of those, and then
22 over the coming months we would get the remainder of
23 those, obviously subject to availability of the
24 gaming commissions in those states.

25 THE COURT: I thought I had heard 14

1 states were necessary. That doesn't sound correct,
2 though. Do you need fewer state approvals than that?

3 MR. GRAHAM: I believe we are in 14
4 states, Your Honor, but these are the states that
5 require -- you know, we need to go get approvals
6 from.

7 THE COURT: Oh, okay. So you don't
8 need approvals from every state then.

9 MR. GRAHAM: Yes. In certain of the
10 states that we operate casinos, we are managers. So
11 Arizona, California, we manage American Indian
12 casinos, tribal casinos, and in those ones we do not
13 need approvals.

14 THE COURT: Okay. So what --

15 MR. GRAHAM: Long way of saying --

16 THE COURT: -- is your anticipated
17 date?

18 MR. GRAHAM: -- the second half of the
19 third quarter I'd say right now, probably September.
20 But we're working as feverishly as we can to make
21 sure that we stay on track for that or it doesn't
22 slip much.

23 THE COURT: All right.

24 MR. GRAHAM: You will see on the
25 agenda that we did file we continued all of the

1 various litigation that's been stayed to the August
2 omnibus for the time being, in part because we don't
3 have a September omnibus, but in part because we may
4 be able to give an update then also on timing on
5 these final regulatory approvals.

6 THE COURT: Well, as long as we're
7 talking about preliminary matters, do you think we
8 should be setting a few more omnibus dates?

9 MR. GRAHAM: Your Honor, I think that
10 probably would be appropriate.

11 THE COURT: Okay. Let's see, we have
12 been typically doing it the third Wednesday of the
13 month, so that would be September 20, and October 18,
14 and November 15. Well, we could set a December one
15 because you can always get rid of them.

16 MR. GRAHAM: Okay.

17 THE COURT: I mean, I don't know that
18 we're going to need it, but if we don't, we'll just
19 strike it.

20 MR. GRAHAM: Okay.

21 THE COURT: So that will take us to
22 the 20th, unless you wanted a week earlier given the
23 time of year.

24 MR. GRAHAM: I would say given the
25 time of year, it might make sense to do it.

1 THE COURT: So let's say December 13.
2 And we'll get those on the website.

3 MR. GRAHAM: Thank you, Your Honor.

4 THE COURT: I assume, since I have
5 heard no complaints from either official committee,
6 that they are, A, apprised of your progress, and, B,
7 satisfied with it, because otherwise they would be in
8 here howling.

9 MR. GRAHAM: I believe that's correct,
10 Your Honor. We have regular regulatory -- monthly
11 regulatory update calls with the creditor groups.
12 And we remain, like, in discussions, obviously, about
13 all these things with both official committees, as
14 well as the various ad hoc groups that represented
15 the banks in the first lien box.

16 THE COURT: Okay. Anything else on
17 the update?

18 MR. GRAHAM: I think that's it for
19 now, Your Honor.

20 THE COURT: All right.

21 MR. GRAHAM: So I think we can move
22 into the agenda.

23 THE COURT: Let's do that.

24 MR. GRAHAM: The first item was the
25 debtor's Clark County stipulation motion, which there

1 were no objections. And we did file a certification
2 of no objection last week at docket number 712. I
3 believe that Your Honor wanted to call it. You may
4 have had some questions.

5 THE COURT: Well, I do. My question
6 is this, you don't call it a motion to approve
7 settlement under Rule 9019, but you cite Section 363
8 and Rule 9019. And I could not for the life of me
9 figure out what you were settling or what property
10 you might be using or selling or leasing.

11 And when I got to the end of the
12 motion, it seemed to me that there was nothing --
13 there was no dispute here. You say, in short, the
14 stipulation simply sets forth what the debtors
15 already expected to provide Clark County. And then
16 you go on and say but it provides Clark County with
17 the protections it needs to save the debtors
18 significant cash. I think the protections are
19 apparently against some sort of collateral attack,
20 and you talk about that. But there hasn't been one.

21 MR. GRAHAM: Correct, Your Honor.

22 THE COURT: There isn't one
23 threatened.

24 MR. GRAHAM: No one has threatened it.

25 THE COURT: So why is this not what I

1 sometimes call a comfort order?

2 MR. GRAHAM: Your Honor, we did
3 discuss that with Clark County. There is a concern
4 raised by Clark County that the plan provides that --
5 you know, there's objection to claims for 365 days
6 after the plan effective date, which could be
7 extended. And as you're well aware, you know, the
8 Code allows any party to come in and object.

9 So by entering into this stipulation
10 with them and seeking approval of the allowed amount,
11 that allows them to then go refinance without the
12 concern, by now having put it on notice, having filed
13 it on the docket, having sent it out to the major
14 creditor groups, that no one is going to object to
15 the allowance of this claim in this amount.

16 The claim itself, just as background,
17 I know it's probably in the motion, but it will sit
18 actually on the property underlying the REIT. The
19 first lien creditors are very comfortable with the
20 amount and the allowance of it. And it would be paid
21 by the Caesars side under the lease.

22 THE COURT: Is it your position that
23 by entering into the stipulation the debtors are -- I
24 don't know what the term would be -- releasing their
25 right to object? Are you giving up something here?

1 MR. GRAHAM: We are agreeing not to
2 object, yes.

3 THE COURT: Okay.

4 MR. GRAHAM: We would be releasing our
5 right under the Code or under the...

6 THE COURT: All right. So that's the
7 property that you are proposing to give up, and
8 that's why it's a Rule 9019 motion, and that's why
9 it's not just a comfort order?

10 MR. GRAHAM: Yes, Your Honor.

11 THE COURT: Okay. All right. In that
12 case, I'm comfortable. The motion is granted.

13 MR. GRAHAM: Thank you, Your Honor.

14 THE COURT: All right.

15 MR. GRAHAM: I think the next item,
16 Your Honor, is the independent member of the fee
17 committee's sixth interim final fee application.

18 THE COURT: Well, yes. My problem is
19 not with the dollars. My problem is with the word
20 "final." It can't be final because despite what
21 Professor Rapoport may think, she isn't done yet. We
22 don't have final fee applications. I don't know when
23 we will have final fee applications. Maybe we'll
24 never have final fee applications. But until we do,
25 it seems to me that the fee committee has to keep

1 working.

2 Even when there are final fee
3 applications, I would expect a report on those. Not
4 so much that the fee committee will go through, God
5 forbid, line by line every invoice since the case
6 began, but rather that the committee would determine
7 whether the amount sought as final compensation was
8 the sum of all of the amounts awarded as interim
9 compensation, because, sadly, it is not unusual for
10 there to be a disconnect. And I've got a calculator.
11 I suppose I could do it. But I'm going to have
12 Professor Rapoport do it or someone to whom she
13 delegates the task.

14 So, I have to go back and doctor this
15 order or she can submit a new one. In fact, it says
16 proposed order anyway. But I am happy to allow her
17 interim fees, but I expect another interim
18 application from her.

19 MR. GRAHAM: Understood.

20 THE COURT: Once there are final fee
21 applications that we have dealt with in this case,
22 presumably because a plan has become effective, then
23 I would like a final fee application.

24 MR. GRAHAM: Understood, Your Honor.

25 THE COURT: So to the extent it says

1 final, I think she jumped the gun. And that's my
2 only problem.

3 Why doesn't she submit a new order.

4 MR. GRAHAM: Okay. We'll reach out to
5 her. She may be on the phone.

6 THE COURT: I think she is.

7 All right. That's good.

8 MR. GRAHAM: Your Honor, I think the
9 next item up is Paul Hastings.

10 THE COURT: Yes. And, you know, I
11 just don't get certificates of no objection from
12 them. That's all.

13 MR. GRAHAM: Trying to save the estate
14 some cash, I think, Your Honor.

15 THE COURT: Well, okay. I can grant
16 that application.

17 MR. GRAHAM: Thank you, Your Honor.

18 I think with that, I think the next
19 one is actually Jefferies, which I would hand over to
20 somebody else.

21 MR. POSSINGER: Good afternoon, Your
22 Honor. Paul Possinger on behalf of the committee of
23 unsecured creditors. With me today is counsel to
24 Jefferies, Matt Linder.

25 MR. LINDER: Good afternoon, Your

1 Honor.

2 THE COURT: And where are you from
3 exactly?

4 MR. LINDER: Matthew Linder of Sidley
5 & Austin.

6 THE COURT: Yes, that's my problem.
7 And I would want to hear from the U.S. Trustee on
8 this. Sidley is not a retained professional in this
9 case, and the application proposes to pay Sidley
10 \$70,000 in estate funds. And I don't think that can
11 happen because Sidley was never retained.

12 A professional who is retained in a
13 case cannot then retain its own professional without
14 court approval and then seek to essentially expense
15 that firm's fees and get somebody paid from the
16 estate who is not a retained professional. And I
17 didn't see an objection from the U.S. Trustee on
18 this, so I don't know if that office has a position.

19 There is a split in the case law on
20 this, but I am inclined to disagree with Judge
21 Glenn's decision in Borders Group and to agree with
22 Judge Feller's decision in Crafts Retail Holding
23 Corporation.

24 So, it's not for me to be awarding
25 fees to Sidley, who was never retained. If Jefferies

1 wants to retain a lawyer to help it in this case,
2 Jefferies can pay Sidley if it wants to, but the
3 debtors aren't going to pay.

4 MR. LINDER: Understood, Your Honor.
5 I would just note for the court that it's expressly
6 contemplated in the engagement letter and then also
7 in the court's order authorizing --

8 THE COURT: I am aware of that. And
9 to the extent necessary under Section 328(a), I would
10 revise the retention order, actually, to delete that
11 provision, if necessary, because I certainly never
12 contemplated that Jefferies would go out and without
13 court approval retain counsel to be paid from the
14 estate. That never crossed my mind.

15 I've seen this kind of thing before.
16 I don't allow it. And had I thought it was going to
17 go on here, I would not have permitted it. I also
18 really don't understand why Jefferies thought it was
19 necessary to even seek additional counsel. I mean,
20 the services rendered had to do with the fee
21 application and had to do with document production.
22 And if Jefferies, which was working for the
23 committee, needed help, they could have gone to
24 Proskauer for the help and Proskauer could have
25 billed the time and there would be no problem. But

1 that is not what they chose to do.

2 MR. LINDER: Your Honor --

3 THE COURT: So that's their decision.

4 MR. LINDER: -- if I could on that
5 point, Your Honor. We believe that it is important
6 for Jefferies to use its own counsel in connection
7 with document productions and in responding to
8 subpoenas, particularly in this case where the scope
9 of the requests actually were so broad that they
10 included search terms that referred to many
11 professionals in the case with whom Jefferies works.

12 Routinely in other cases there was an
13 elevated risk that there would be disclosure of
14 materials that were not related to this case or that
15 were otherwise privileged or were confidential or we
16 deemed not relevant. So that is why in this case
17 there was -- given also the voluminous nature of the
18 document requests, that was -- that was another
19 reason that Jefferies sought out its own counsel.

20 THE COURT: Well, if Jefferies thought
21 it was so important, then Jefferies can pay the bill.
22 But I'm not going to have the estate pay the bill.
23 So I will grant the Jefferies application but reduce
24 it by the amount of the fees --

25 MR. LINDER: Understood, Your Honor.

1 Would you like us to submit a revised order?

2 THE COURT: No, I can take care of it.
3 As I said, I have a calculator.

4 MR. LINDER: Thank you, Your Honor.

5 MR. POSSINGER: Thank you, Your Honor.

6 THE COURT: All right. The next
7 matter, matters, are debtors' motion to compel
8 production of documents by Rowen Seibel and Mr.
9 Seibel's motion to quash and modify the subpoenas to
10 him or for an extension of time. And I have a
11 ruling, as I promised, which I will read.

12 Have a seat, if you would like.

13 This matter is before me on two
14 motions: (1) the debtors' motion to compel Rowen
15 Seibel to comply with two subpoenas, one to Seibel
16 himself, the other to Seibel as guardian for his
17 mother; and (2) the motion of Seibel to quash or
18 modify the subpoenas or alternatively for an
19 extension of time to object and respond to the
20 subpoenas.

21 If ever there were a situation calling
22 for a "plague-on-both-your-houses" ruling, this is
23 it. But since such a ruling is not an option, I will
24 grant Seibel's motion and quash the subpoenas. The
25 debtors will be permitted to issue new subpoenas

1 consistent with guidelines I will describe.

2 Neither side here deserves much
3 sympathy. On the one hand, there is Rowen Seibel,
4 sometime restaurateur, tax cheat, and convicted
5 felon. Seibel was served with the debtors' subpoenas
6 on December 15, 2016. He promptly gave them to a
7 lawyer who had represented businesses with which
8 Seibel has been affiliated, wrongly assuming the
9 lawyer would take care of things. As far as the
10 record shows, Seibel then forgot about them. The
11 January 3, 2017, compliance date came and went, but
12 Seibel made no effort to collect or produce the
13 documents the debtors sought. It was not until
14 January 31, when the debtors moved to compel his
15 compliance, that Seibel stirred himself. By then,
16 though, it had been a month and a half since the
17 subpoenas were served. His motion to quash or for an
18 extension did not follow for nearly a month after
19 that.

20 In March, Seibel served objections to
21 the document requests - although he was well past the
22 deadline to serve them, and no extension had been
23 granted. To each request, he intoned essentially the
24 same mantra: That the request was "vague, ambiguous,
25 overly broad, unduly burdensome, call[ed] for the

1 disclosure of information that is protected by the
2 attorney-client privilege, work product doctrine, or
3 immunity from discovery," and "s[ought] documents
4 that are not relevant to the subject matter of this
5 proceeding." Boilerplate objections are pointless,
6 since they do nothing to meet the objecting party's
7 burden to show why discovery is improper. *Burkybile*
8 *v. Mitsubishi Motors Corp.*, No. 04 C 4932, 2006 WL
9 2325506, at *6 (N.D. Ill. Aug. 2, 2006). Seibel
10 supplied no log to support his claims of privilege.
11 Assertions of privilege are pointless if no privilege
12 log accompanies them. *RBS Citizens, N.A. v. Husain*,
13 291 F.R.D. 209, 218-19 (N.D. Ill. 2013); *Acosta v.*
14 *Target Corp.*, 281 F.R.D. 314, 319-20 (N.D. Ill.
15 2012).

16 Seibel now tries to explain away his
17 delay in responding to the subpoenas by claiming he
18 takes care of his elderly grandmother. Beginning in
19 late December, he says, she had to be hospitalized
20 several times. Perhaps so, although one wonders who
21 was caring for her during Seibel's prison term. But
22 whatever his obligations to his grandmother, it was
23 still incumbent upon him to pay attention to the
24 subpoenas, communicate with counsel, and seek
25 extensions if necessary. The debtors point out that

1 during the same period, Seibel was able to sue a
2 non-debtor Caesars entity in a distant district, and
3 in connection with that action he was able to file
4 two detailed affidavits. Some legal matters, then,
5 he had time for, ailing grandmother notwithstanding.
6 The subpoenas here he did not.

7 On the other hand, there are the
8 debtors. Knowing full well that Seibel was to begin
9 serving his one-month prison sentence on November 29,
10 2016, the debtors nonetheless had the subpoenas
11 issued that very day. The subpoenas had a compliance
12 date of January 3, 2017, mere days after his release.
13 To make matters worse, the debtors waited to serve
14 Seibel until December 15, just two weeks before the
15 compliance date, while he was still imprisoned and
16 obviously unable to gather any documents. And to
17 make matters still worse, the document requests
18 accompanying the subpoenas were stunning both in
19 number and in breadth: More than 150 exceptionally
20 expansive requests calling for the production of
21 material from 2002 to the present. In late January,
22 when Seibel's counsel suggested service of a new
23 subpoena with a new compliance date, efforts at
24 cooperation were rebuffed. The debtors maintained
25 that Seibel had waived his objections by not

1 responding within 14 days after service – by December
2 29, in other words, although he was a federal
3 prisoner until December 27.

4 Tempting though it is, I cannot come
5 up with a way to rule against everyone. It is not
6 possible both to compel Seibel's response and also
7 quash the subpoenas. Given that the debtors made
8 unacceptable document requests and Seibel belatedly
9 served unacceptable objections to them, there is no
10 good resolution. The best course, it seems to me, is
11 to put both sides back to square one and make them
12 begin again. I can do that by quashing the
13 subpoenas, and there is plenty of reason to quash
14 them.

15 Rule 45(d)(3)(A) requires the court
16 "[o]n timely motion" to quash or modify a subpoena
17 that, among other things, fails to allow a reasonable
18 time to comply or subjects a person to an undue
19 burden. The initial question here is whether
20 Seibel's motion was timely. The debtors argue it was
21 not, insisting that the motion must be filed before
22 the subpoena's compliance date. Many courts reach
23 that conclusion. See *Enargy Power (Shenzhen) Co. v.*
24 *Wang*, No. 13-11348-DJC, 2014 WL 2048416, at *3 n.5
25 (D. Mass. May 16, 2014). But the Rule itself imposes

1 no set time limit - in contrast to Rule 45(d)(2)(B)
2 which does, specifying a 14-day period to object.
3 The omission of any similar period in Rule
4 45(d)(3)(A) suggests an intent to permit greater
5 flexibility in an area where courts typically enjoy
6 broad discretion. Other courts, consequently, have
7 found that timeliness means filing the motion within
8 the compliance period "so long as that period is of
9 reasonable duration." *City of St. Petersburg v.*
10 *Total Containment, Inc.*, No. 07-191, 2008 WL 1995298,
11 at *2 (E.D. Pa. May 5, 2008). Still other courts
12 have exercised their discretion to quash defective
13 subpoenas even when the motion was untimely. See
14 *Bouchard Transp. Co. v. Associated Elec. & Gas Ins.*
15 *Servs., Ltd.*, No. 15 Civ. 6586 PAC, 2015 WL 6741852,
16 at *1 (S.D.N.Y. Nov. 4, 2015).

17 In this case, I will exercise my
18 discretion and quash the subpoenas for two reasons
19 that are related.

20 First, the subpoenas did not give
21 Seibel a reasonable time to comply, which, as the
22 court in *Bouchard* noted, is a "mandatory ground to
23 quash" under the Rule. *Bouchard*, 2015 WL 6741852, at
24 *2. As I noted before, the subpoena was served on
25 December 15 and required Seibel to produce documents

1 on January 3, a little over two weeks later. That
2 period might well be reasonable in a different case
3 with more modest requests for production. Fourteen
4 days is often considered a presumptively reasonable
5 time for compliance. See Verisign v. XYZ.com, LLC,
6 No. 15-mc-175-RGA-MPT, 2015 WL 7960976, at *3 (D.
7 Del. Dec. 4, 2015) (making this observation).

8 But here, the debtors served more than
9 150 document requests (if subparts are included),
10 requests that were breathtakingly broad. Many of the
11 requests sought documents that were arguably
12 privileged. No one could have complied with these
13 subpoenas in the short time Seibel was given, let
14 alone someone who was a federal prisoner for most of
15 the period between the dates of service and
16 compliance. Under the circumstances, the time for
17 compliance was unreasonable. Cf. Nguyen v. Louisiana
18 State Bd. of Cosmetology, No. 14-80-BAJ-RLB, 2016 WL
19 320152, at *2 (M.D. La. Jan. 26, 2016) (finding 16
20 days unreasonable where the subpoena sought "a large
21 amount of documents, most of which are subject to the
22 attorney client privilege").

23 Second, the subpoenas subjected Seibel
24 to an undue burden. In determining whether a
25 subpoena imposes an undue burden, the court must

1 consider whether the burden of compliance exceeds the
2 benefit of production. Northwestern Mem'l Hosp. v.
3 Ashcroft, 362 F.3d 923, 927 (7th Cir. 2004).

4 Relevant factors include whether (1) the party
5 subpoenaed is a non-party to the underlying suit; (2)
6 the information requested is relevant; (3) the
7 requesting party has a substantial need for the
8 documents; (4) the request is overly broad; (5) the
9 time period covered is reasonable; (6) the request is
10 sufficiently specific; and (7) the request imposes a
11 burden. American Soc'y of Media Photographers, Inc.
12 v. Google, Inc., No. 13 C 408, 2013 WL 1883204, at *2
13 (N.D. Ill. May 6, 2013).

14 Again, Seibel was served with more
15 than 150 document requests seeking documents spanning
16 almost two decades. The requests were overly broad,
17 were insufficiently specific, covered an unreasonable
18 period, and often sought material that appeared to be
19 privileged. Some examples:

20 • All documents relating to "any
21 assignment" involving FERG or LLTQ.

22 • All tax filings of FERG, LLTQ,
23 and Seibel.

24 • All documents relating to the
25 Seibel Family 2016 Trust, including its creation or

1 formation.

2 • All documents related to FERG
3 2016, LLC.

4 • All documents relating to
5 Seibel's criminal case and any allegations in the
6 information filed against Seibel.

7 • All documents relating to
8 Seibel's decision to plead guilty in the criminal
9 case.

10 • All documents relating to "any
11 criminal, illegal, or fraudulent activity that you
12 are currently involved in or have ever been involved
13 in."

14 And on and on. The burden that these
15 requests imposed on Seibel was more than just undue.
16 The subpoenas were overbearing and abusive.

17 Meanwhile, the relevance of the
18 information the debtors sought is open to serious
19 question. In denying FERG and LLTQ's motion for
20 protective order, I described as "thin" the legal
21 theories the debtors have advanced to justify what
22 they call "suitability" discovery. As I explained,
23 rescission does not seem to be a possibility here,
24 and neither the LLTQ and FERG dispute nor the MOTI
25 dispute appears to involve anticipatory repudiation.

1 Nine months have passed since the debtors learned of
2 Seibel's conviction, and still they have articulated
3 no coherent theory that would make relevant the
4 documents they want from him.

5 Given the oppressiveness of the
6 subpoenas the debtors served on Seibel and the
7 dubious relevance of the discovery they are pursuing,
8 I find the burden of compliance with the subpoenas
9 exceeded the benefit of production. Northwestern
10 Mem'l Hosp., 362 F.3d at 927.

11 Because the subpoenas did not provide
12 Seibel with a reasonable time for compliance and
13 imposed an undue burden, his motion to quash the
14 subpoenas will be granted. The debtors' motion to
15 compel his compliance will be denied.

16 The debtors are free to try again. To
17 minimize the chances of future disputes, I will
18 impose the following guidelines for any new
19 subpoenas.

20 1. In this circuit, a subpoena may be
21 served not only by personal delivery but also by
22 certified mail. See Ott v. City of Milwaukee, 682
23 F.3d 552, 557 (7th Cir. 2012). The debtors are free
24 to serve Seibel by certified mail at his last known
25 address. His counsel should receive a copy.

1 2. Any subpoena to Seibel must
2 include no more than 35 requests for documents,
3 including subparts. Any subpoena to Seibel in his
4 capacity as his mother's guardian must include no
5 more than 15 requests for documents, including
6 subparts. The time period the subpoenas cover must
7 be no greater than 2009 to the present.

8 3. Any subpoena to Seibel must allow
9 him at least 45 days from the date of service to
10 respond.

11 4. Counsel for the parties are
12 reminded that there are rules, national and local,
13 governing discovery and discovery disputes. Those
14 rules must be followed. So must the decisional law
15 applying those rules. Counsel for the debtors are
16 reminded that lawyers are expected to show each other
17 something that in these parts we call "professional
18 courtesy."

19 An appropriate order will be entered
20 addressing the motions and setting out the terms for
21 future subpoenas to Seibel.

22 I don't believe there is much else to
23 discuss except the status of the FERG, LLTQ, and MOTI
24 matters.

25 MR. RUGG: Your Honor, for the record,

1 Nathan Rugg for FERG, LLTQ Enterprises, MOTI
2 Partners, and their assigns.

3 MR. GRAHAM: Your Honor, Joe Graham,
4 Kirkland & Ellis, on behalf of the debtors.

5 I want to thank you for your ruling.
6 I know that it didn't necessarily go our way, but
7 thank you for getting to it.

8 THE COURT: I'm paid to do these
9 things.

10 MR. GRAHAM: I know.

11 THE COURT: All right. Well, there
12 is, obviously, discovery going ahead on all of these
13 matters, so I don't think there is much to discuss
14 except this on MOTI. I received supplemental briefs
15 that I asked for to address the question of the
16 contractual status of the parties' relationship
17 because it seemed to me on looking at the documents,
18 that the contract had expired. And, nonetheless, the
19 parties had continued dealing with each other.

20 And I suggested at the time that it
21 might involve a doctrine known as quasi-contract,
22 which it does not. And I wanted some assistance with
23 that. MOTI submitted a supplemental brief that
24 suggested that there had indeed been an extension of
25 the contract and gave me various legal reasons why

1 that was true, in addition to factual ones. The
2 debtors filed what they called a limited response in
3 which they essentially said, yes, we agree that the
4 contract was extended.

5 But I didn't find the facts that MOTI
6 supplied to suggest that the contract had been
7 extended. And I didn't believe the legal arguments
8 were persuasive. And I cannot simply conclude that
9 the contract was extended because the parties agree
10 to it. You can stipulate to facts. You can't
11 stipulate to legal conclusions, nor can you stipulate
12 to what this is, a mixed question of law or fact. It
13 is my decision whether the contract was extended
14 based on the facts. You can stipulate to those
15 facts, but not to the conclusion.

16 My research suggests the following.
17 One, based at least on the facts that I have now, the
18 contract was not extended. The parties continued
19 operating, but not under the contract. They
20 continued operating in some new way. Exactly how
21 they operated and in what new way isn't entirely
22 clear to me.

23 Rather than a contract implied in law,
24 what usually happens when parties continue to perform
25 under a contract that has expired is that they end up

1 with what is called a contract implied in fact. And
2 "the seminal case" would probably be too much to call
3 it, but you can take a look at Martin v. Campanaro,
4 which is a Second Circuit case from 1946, 156 F.2d
5 127.

6 That doctrine applies when the parties
7 continue operating as if the old contract were in
8 existence. When they start operating in a new way,
9 they have an implied contract, but not necessarily on
10 the same terms. And this is described in -- this
11 will seem obscure, but it's really not -- a South
12 Dakota Supreme Court decision called Jurrens,
13 J-U-R-R-E-N-S, which you will find at 587 N.W.2d 151.
14 What happens when the parties behave differently is
15 that you end up with a factual question about what
16 the terms under which they operated really were.

17 So I think we're going -- and unless
18 you're able to convince me in a way you haven't so
19 far, and I realize we're not at that point, that this
20 contract really was extended -- we are going to have
21 a factual question about what the terms were. And we
22 know what factual questions require. They require an
23 evidentiary hearings. Now, maybe we're going to need
24 one of those anyway on this. I really don't know.
25 But that's my analysis at this point based on what I

1 have.

2 Okay. So I thought to the extent that
3 it was useful, maybe it is, maybe it's not, to hear
4 what was on my mind, now I have told you. Other than
5 that, I think since there is discovery going on, we
6 should just continue this to a new date.

7 Do you agree?

8 MR. GRAHAM: Your Honor, in that
9 scenario then, MOTI would be continued on just on the
10 same path as the FERG and LLTQ matters, is that what
11 you're suggesting then?

12 THE COURT: Yes. I think they are
13 both up today for status.

14 MR. GRAHAM: They all were, Your
15 Honor.

16 THE COURT: And, you know, we can put
17 them over to July, if that makes sense, or instead of
18 putting something on the calendar that may not be
19 suitable, we could move it to August. You're the
20 ones taking discovery. I'm just sitting here reading
21 the things you file.

22 MR. RUGG: Your Honor, I think August
23 works for the parties for status.

24 THE COURT: Why don't we do that. So
25 we will put all of those matters over to the August

1 date.

2 Is there anything else today we need
3 to discuss?

4 MR. GRAHAM: I think that's it, Your
5 Honor.

6 THE COURT: Okay. Great. Thank you
7 all.

8 MR. GRAHAM: Thank you.

9 MR. RUGG: Thank you, Your Honor.
10 Good afternoon.

11 (Which were all the proceedings had in
12 the above-entitled cause, June 21,
13 2017, 1:30 p.m.)

14 I, AMY B. DOOLIN, CSR, RPR, DO HEREBY CERTIFY
15 THAT THE FOREGOING IS A TRUE AND ACCURATE
16 TRANSCRIPT OF PROCEEDINGS HAD IN THE ABOVE-
17 ENTITLED CAUSE.
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EXHIBIT I

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CAESARS ENTERTAINMENT OPERATING)
COMPANY, INC., et al.,) No. 15 B 01145
Chicago, Illinois
1:30 p.m.
Debtor.) August 17, 2016

TRANSCRIPT OF PROCEEDINGS BEFORE THE
HONORABLE A. BENJAMIN GOLDGAR

APPEARANCES:

For the Debtors: Mr. David Zott;
Mr. Jeffrey Zeiger;
Mr. Joseph Graham;
Mr. Brent Rogers;
Mr. Bill Arnault;
For the U.S. Trustee: Ms. Denise DeLaurent;
Mr. Adam Brief;
For the Noteholder Committee: Mr. James Johnston;
For the 10.75 Notes Trustee: Mr. Jason Zakia;
For FERG, LLC and LLTQ
Enterprises: Mr. Steven Chaiken;
For BOKF: Mr. Andrew Silfen;

Court Reporter: Amy Doolin, CSR, RPR
U.S. Courthouse
219 South Dearborn
Room 661
Chicago, IL 60604.

1 THE CLERK: We are taking up all
2 matters on the call in the Caesars Entertainment
3 Operating Company Incorporated, et al., bankruptcy
4 case.

5 MR. GRAHAM: Good morning, Your Honor.
6 Joe Graham, Kirkland & Ellis, on behalf of the
7 debtors.

8 THE COURT: Good afternoon.

9 MR. GRAHAM: I want to just take care
10 of a couple of quick housekeeping matters. Beginning
11 first, I wanted to note that this morning we
12 announced a deal -- we announced a deal in principle
13 in our 105 pleading last Monday. This morning we
14 actually filed -- CEC filed an 8-K announcing the
15 terms of the deal with the Danner plaintiffs. So
16 that's one of the parties to the 105 litigation.

17 The second thing --

18 THE COURT: No deal with any of the
19 other parties, though?

20 MR. GRAHAM: No, understood, Judge.

21 THE COURT: Well, I was asking.

22 MR. GRAHAM: Oh, no, there is no deal
23 at this point with any of the other parties.

24 In addition, Judge, we filed an
25 updated agenda yesterday.

1 THE COURT: Yes, I have it.

2 MR. GRAHAM: One of the things, the
3 third item on the agenda, the Paul Weiss motion to
4 compel, that's been withdrawn. So we'll just skip
5 over that, unless you have any questions.

6 We also made an error when we moved
7 the NRF stuff. It says the status is going forward,
8 even though it's going to be continued. It should
9 just say the matter is continued. So we won't need
10 to take up the NRF stuff today, unless you have
11 questions.

12 THE COURT: All right.

13 MR. GRAHAM: With that, I'm going to
14 hand it to my colleague, Mr. Zott, for our motion to
15 continue the standing motion.

16 THE COURT: Very well.

17 MR. ZOTT: Good morning, Your Honor.
18 Good afternoon, I should say.

19 THE COURT: Are the crutches an
20 improvement over the scooter?

21 MR. ZOTT: No scooter, Judge. This is
22 considered progress in these things.

23 THE COURT: Is it? Good.

24 MR. ZOTT: Apparently. Although the
25 scooter was much more fun, I have to say.

1 THE COURT: Well, it was certainly a
2 lot more interesting to look at.

3 MR. ZOTT: Your Honor, this is, I
4 guess, as you know, Your Honor, our motion to
5 continue the standing motion, to stay the standing
6 discovery, and also to stay the actual adversary
7 proceeding that we filed.

8 THE COURT: Right.

9 MR. ZOTT: It has been set for
10 presentment. And, Your Honor, there has been four
11 responses to that filed. I'm not sure if you've had
12 a chance to look at those.

13 THE COURT: Of course, I have.

14 MR. ZOTT: Okay. So you're probably
15 way ahead of me on this one, Judge.

16 THE COURT: Well, I saw no real
17 objection to staying the adversary that you filed
18 or postponing the hearing. People had various
19 comments.

20 MR. ZOTT: Right.

21 THE COURT: But the committee, whose
22 derivative standing motion it is, didn't have a
23 problem striking the hearing, and at least continuing
24 the motion to the October omnibus date.

25 MR. ZOTT: Right.

1 THE COURT: So that would be what I
2 would propose to do.

3 MR. ZOTT: Okay, Your Honor.
4 Obviously, we were requesting that it be continued
5 through confirmation. But, you know, of course,
6 whatever Your Honor thinks is best.

7 I will just note that the one issue
8 they raised is really tolling, the fact that we
9 tolled as to six defendants and then sued the vast
10 majority. And on tolling, just so Your Honor knows,
11 we had a healthy dialogue with the Jones Day firm
12 about tolling. We exchanged thoughts on that. We
13 took a very, very hard look.

14 And as to these six individuals, two
15 law firms and four individuals, we concluded that
16 we're very, very comfortable in the tolling. And so
17 that's really their issue.

18 THE COURT: But they are not. They
19 aren't that comfortable. And they have some
20 questions about whether the agreements, I think, are
21 enforceable, at least in certain places.

22 MR. ZOTT: Uh-huh.

23 THE COURT: And I don't know whether
24 there was more to it than that. But, you know,
25 rather than put that off to a point where it might

1 suddenly be determined that they're not enforceable
2 and, oh, wait, it's too late now, I think they would
3 rather make sure that no rights were lost. And I
4 would imagine you would like that too. And the only
5 difference of opinion is on enforceability. You want
6 them to be enforceable and they want them to be
7 enforceable. But they have questions.

8 MR. ZOTT: Absolutely. I was only
9 proposing that the court enters a stay through
10 confirmation, but then we come and, if necessary,
11 brief the tolling issue in October. And if there is
12 any issue, obviously we would have to address it at
13 that point. That was my suggestion.

14 THE COURT: Well, it may have to be
15 briefed, but I think I would like to give the
16 committee an opportunity to do some research under
17 less stressful conditions.

18 MR. ZOTT: Sure.

19 THE COURT: I am willing to dispense
20 with the January -- January, not yet -- the
21 September 12 trial, because even if we have to have a
22 hearing, obviously it would be a lot more limited.
23 Otherwise, I wouldn't be willing to. I mean, I
24 couldn't see postponing what we thought we were going
25 to have to do in September to a later date. That's

1 just not going to fly.

2 MR. ZOTT: Very good.

3 THE COURT: So let's strike the
4 September 12 hearing date on the motion and continue
5 the motion to I think October 19.

6 THE CLERK: Yes.

7 THE COURT: Then there's a motion
8 in the adversary, which I think is a couple items
9 down on the agenda. We can take that up at the same
10 time. And that was to stay proceedings on the
11 adversary itself.

12 Don't you want to serve these
13 complaints?

14 MR. ZOTT: Oh, we do. We do, Your
15 Honor.

16 THE COURT: Okay. I think that would
17 be important.

18 MR. ZOTT: We agree with the
19 noteholders on that. And we will timely serve. And
20 we're intending to do that. If Your Honor wants to
21 put it in the order, that's fine.

22 THE COURT: Oh, I think it should be
23 in the order.

24 MR. ZOTT: Yes.

25 THE COURT: So why don't we make both

1 of these draft order to follow, and you can supply me
2 with orders that do what we talked about today.

3 MR. ZOTT: Very good, Your Honor.

4 THE COURT: But I won't expect to see
5 you on September 12, at least not in connection with
6 the standing motion.

7 MR. ZOTT: Very good.

8 THE COURT: Okay.

9 MR. ZOTT: Thank you, Your Honor.

10 THE COURT: Thank you.

11 MR. ARNAULT: Good afternoon, Your
12 Honor. Bill Arnault for the debtors.

13 MR. CHAIKEN: Good afternoon, Judge.
14 Steve Chaiken on behalf of the movants FERG, LLC, and
15 LLTQ Enterprise, LLC.

16 THE COURT: Good afternoon.

17 Before I make any observations about
18 this, I don't suppose you've worked it all out?

19 MR. CHAIKEN: We have not been able to
20 work this out.

21 THE COURT: All right. Well, I am
22 going to grant the motion to an extent. I have
23 doubts myself about the legal contentions that both
24 sides have made here. I don't know that the debtors'
25 assertions about the validity of the restrictive

1 covenant under Nevada law are accurate. The cases
2 they cite would not support the proposition that this
3 is invalid. They don't have a case that I saw, at
4 least based on the information in the memorandum,
5 that would support that.

6 And in any event, arguments about the
7 merits are not usually good arguments when it comes
8 to discovery. You can't say we're not going to
9 supply discovery because the party's position on the
10 merits is wrong. No one would ever produce anything,
11 supply any discovery, if that kind of argument would
12 fly.

13 On the other hand, and I don't know
14 that it really goes to this motion, I'm not sure
15 about the movant's position on the Udell case. I
16 mean, Udell, which I have the misfortune to be
17 familiar with from another matter, had to do with
18 whether a claim for an equitable remedy, particularly
19 to enforce a restrictive covenant, was a claim as
20 that term is defined in the Bankruptcy Code. And I'm
21 not sure it goes quite as far as you suggest. But
22 that's by the by.

23 When I look at the discovery requests
24 here, I think you're entitled to some of what you
25 want, but not all of it. It doesn't seem to me that

1 you really are entitled to everything that
2 interrogatory number 11 would get you. That asks for
3 identification of every restaurant venture with Mr.
4 Ramsay that the debtors have contemplated since
5 January 1st, 2010. Just thinking about opening a
6 restaurant is neither here nor there. They have to
7 have actually opened it. Just, you know, musings by
8 the by would not produce any kinds of rights even
9 under your view of your restrictive covenant.

10 So I think just contemplating isn't
11 enough. Actually pursuing the venture would be
12 relevant, it seems to me, and particularly if there
13 were any revenues that were obtained as a result of
14 the venture. I mean, you could pursue it but then
15 never open it. I think that happens in the
16 restaurant business more often than one would like to
17 think.

18 So I would be willing to enforce
19 interrogatory number 11 and order the discovery
20 limited to ventures that were pursued, but not
21 contemplated. That's too broad.

22 I don't --

23 MR. ARNAULT: Your Honor --

24 THE COURT: Yes, go ahead.

25 MR. ARNAULT: Sorry to interrupt, Your

1 Honor.

2 THE COURT: No, go ahead.

3 MR. ARNAULT: But we did in fact
4 provide information relating to restaurants that were
5 pursued in the past.

6 THE COURT: Okay. Then if it's
7 supplied, there's nothing else to be done.

8 Although I don't love the form of
9 interrogatory number 13, I don't think it's really
10 productive to ask people to identify communications,
11 as a rule. It's not beyond what's permitted. And so
12 to the extent that it requests communications
13 relating to ventures that were pursued, again, I
14 would grant the motion.

15 I don't have a problem with number 15.
16 That has to do with ventures currently contemplating
17 pursuing. Well, you know, those could still come to
18 fruition. It's the ones that have been contemplated
19 and never went anywhere that I just don't think are
20 relevant at all.

21 MR. CHAIKEN: Judge, on that note,
22 that's the issue. We did limit this from
23 contemplating to actually discussed, so it wasn't as
24 broad when we were having our conversations.

25 The concern we have is if restaurants

1 were discussed and weren't pursued because of the
2 very restriction that's at play here.

3 THE COURT: Why would that help you?
4 Why would that be relevant?

5 MR. CHAIKEN: It's relevant to the
6 extent of the issue over the scope of what 1322 means
7 in a restrictive covenant provision. It is one issue
8 here. And if there are communications where the
9 debtors did not pursue restaurants with Mr. Ramsay
10 based on the very provision that's at issue, we think
11 that's relevant.

12 THE COURT: Right, because it would
13 be behavior of the parties that would inform the
14 interpretation of the provision. That's the theory?

15 MR. CHAIKEN: Yes.

16 MR. ARNAULT: And, Your Honor,
17 again, to be clear, we provided that information.
18 We are hearing a switch of the theory. Their motion
19 to compel is based on the premise that these future
20 ventures are relevant to determine whether the money
21 damages can be determinable. It doesn't have
22 anything to do with the interpretation of 1322.

23 THE COURT: Right. Well, this whole
24 determinable thing goes to the movant's position on
25 the Udell case that I asked a question about.

1 MR. ARNAULT: And, Your Honor, our
2 point here is that for future ventures, it doesn't
3 matter whether or not these discussions have occurred
4 one way or another to determine whether or not money
5 damages can be calculable.

6 Let's say they did or let's say
7 they didn't. We know what the breach is going to be.
8 We know what the terms of the agreement was going to
9 be, so there's no need to delve into discovery
10 because it doesn't have a bearing one way or another
11 on whether the money damages can actually be
12 calculable.

13 In other words, let's say that there
14 were no future ventures that were being contemplated.
15 That wouldn't indicate one way or another if a future
16 breach of this contract provision would make money
17 damages calculable or not. Same thing if ten future
18 ventures were being contemplated. That wouldn't have
19 a bearing on the calculability of those future money
20 damages.

21 THE COURT: The calculability is not
22 something that's really grabbing me at this point
23 but, of course, I could be mistaken, and maybe it
24 will grab me eventually.

25 It seems to me that if there have been

1 discussions about opening a restaurant with
2 Mr. Ramsay in the future, that that would be relevant
3 because calculability or not, the theory here is that
4 if such a restaurant were opened, it would have to
5 involve the movants. And if your position is that it
6 would not, then there would be damages as well from
7 that. So it's not so much the calculability of the
8 damages as their existence. That's why it seemed to
9 me that these matters were relevant.

10 MR. ARNAULT: Right. But to the
11 extent that there are, as you put it, no agreements
12 that have been entered into, or there's no terms,
13 there are just discussions out in the ether, then
14 they're not going to be relevant to what those
15 damages could potentially be.

16 THE COURT: It's one thing when those
17 happened in the past and nothing came of them, and
18 it's another thing when they're going on now. So I
19 would rather err on the side of allowing the
20 discovery, which I think is always the best thing to
21 do.

22 So with those caveats on limitation,
23 I'm going to grant the motion. So we'll call this
24 draft order to follow, and you and counsel can come
25 up with an order.

1 MR. ARNAULT: Thanks, Your Honor.

2 MR. CHAIKEN: Thank you, Your Honor.

3 THE COURT: Thank you.

4 MR. ZEIGER: Good afternoon, Your
5 Honor. Jeffrey Zeiger, Kirkland & Ellis, on behalf
6 of the debtors.

7 Your Honor, we're here on the debtors'
8 motion for a protective order with respect to one
9 deposition for the 105 hearing next week.

10 THE COURT: Right. There seems to be
11 some confusion about the issues for the hearing. The
12 issues for the hearing have not changed. The issues
13 for the hearing are the same issues that are
14 described in the court of appeals' opinion.

15 What has changed is the amount of time
16 that has passed. With the passage of time, the
17 burden that the movant has in this situation
18 increases. And the case law is very clear that you
19 can get this kind of injunction at the early stages
20 of the case. We're not exactly at the early stages
21 of the case.

22 So I am not inclined to grant your
23 motion for a protective order. The position that you
24 take on Mr. Stauber really is that he doesn't know
25 anything. Well, that's why you take depositions, to

1 establish that people don't know anything.

2 They don't have to take your word for
3 that. And maybe they'd like to explore that for
4 themselves. And, you know, it's one thing to procure
5 an affidavit from somebody that says that, and it's
6 another thing to extract that from them under the
7 bright lights, you know.

8 So I'm going to grant the motion to
9 compel and deny the motion for a protective order,
10 and have you produce Mr. Stauber.

11 MR. ZEIGER: We will, Your Honor. I
12 understand.

13 To be clear, Mr. Stauber -- our point
14 was Mr. Stauber doesn't know anything that Mr. Hayes
15 doesn't also know. We're making Mr. Hayes available
16 for a deposition.

17 The challenge, Judge, is that
18 obviously this is an accelerated proceeding. And
19 they have committed to, you know, keeping the scope
20 of discovery within essentially the topics that they
21 listed on page 3 of their motion to compel. The
22 concern is that, you know, they've obviously wanted
23 to take discovery of the independent directors on
24 standing. And we kept saying, look, it's going to be
25 duplicative of confirmation.

1 What we don't want to do is these
2 depositions twice. And so I understand the court's
3 order. We will produce him this Friday as scheduled.
4 But our view is that it should be limited to the
5 topics as they set out in their motion.

6 THE COURT: Well, I don't have a
7 problem with the topics limited to matters that are
8 relevant to the hearing. And it doesn't seem to me
9 that most of the matters that pertain to the
10 derivative standing motion, which has now been
11 continued anyway --

12 MR. ZEIGER: Correct.

13 THE COURT: -- are going to be
14 relevant here. But I think Mr. Stauber should be
15 examined.

16 Why am I not going to hear from Mr.
17 Millstein at the hearing? He has been your star
18 witness right along. You know, as time goes on, your
19 case peters out. I was quite surprised to see that I
20 was not going to have a chance to question him.

21 MR. ZEIGER: Your Honor, Mr. Millstein
22 has a similar issue to Mr. Zott, and he can't fly
23 right now. He just had surgery last Friday.

24 THE COURT: Oh, dear.

25 MR. ZEIGER: He's unable to fly.

1 THE COURT: Well, that's too bad.

2 MR. ZEIGER: So that's why Mr. Hayes
3 will be here instead.

4 THE COURT: All right. Well, that
5 will happen, I suppose.

6 I have two comments, though, that I
7 wanted to make in anticipation of the hearing, and I
8 wanted to offer them because these motions suggested
9 some disagreement about the issues with the guaranty
10 plaintiffs, in particular, asserting that the issues
11 have narrowed.

12 And as I said, they haven't. But my
13 comments may give some guidance to the parties in
14 deciding what evidence to present. And I offer these
15 as well for another reason: On the off-chance that
16 they may promote a global settlement in the few days
17 remaining. Never say "never."

18 The first comment concerns the
19 debtors' position that this is a "textbook case" for
20 the issuance of a section 105 injunction. I've
21 agreed with that position in the past, because this
22 is a textbook case - in certain respects. The
23 textbook third-party injunction is issued to stop a
24 lawsuit against a non-debtor who guaranteed one or
25 more of the debtors' obligations, intends to make a

1 financial contribution to the debtors'
2 reorganization, and won't be able to make the
3 contribution if the lawsuit succeeds. Because CEC
4 guaranteed certain of CEOC's obligations and is
5 contributing to its reorganization, and because the
6 lawsuits against CEC arguably jeopardize the
7 contribution, to that extent this case takes textbook
8 form.

9 But in another important respect, this
10 isn't a textbook case. In the textbook case, the
11 third party that the injunction would protect is a
12 person - an actual human being - rather than a
13 corporation. So, for example, a partner in a debtor
14 partnership or an officer or shareholder in a debtor
15 corporation. In the textbook case, no one stands
16 behind the third party and its contribution. A
17 judgment against a third party consequently spells
18 doom for the reorganization. That was true in United
19 Health Care, in Saxby's Coffee, in Rustic, and Lahman
20 Manufacturing, in Otero Mills, in every decision
21 cited in my published opinion after the first hearing
22 except Lyondell. It was true in the R&G Properties
23 case, as well, which was one of mine.

24 It isn't true here. CEC is
25 majority-owned by four LLCs. Two of those LLCs

1 are owned, in turn, by TPG Capital, LP, a large
2 private equity fund. The other two LLCs are owned by
3 Apollo Global Management, LLC, also a large private
4 equity fund. With those entities standing behind
5 CEC, it's hard to argue this is truly the textbook
6 case.

7 That brings me to my second comment.
8 In requesting relief under section 105, the debtors
9 always proceeded under the theory that the denial of
10 an injunction would, as the court of appeals put it,
11 "endanger the success of the bankruptcy proceedings."
12 They reach that conclusion because they contend that
13 successful reorganization depends on CEC's
14 contribution, and that contribution will disappear if
15 CEC loses the guaranty actions.

16 But why should the successful
17 reorganization depend on a contribution from CEC
18 alone? As I just observed, several other entities
19 stand behind CEC. Not only that, but the estates
20 here have claims - large ones the examiner found -
21 against some of these entities, entities that include
22 Apollo and TPG, as well as a host of other companies
23 and individuals.

24 The plan the debtors want to confirm
25 would release those claims. Yet as far as I know,

1 none of those companies and individuals, all of whom
2 would benefit from the proposed release, has
3 contributed so much as a dime under the plan.

4 Certainly, there's been no evidence to date of any
5 contribution. In fact, Mr. Millstein, the debtors'
6 restructuring advisor, from whom apparently we will
7 not hear, testified as recently as this past June
8 that he had not even considered whether these
9 entities could contribute anything. The current
10 motion asserts perfunctorily that "the sponsors" -
11 Apollo and TPG - are participating in settlement
12 discussions, but the motion doesn't describe their
13 participation and gives no indication that it's any
14 better than pro forma.

15 The debtors in these cases are asking
16 the guaranty plaintiffs, all of them creditors of the
17 debtors, to take considerably less than they are
18 owed. The guaranty plaintiffs are miffed at being
19 asked to do that when parties potentially liable to
20 the estates would see the claims against them
21 released under the plan - and would pay nothing for
22 that benefit. They're especially miffed when some of
23 the released parties are the ultimate owners of the
24 Caesars enterprise, the very entities that engineered
25 the leveraged buyout that led to these cases. The

1 guaranty plaintiffs don't see the proposed
2 reorganization here as involving shared pain. I
3 don't blame them.

4 A section 105 injunction is an
5 equitable remedy. To receive equity, the saying
6 goes, one must do equity. Next week, the debtors
7 might well want to show - if it can be shown - what
8 is equitable about stopping the guaranty plaintiffs
9 from enforcing their contractual rights in order to
10 let the debtors confirm a plan under which alleged
11 wrongdoers are released for free.

12 With that, we can move on to the next
13 item. I'll see you Tuesday.

14 MR. JOHNSTON: Your Honor, before we
15 do that, for the record, Jim Johnston of Jones Day on
16 behalf of Wilmington Savings Fund.

17 First, thank you for your comments.
18 That is very helpful for preparing for next week.
19 You will hear more about those issues in our brief on
20 Friday and next week.

21 THE COURT: Good.

22 MR. JOHNSTON: I wanted to raise an
23 issue that just came to my attention this morning,
24 and that has to do with another aspect of the
25 discovery we tendered in connection with the motion,

1 specifically a document request for the signature
2 pages to the second lien RSA, which you read about in
3 the motion.

4 We thought we had an agreement from
5 the debtors to produce those signature pages. In
6 fact, Mr. Zeiger memorialized that agreement in an
7 email sent Friday night. But when the production was
8 made, I believe Monday night, the signature pages
9 were produced but were redacted of the relevant
10 information. The relevant information here being the
11 nature of the claims held by the signatories to the
12 agreement.

13 Again, one of the things you will hear
14 more about on Friday and next week is the nature of
15 the parties who signed the second lien RSA. We have
16 reason to believe that those parties are all
17 substantial shareholders of CEC, or its affiliate,
18 CAC, and have other interests and claims throughout
19 the capital structure that are driving their actions
20 in this case, and that in fact make them less
21 concerned, and perhaps not concerned at all, with
22 recoveries on the second lien notes as second lien
23 notes.

24 We were never told those signature
25 pages were going to be redacted. They were produced

1 redacted. We need that information.

2 THE COURT: I guess this is an oral
3 motion to compel, which is not really appropriate.
4 But, nevertheless, time is short. This is sort of an
5 emergency.

6 So could you respond to that,
7 Mr. Zeiger.

8 MR. ZEIGER: Yes, I can. And I just
9 heard about this ten minutes ago. I ended up working
10 in the ten minutes before the hearing started to
11 figure out what the status is.

12 Under, apparently, the second lien
13 RSA, we are prohibited from sharing that information.
14 Apparently it's very commercially sensitive as to
15 what each specific signatory owns of each of the
16 second lien debt. And what we're trying to do is
17 work on an agreement with counsel to be able to share
18 that on an attorney-eyes only basis.

19 THE COURT: A protective order in
20 other words?

21 MR. ZEIGER: I'm sorry?

22 THE COURT: A protective order in
23 other words?

24 MR. ZEIGER: Yes. Yes, Your Honor.

25 THE COURT: Okay.

1 MR. ZEIGER: So then Jones Day could
2 have that information and we wouldn't be in violation
3 of our RSAs, which, obviously, is a huge point of
4 contention. We have an RSA that we believe is
5 progress. And in response, they have gone out and
6 gotten a cooperation agreement that ensures that the
7 RSA that we negotiated will never become effective,
8 which you'll hear more about next week.

9 So this is, obviously, a very
10 sensitive issue. We're trying to work with some of
11 the second lienholders who believe that we are making
12 progress. And what we don't want to do is have a
13 foot fault whereby, you know, the progress we made
14 goes out the window.

15 MR. JOHNSTON: And I will note, Your
16 Honor, the second lien RSA itself contemplates
17 exactly this situation and provides for
18 advisors'-eyes only production. It's Section 5(a)
19 romanette iii.

20 THE COURT: I take your word for it,
21 since I don't have the document.

22 MR. JOHNSTON: Yes.

23 MR. ZEIGER: I will.

24 MR. JOHNSTON: This is something that
25 the parties actually envisioned when they were

1 negotiating this agreement, and the agreement
2 categorically does not prohibit the debtors from
3 turning it over.

4 THE COURT: It sounds as if the
5 production part of this can be worked out pretty
6 simply.

7 MR. ZEIGER: Correct.

8 THE COURT: There is the trial
9 question. You know, it's one thing to produce
10 it, and it's another thing then to have it disclosed
11 at trial. And if it's going to come out at trial,
12 it's going to come out. I'm not going to clear the
13 courtroom and shut off the telephone connection for
14 this. So we'll have to give that some thought.

15 MR. ZEIGER: Yes.

16 MR. JOHNSTON: I think we all need to
17 think about that. And hopefully we will come to a
18 resolution that works for everyone.

19 MR. ZEIGER: My assumption is we all
20 want progress here, and we'll figure out a way to
21 allow them to challenge the bona fides of the
22 statement without destroying progress.

23 THE COURT: Okay. Very good.
24 Thanks.

25 MR. ZEIGER: Very good.

1 THE COURT: The next matter is the
2 preference complaint CEC, et al., versus BOKF. There
3 was a report filed of the parties' Rule 26(f)
4 conference. And now because we've gone that route,
5 which I must say is really unusual in the adversary
6 proceedings that I have, we now need a scheduling
7 order under Rule 60(b). I really hate those because
8 they require me to set deadlines for things that I
9 don't like to set deadlines for, but I guess there's
10 no way around it.

11 So I think what I would like is for
12 the parties to provide me with a proposed scheduling
13 order, since you're in the best position to know how
14 much time you need for discovery. And I don't need
15 to be involved in that. And it's unfortunate that
16 the rule requires a deadline for motions. I don't
17 usually set deadlines for motions, but the rule is
18 the rule. So pick a deadline that you like and we'll
19 go from there.

20 MR. ROGERS: Your Honor, Brent Rogers
21 from Kirkland & Ellis on behalf of the debtors.

22 We would be happy to work with the
23 noteholders to come up with a proposed schedule. I
24 want to advise Your Honor that the debtors will be
25 filing a motion to strike certain of the affirmative

1 defenses and the answers.

2 THE COURT: Okay.

3 MR. ROGERS: That will be filed this
4 week.

5 THE COURT: All right. Thanks for the
6 warning. That won't affect this scheduling matter,
7 of course.

8 You know, the other thing I didn't see
9 discussed in the report was expert discovery. And I
10 don't know if that's something that you did discuss
11 or whether you're even contemplating any. I imagine
12 you would be, but maybe I'm wrong about that.

13 MR. ROGERS: Your Honor, I believe in
14 the report what we said was that we would discuss
15 among the parties expert discovery and come up with a
16 schedule for that in advance of the October omnibus
17 hearing.

18 THE COURT: Okay.

19 MR. ROGERS: We're happy to
20 incorporate that into the discussions over the
21 scheduling order.

22 THE COURT: I think you should. I
23 think that should be in the scheduling order.
24 Scheduling orders can always be amended. That's the
25 one thing I'm not restricted from doing. So let's

1 call it draft order to follow. You can provide me
2 with a scheduling order at some point. And why don't
3 we continue the adversary proceeding to the October
4 19 date.

5 Was that your proposal?

6 MR. ROGERS: It is, Your Honor.

7 THE COURT: Okay. Let's do that.

8 MR. ROGERS: And I believe we've
9 already laid out some of the dates in our Rule 26
10 report.

11 THE COURT: Right.

12 MR. ROGERS: And we'll incorporate
13 those into the scheduling order.

14 THE COURT: Yes, exactly. And you can
15 choose the other dates.

16 There is another matter that's under
17 the continued matters that I want to call, and that
18 is the debtors' motion for entry of an order that
19 would authorize the payment of certain expenses of
20 the 10.75 SGU notes trustee because I've got parties
21 who are not in agreement about how this should go
22 forward. And I have some folks suggesting that there
23 should be a briefing schedule, and I have the U.S.
24 Trustee asking for a trial. And if we're going to
25 have a trial, I'd just as soon set the date, frankly,

1 so we know what we're working with.

2 MR. GRAHAM: Good afternoon, Your
3 Honor. Joe Graham, Kirkland & Ellis, on behalf of
4 the debtors.

5 MS. DeLAURENT: Good afternoon, Your
6 Honor. Denise DeLaurent.

7 MR. BRIEF: Adam Brief on behalf of
8 Patrick Layng, the United States Trustee.

9 THE COURT: So there were a number of
10 objections that went in some very interesting ways I
11 thought. I'm not quite sure how the debtors feel
12 about some of that, since it seems to me to involve a
13 whole lot more expenditures than they had originally
14 contemplated when they filed this motion, although
15 maybe they knew about them all along. I'm not sure.
16 And then, of course, the U.S. Trustee says nobody can
17 be paid.

18 You wanted a hearing. Is that still
19 your position?

20 MS. DeLAURENT: You're talking to the
21 United States Trustee?

22 THE COURT: I sure am.

23 MS. DeLAURENT: Yes.

24 THE COURT: You're the only person who
25 asked for one.

1 MS. DeLAURENT: Yes, okay.

2 I think initially we think that the
3 issue should be briefed. We think as a threshold
4 issue you have to decide whether the authority
5 they're using, which is 363, is a basis for them to
6 actually pay the fees that they are contemplating
7 paying, which are administrative claims in the
8 estate.

9 And I think we laid that out in our
10 objection. If you decide they cannot use 363, then
11 they're going to have to come in and I think they're
12 going to have to do what we think they should do,
13 which is proceed under 503 and substantial
14 contribution.

15 THE COURT: Well, isn't there a
16 factual issue that underlies that question too
17 though? I mean, I thought that was why you wanted a
18 hearing, or one of the reasons. Maybe I'm mistaken.

19 MR. GRAHAM: They have raised -- I
20 think one of their arguments, Your Honor, was whether
21 Wilmington Trust is a member of the committee was a
22 factual issue that needed to be discussed. We have a
23 footnote, obviously, in our motion, Wilmington Trust
24 is a member of the committee. But I think as Your
25 Honor is well aware, they've had a very active role

1 as a creditor, representing a bunch of creditors in
2 this case.

3 THE COURT: Oh, I'm well aware.

4 MR. GRAHAM: It was predicated on that
5 role. We have a footnote that says that. I believe
6 that that was one of the, you know, predicate issues
7 they raised, practical issues.

8 THE COURT: Right. So that's a
9 factual question, and we can brief it if you want.
10 But until we know as a factual matter, you know, what
11 they did -- I mean, I know some of what they did. I
12 don't know probably everything they did for which
13 they want to be compensated.

14 Wouldn't you want to know that?

15 MS. DeLAURENT: Yeah. We don't
16 probably know everything they did either.

17 THE COURT: Right.

18 MS. DeLAURENT: I don't disagree with
19 that. I mean, I think the burden is on the debtor to
20 basically put that forth in the motion. And I'm
21 assuming they put that forth in the motion. I don't
22 know.

23 Is there more?

24 MR. GRAHAM: Your Honor --

25 MS. DeLAURENT: I think there is.

1 MR. GRAHAM: I mean, we can put out --
2 we have other -- we have, obviously, plenty of
3 reasons why we reached this deal with Wilmington,
4 with the holders of these subsidiary guaranty notes,
5 who have directed the trustee here throughout the
6 case.

7 If we need to put on more briefing, I
8 think that's part of our suggestion for why we need
9 to do a briefing -- we need to discuss with the
10 parties a briefing schedule. One, we need to figure
11 out what the issues are, whether people think there
12 is a legal -- threshold legal issues that we can deal
13 with or whether there are certain factual issues that
14 need to be decided first.

15 I recognize that's what you're asking
16 for here, but we have been contemplating not making
17 the sausage in front of the court, if possible.

18 THE COURT: It's usually unavoidable
19 in this case.

20 Well, if it's your preference to go
21 ahead and brief it, then that's fine. But it may
22 just serve to highlight the issues and not do much
23 more, and then we still have to have a hearing. And
24 then you might have to brief it again based on what
25 the evidence at the hearing shows. So that's the

1 thing about prehearing briefs, they often just add to
2 the pile of paper.

3 And then the other thing is, you know,
4 the longer we postpone the hearing, the less time I
5 have. I have this other hearing set for
6 January 17th. You may know about it.

7 MR. GRAHAM: Yes.

8 THE COURT: And I imagine there will
9 be some activity leading up to that, unless really
10 wonderful things happen in the next few days.

11 All right. If that's your preference,
12 then why don't we set a briefing schedule now.

13 MS. DeLAURENT: Yes. Judge, can I
14 just raise too, that, you know, if they're proceeding
15 under 363, it may be a different standard than under
16 503, 503 substantial contribution.

17 THE COURT: Well, right.

18 MS. DeLAURENT: Right?

19 THE COURT: Very different standard, I
20 would say.

21 MS. DeLAURENT: Very different
22 standard. And that's why we're saying, I mean, we
23 may be at this issue -- we may brief it more than
24 once.

25 THE COURT: Okay.

1 MS. DeLAURENT: That is where we are.
2 I mean, we can definitely sit down and talk to the
3 debtors, see what they have to say about it, and come
4 up with a briefing schedule. I have no problem with
5 doing that.

6 MR. GRAHAM: Your Honor, obviously, we
7 have the U.S. Trustee up here. I believe we are
8 about to get counsel maybe for BOKF. But, obviously,
9 the committee, as well as the second lien trustees
10 filed objections as well. So I think we need to
11 maybe all discuss the scheduling issues.

12 THE COURT: Okay. If that's your
13 preference.

14 MR. SILFEN: Good afternoon, Your
15 Honor. Andrew Silfen, Arent Fox, counsel for BOKF.

16 THE COURT: Welcome.

17 MR. SILFEN: I think I just want to
18 provide some comments that may be helpful to all of
19 this because we are dealing with possibly
20 confirmation. And I think there is no disagreement
21 that under 1129(a)(4) and 1123 the indenture trustees
22 can be paid. And the question is timing, can it be
23 paid in contemplation of a confirmed plan or can it
24 be paid during the case?

25 The challenge here is if we start to

1 go in this direction, and it may be the right
2 direction, we run into ultimately a different
3 standard vis-a-vis the confirmed plan. Because what
4 you do under a plan is different than what you can do
5 prior to a plan. So from our perspective, this is a
6 timing issue.

7 THE COURT: I was just going to
8 say --

9 MR. SILFEN: The indenture trustees
10 will be paid. The question is confirmation or
11 earlier. And, obviously, you've read our papers.
12 We're offended by the discriminatory, coercive nature
13 and the unbalanced approach that's been taken.

14 THE COURT: Well, it's discriminatory.
15 I don't know if it's coercive.

16 Does the U.S. Trustee agree that this
17 is really just timing and ultimately this money is
18 going to get paid?

19 MS. DeLAURENT: Well, it depends on if
20 it's an administrative claim. Okay? Under 503, if
21 you're paying fees at an administrative level or if
22 it's added to the claim. If it's an unsecured claim
23 -- they probably -- they have documents, I'm sure,
24 that provide for payment of attorney's fees. And if
25 that's -- it's a charging lien. They put that in