

RECORDING REQUESTED BY AND WHEN
RECORDED, MAIL TO:

Showboat Atlantic City Propco, LLC
c/o Caesars Entertainment Operating Company, Inc.
One Caesars Palace Drive
Las Vegas, Nevada 89109
Attention: General Counsel

ATLANTIC COUNTY, NJ
EDWARD P. McGETTIGAN, COUNTY CLERK
RPT # 1127666 REGD BY DUTH
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MARGINAL NOTATION
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INSP # 2016063275 VOL 13827

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DECLARATION OF RESTRICTIVE COVENANTS

The undersigned, SHOWBOAT ATLANTIC CITY PROPCO, LLC, a Delaware limited liability company, with a mailing address of c/o Caesars Entertainment Operating Company, Inc., One Caesars Palace Drive Las Vegas, NV 89109 Attn: General Counsel ("Showboat"), is executing this DECLARATION OF RESTRICTIVE COVENANTS (this "Declaration") as of [November 12], 2014 (the "Effective Date"), intending to be bind itself and its successors and assigns. Reference is made to the following facts:

A. Showboat is the owner of certain real property, formerly known as the "Showboat Atlantic City Hotel and Casino", located in Atlantic City, New Jersey, more particularly described on Exhibit A attached hereto (the "Restricted Property").

B. Showboat is wholly-owned by Caesars Entertainment Operating Company, Inc., a Delaware corporation ("CEOC").

C. Showboat has determined for itself and for the benefit of CEOC, that the Restricted Property should be burdened with the restrictive covenant set forth in Section 3 below.

DECLARATION

As used in this Declaration, the following words as used herein shall have the meanings set forth in the following Section 1.

Section 1. Definitions.

1.1 "Applicable Law" shall mean all federal, state or local law or statute, ordinances, rules, regulations, other requirements, orders, rulings or decisions adopted or made by any governmental body, agency, department or judicial authority having jurisdiction over the Restricted Property.

1.2 "Business Day" shall mean any day other than a Saturday, Sunday or other day on which banks are authorized or required by Applicable Law to be closed in New York, New York.

1.3 "CEOC Successor" shall mean any party that succeeds to all or substantially all of the business or assets of CEOC.

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1.4 "Establishment" shall mean any premises wherein, whereon or wherefrom any Gaming or Gambling is done.

1.5 "Game" shall mean any game played with cards, dice, equipment or any mechanical, electromechanical or electronic device or machine for money, property, checks, credit or any representative of value, including, without limiting the generality of the foregoing, faro, monte, roulette, keno, bingo, fan-tan, twenty-one, blackjack, seven-and-a-half, big injun, klondike, craps, poker, chuck-a-luck, Chinese chuck-a-luck (dai shu), wheel of fortune, chemin de fer, baccarat, pai gow, beat the banker, panguingui, instant racing, any pari-mutuel wagering, slot machine, any banking or percentage game, any sports wagering, any wagering on racing or other non-sports events or any other game or device approved by or otherwise subject to the jurisdiction of the applicable Gaming authorities.

1.6 "Gaming" or "Gambling" shall mean to deal, operate, carry on, conduct, maintain or expose for play any Game, or to operate an inter-casino linked system.

1.7 "Release Date" shall mean the first business day after the date on which CEOC or a CEOC Successor shall receive the Release Price.

1.8 "Release Price" shall mean the sum certain identified as the "Release Price" in that certain Confirmation of Release Price and Other Matters executed by Showboat and CEOC dated as of the Effective Date.

1.9 "Online Gaming" or "Online Gambling" shall mean any interactive online Gaming offered or conducted via the Internet, mobile or other remote or electronic device or data network or technology, whereby participants play any Game in which such participant stakes money or goods of monetary value and can win money or goods of monetary value.

1.10 "Owner" shall mean any individual, partnership, joint venture, corporation, limited liability company, trust, unincorporated association, governmental agency or other entity now or hereafter holding of record an ownership interest or a ground tenancy in a portion or all of the Restricted Property.

Section 2. Term. This Declaration shall be effective as of the Effective Date and shall continue in full force and effect for a term of ten (10) years (the "Term") unless an instrument terminating this Declaration is executed by CEOC or a CEOC Successor (in either case, for itself and for Showboat).

Section 3. Restrictive Covenants. The following uses shall be prohibited on the Restricted Property and any portion thereof during the Term: (a) any Gaming or Gambling, (b) any maintaining or operating of an Establishment, or (c) the use of the Restricted Property or any portion thereof as the basis for Online Gaming, or the housing of any electronic equipment utilized in connection with Online Gaming, regardless of when or where such Online Gaming takes place; provided, however, that the foregoing shall not be deemed to prohibit individual guests and invitees of the Restricted Property from (i) participating in Online Gaming from their own personal devices so long as such usage or access is otherwise unrelated to Owner and the Restricted Property and is not conducted pursuant to any governmental licenses issued to Owner.

the Restricted Property or any occupant thereof or (ii) from engaging in any Online Gaming that is made accessible on the Restricted Property solely by CEOC. For the avoidance of doubt, the Restricted Property and the ownership thereof by any Owner shall not be the basis upon which any person or entity shall be entitled to conduct any Online Gaming.

Section 4. Restrictive Covenants to Run with the Property. The foregoing restrictions, covenants and conditions set forth in Section 3 above (collectively, the "Covenants") do touch and concern the land, are intended to and do (a) run with the land, and (b) burden the Restricted Property. Without limiting the foregoing, the Restricted Property shall be held, sold and conveyed subject to the Covenants and which shall run with the Restricted Property, and be binding upon and enforceable against all Owners and other parties having any fee, leasehold, mortgage or other right, title or interest in the Restricted Property or any part thereof, and their respective successors and assigns, and inure to the benefit of and be enforceable by Showboat, CEOC and their respective successors and assigns.

Section 5. Default; Enforcement. Showboat and CEOC shall have the right to enforce the Covenants by any proceeding at law or in equity. All current and future Owners of the Restricted Property acknowledge that a breach or violation of any of the Covenants shall cause irreparable harm to Showboat and CEOC and shall entitle any of them, as a matter of right, to an injunction restraining any further or continued breach or violation of the Covenants or other equitable relief without the need for posting a bond. Such right to an injunction or other equitable relief shall be cumulative and in addition to, and not in lieu of, any other remedies to which Showboat and/or CEOC may be entitled. The rights and remedies provided herein are cumulative and no right or remedy will be exclusive of any other, or of any other right or remedy at law or in equity which Showboat and/or CEOC might otherwise have by virtue of a breach or violation of the Covenants, and the exercise of any right or remedy by Showboat and/or CEOC or their respective successors or assigns and will not impair Showboat's or CEOC's standing to exercise any other right or remedy.

Section 6. Early Release of Covenants and Termination of Declaration. At any time during the Term, any Owner may elect to cause CEOC or a CEOC Successor (in either case, for itself and for Showboat) to release the Covenants and termination this Declaration by delivering to CEOC or a CEOC Successor the Release Price. On the Release Date, the Covenants shall be released and this Declaration shall have no further force or effect, and CEOC or a CEOC Successor shall work cooperatively and diligently with such Owner to effect the removal of the Covenants and termination of this Declaration of record.

Section 7. Continuation Notwithstanding Breach. No breach or violation of any of the Covenants by the Owner of the Restricted Property or any portion thereof shall entitle any Owner to cancel, rescind, modify or otherwise terminate the Covenants or the provisions hereof.

Section 8. Governing Law. This Declaration and any controversy, claim, or dispute arising out of or related to this Declaration or the interpretation, performance, or breach hereof, including alleged violations of state or federal statutory or common law rights or duties shall be governed by and construed in accordance with the laws of the State of New Jersey, applicable to contracts executed in and to be performed entirely within the State of New Jersey, without regard to the conflicts of laws principles thereof.

Section 9. No Waivers. No waiver of a breach or violation of any of the Covenants will be implied from the failure by Showboat or CEOC to take any action in respect of such breach or violation. No express waiver of a breach or violation of any of the Covenants will affect any breach or violation or extend any period of time for performance other than as specified in such express waiver. One or more waivers of any breach or violation of any of the Covenants will not be deemed a waiver of any subsequent breach or violation of the same provision or any other provision.

Section 10. Severability. Each provision of this Declaration is intended to be, and shall be construed as, independent and severable from each other provision. If any provision is held to be invalid by any court, the invalidity of such provision shall not affect the validity of the remaining provisions hereof.

Section 11. Entire Agreement. This Declaration supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement as to the subject matter hereof. No subsequent agreement, representation, or promise made by Showboat or CEOC, or by or to an employee, officer, agent or representative of either of them shall be of any effect unless it is in writing and executed by the party to be bound thereby.

Section 12. Modification. This Declaration may be amended, superseded, canceled, renewed or extended and the terms hereof may be waived only by a written instrument signed by Showboat or CEOC.

Section 13. Successors and Assigns. This Declaration shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[Signatures appear on the following page]

IN WITNESS WHEREOF, the undersigned has caused this Declaration to be executed as of the Effective Date.

SHOWBOAT:

SHOWBOAT ATLANTIC CITY PROPCO, LLC,
a Delaware limited liability company

By: 

Name: Eric Hession
Title: President

JOINDER OF CAESARS ENTERTAINMENT OPERATING COMPANY, INC.

Caesars Entertainment Operating Company, Inc., joins in the execution of this Declaration for the sole purpose of acknowledging its rights and obligations created hereunder, all as of the Effective Date.

CAESARS ENTERTAINMENT OPERATING COMPANY, INC.,
a Delaware corporation

By: 

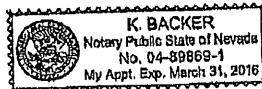
Name: Eric Hession
Title: Senior Vice President

[Acknowledgements appear on the following page]

STATE OF Nevada
COUNTY OF Clark

On this 14 day of November, 2014 before me, a Notary Public in and for the State of Nevada, personally appeared Eric Hession, who acknowledged himself/herself to be the President of Showboat Atlantic City Propco, LLC, and that he/she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself/herself as such officer and acknowledges that he/she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



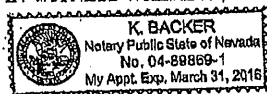
[Signature]
Notary Public

Notary Public in and for the State of Nevada
My commission expires: March 31, 2016

STATE OF Nevada
COUNTY OF Clark

On this 14 day of November, 2014 before me, a Notary Public in and for the State of Nevada, personally appeared Eric Hession, who acknowledged himself/herself to be the Senior Vice President of Caesars Entertainment Operating Company, Inc., and that he/she as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself/herself as such officer and acknowledges that he/she executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



[Signature]
Notary Public

Notary Public in and for the State of Nevada
My commission expires: March 31, 2016

Exhibit A

DESCRIPTION OF THE RESTRICTED PROPERTY

Block 61 - Lots 22, 23, 24, 25 & 26

BEGINNING at a point in the southerly right-of-way line of Pacific Avenue (60 feet wide), at its intersection with the westerly right-of-way line of New Jersey Avenue (50 feet wide), said point also being the northwesterly corner of Lot 25, Block 61 and running thence;

1. Along the westerly right-of-way line of New Jersey Avenue (50 feet wide), South 27 degrees 33 minutes 08 seconds East, a distance of 942.00 feet to a point, common corner to Block 61 - Lot 27, thence;
2. Along a common line between Block 61 - Lots 25 and 27, South 62 degrees 26 minutes 52 second West, a distance of 266.00 feet to a point, common corner to Block - Lot 23, thence;
3. Along a common line between Block 61 - Lots 22 and 23, South 27 degrees 33 minutes 08 seconds East, a distance of 490.20 feet to a point, common corner to Block 61 - Lot 28 and the Atlantic City Boardwalk (60 feet wide), thence;
4. Along a common line between Block 61 - Lot 22 and the Atlantic City Boardwalk, South 59 degrees 19 minutes 09 seconds West, a distance of 317.47 feet to a point, common corner Block 61 - Lot 19, thence;
5. Along a common line between Block 61 - Lots 16, 19 and 22, North 27 degrees 33 minutes 08 seconds West, a distance of 1,369.53 feet to a point, in the common line of Block 61 - Lot 13, thence;
6. Along a common line between Block 61 - Lots 13, 14 and 22, North 62 degrees 26 minutes 52 seconds East, a distance of 25.00 feet to a point, common corner to Block 61 - Lot 14, thence;
7. Along a common line between Block 61 - Lots 14 and 22, North 27 degrees 33 minutes 08 seconds West, a distance of 80.00 feet to a point, in the said line of Pacific Avenue, thence;
8. Along the said line of Pacific Avenue, North 62 degrees 26 minutes 52 seconds East, a distance of 558.00 feet to the point or place of BEGINNING.

Containing 728,302 square feet or 16.718 acres of land and premises.

Exh. A-1

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Block 134 - Lot 1

BEGINNING at a point in the northerly right-of-way line of Pacific Avenue (60 feet wide), at its intersection with the westerly right-of-way line of Delaware Avenue (82 feet wide), said point also being the southeasterly corner of Lot 1, Block 134 and running thence;

1. Along the northerly right-of-way line of Pacific Avenue (60 feet wide), South 62 degrees 26 minutes 52 seconds West, a distance of 409.00 feet to a point, in the easterly right-of-way line of Maryland Avenue (50 feet wide), thence;
2. Along the said line of Maryland Avenue, North 27 degrees 33 minutes 08 seconds West, a distance of 550.00 feet to a point, in the southerly right-of-way line of Atlantic Avenue (100 feet wide), thence;
3. Along the said line of Atlantic Avenue, North 62 degrees 26 minutes 52 seconds East, a distance of 550.00 feet to a point, in the said line of Delaware Avenue, thence;
4. Along the said line of Delaware Avenue South 27 degrees 33 minutes 06 seconds East, a distance of 100.00 feet to a point of curvature, thence;
5. Along a curve to the left, having a radius of 429.00 feet, an arc length of 104.82 and a chord bearing South 34 degrees 33 minutes 07 seconds East, with a chord a distance of 104.56 feet to a point, thence;
6. South 41 degrees 33 minutes 08 seconds East, a distance of 152.53 feet to a point of curvature, thence;
7. Along a curve to the right, having a radius of 315.00 feet, an arc length of 76.97 and a chord bearing South 34 degrees 33 minutes 08 seconds East, with a chord a distance of 76.78 feet to a point, thence;
8. South 27 degrees 33 minutes 08 seconds East, a distance of 122.01 feet to the point or place of BEGINNING.

Containing 209, 013 square feet or 4.798 acres of land and premises.

Block 302 - Lot 1

BEGINNING at a point in the northerly right-of-way line of Atlantic Avenue (100 feet wide), at its intersection with the westerly right-of-way line of Maryland Avenue (50 feet wide), said point also being the southwesterly corner of Lot 1, Block 302 and running thence;

1. Along the said westerly right-of-way line of Maryland Avenue, North 27 degrees 33 minutes 08 seconds West, a distance of 550.00 feet to a point, in the southerly right-of-way line of Arctic Avenue (50 feet wide), thence;
2. Along the said line of Arctic Avenue, North 62 degrees 26 minutes 52 seconds East, a distance of 230.50 feet to a point, common corner to Block 302 - Lot 2, thence;

Exh. A-2

3. Along the common line of Block 302 - Lots 1 and 2, the following (3) three courses, South 27 degrees 33 minutes 08 seconds East, a distance of 105.00 feet to a point, thence;
4. North 62 degrees 26 minutes 52 second East, a distance of 25.00 feet to a point thence;
5. North 27 degrees 33 minutes 08 seconds West, a distance of 105.00 feet to a point, in the said right-of-way line of Arctic Avenue thence;
6. North 62 degrees 26 minutes 52 seconds East, a distance of 94.50 feet to a point, in the westerly right-of-way line of Delaware Avenue (82 feet wide), thence;
7. Along said right-of-way line of Delaware Avenue, South 27 degrees 33 minutes 08 seconds East, a distance of 400.00 feet to a point, common corner to Block 302 Lot 3, thence;
8. Along the common line of Block 302 - Lots 1 and 3, South 62 degrees 26 minutes 52 seconds West, a distance of 60.00 feet to a point, thence;
9. South 27 degrees 33 minutes 08 seconds East, a distance of 25.00 feet to a point, in the common line of Block 302 - Lot 6, thence;
10. Along the common line of Block 302 - Lot 1 and 6, South 62 degrees 26 minutes 52 seconds West, a distance of 60.00 feet to a point, in the westerly right-of-way line of Reed Avenue (Variable Width), thence;
11. Along the said right-of-way line of Reed Avenue, the following (3) three courses, North 27 degrees 33 minutes 08 seconds West a distance of 25.00 feet to a point, thence;
12. South 62 degrees 26 minutes 52 second West, a distance of 7.00 feet to a point, thence;
13. South 27 degrees 33 minutes 08 seconds East, a distance of 150.00 feet to a point in the said right-of-way line of Atlantic Avenue, thence;
14. South 62 degrees 26 minutes 52 seconds West, a distance of 243.00 feet to the point or place of BEGINNING.

Containing 174,825 square feet or 4.013 acres of land and premises.

Block 302 - Lot 4

BEGINNING at a point in the northerly right-of-way line of Atlantic Avenue (100 feet wide), at its intersection with the westerly right-of-way line of Delaware Avenue (82 feet wide), said point also being the northeasterly corner of Lot 4, Block 302 and running thence;

1. Along the said northerly right-of-way of Atlantic Avenue, South 62 degrees 26 minutes 52 seconds West, a distance of 71.10 feet to a point, common corner to Block 302 - Lot 5, thence;

2. Along the common line of Block 302 - Lots 4 and 5, North 27 degrees 33 minutes 08 seconds East, a distance of 100.00 feet to a point, in the common line of Block 302 - Lot 6, thence;
3. Along the common line of Block 302 - Lots 3, 4 and 6, North 62 degrees 26 minutes 52 seconds East, a distance of 71.10 feet to a point, in the said right-of-way line of Delaware Avenue, thence;
4. South 27 degrees 33 minutes 08 seconds East, a distance of 100.00 feet to the point or place of BEGINNING.

Containing 7,110 square feet or 0.163 acres of land and premises.

Exh. A-4

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