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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2009 022756
RELEASE OF LIEN BOND

2009 APR -8 PM 2:18

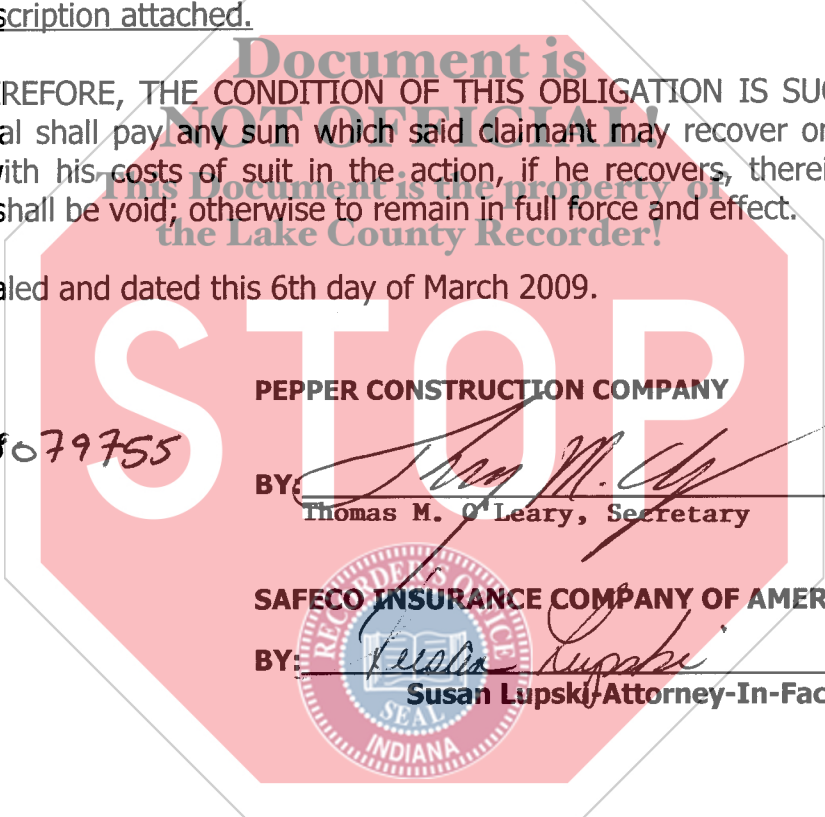
MICHAEL A. BROWN
RECORDER
Bond No: 6538632

KNOW ALL BY THESE PRESENTS, That we, Pepper Construction Company, as Principal, and Safeco Insurance Company of America, as Surety, are held and firmly bound unto Harrah's Operating Co., Inc., in the sum of Two Million Seven Hundred Nineteen Thousand Six Hundred Sixty Five and 02/100 (2,719,665.02), lawful money of the United States of America, to the payment of which, well and truly to be paid, we bind ourselves, our heirs, executors and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That WHEREAS, J.W. Peters, Inc. is the claimant under that certain mechanic's lien in the amount of One Million Eight Hundred Thirteen Thousand One Hundred Ten and 01 (1,813,110.01), with respect to the property Horseshoe Hammond Casino, copy of legal description attached.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION IS SUCH, That, if the Principal shall pay any sum which said claimant may recover on said claim together with his costs of suit in the action, if he recovers, therein then this obligation shall be void; otherwise to remain in full force and effect.

Signed, sealed and dated this 6th day of March 2009.



PEPPER CONSTRUCTION COMPANY

BY: Thomas M. O'Leary, Secretary

SAFECO INSURANCE COMPANY OF AMERICA

BY: Susan Lupski, Attorney-In-Fact

Release # 2008079755

\$24
CS
CA

EXHIBIT A

Legal Description

PARCEL 1:

A parcel of land lying in the West one-half of Section 6, Township 37 North, Range 9 West of the Second Principal Meridian, Lake County, Indiana, described as commencing at the intersection of the West line of Section 6 and the Northerly line of the Baltimore and Ohio Railroad right-of-way; thence North 00 degrees 00 minutes 00 seconds East along the West section line 154.93 feet; thence South 40 degrees 12 minutes 11 seconds East 61.97 feet to a cross in the concrete walk marking the point of beginning; thence continuing South 40 degrees 12 minutes 00 seconds East 90.97 feet to an iron rod; thence on a curve to the left 230.01 feet said curve having a radius of 2,814.93 feet, a central angle of 4 degrees 40 minutes 54 seconds and a chord that bears South 42 degrees 32 minutes 27 seconds East 229.94 feet to a point; thence North 36 degrees 10 minutes 42 seconds East 385.02 feet along the lakeside face of the sheet piling to a point on the present shoreline of Lake Michigan thence Northwesterly along the present shoreline of Lake Michigan, 494 feet, plus or minus, to the Easterly right-of-way line of Calumet Avenue; thence South 00 degrees 00 minutes 00 seconds West along said right-of-way line 231.19 feet to the point of beginning.

PARCEL 1A:

An "L" shaped parcel of land, lying in the West one-half of Section 6, Township 37 North, Range 9 West of the Second Principal Meridian, Lake County, Indiana, described as commencing at the intersection of the West line of Section 6 and the Northerly line of the Baltimore and Ohio Railroad right-of-way; thence North 00 degrees 00 minutes 00 seconds East along the West section line 154.93 feet; thence South 40 degrees 12 minutes 11 seconds East 61.97 feet to a cross in the concrete walk; thence continuing South 40 degrees 12 minutes 00 seconds East 90.97 feet to an iron rod; thence on a curve to the left 230.01 feet said curve having a radius of 2,814.93 feet a central angle of 4 degrees 40 minutes 54 seconds and a chord that bears South 42 degrees 32 minutes 27 seconds East, 229.94 feet to a point marking the point of beginning; then along said curve to the left 40.45 feet, said curve having a central angle of 0 degrees 49 minutes 24 seconds and a chord that bears South 45 degrees 17 minutes 36 seconds East, 40.45 feet to a point; thence North 36 degrees 10 minutes 42 seconds East, 799.93 feet to a point; thence South 53 degrees 43 minutes 37 seconds East, 110.0 feet to a point; thence North 36 degrees 16 minutes 42 seconds East, 90.00 feet to a point on the present shoreline of Lake Michigan; thence along the lakeside face of the sheet piling North 53 degrees 43 minutes 37 seconds West 98.83 feet to a corner of the sheet piling; thence South 81 degrees 10 minutes 15 seconds West, 72.38 feet to a corner of the sheet piling; thence South 36 degrees 10 minutes 42 seconds West, 832.73 feet to the point of beginning.

Document is
NOT OFFICIAL!



PARCEL 2:

A parcel of land lying in the West one half of Section 6, Township 37 North, Range 9 West of the Second Principal Meridian and the East one half of Section 1, Township 37 North, Range 10 West of the Second Principal Meridian, Lake County, Indiana, described as commencing at the intersection of the West line of Section 6 and Northerly line of the Baltimore and Ohio Railroad right-of-way; thence North 00 degrees 00 minutes 00 seconds East along the West section line 154.93 feet; thence South 40 degrees 12 minutes 00 seconds East 61.97 feet to a cross in the concrete walk marking the point of beginning; thence North 40 degrees 12 minutes 00 seconds West 1,295.68 feet to an iron pipe and the center line of Wolf River, as determined by Agreement dated December 3, 1903; thence North 21 degrees 59 minutes 41 seconds East along said centerline 209.30 feet to an iron pipe; thence North 41 degrees 35 minutes 03 seconds East along said centerline 15 feet more or less to the shoreline of Lake Michigan; thence Southeasterly along said shoreline 1,198 feet to the Easterly line of Cahamet Avenue; thence South 00 degrees 00 minutes 00 seconds West along said Easterly line 281.19 feet to the point of beginning.

PARCEL 3:

A strip of land lying in the West one half of Section 6, Township 37 North, Range 9 West of the Second Principal Meridian, Lake County, Indiana, described as commencing at the intersection of the West section line and the Northerly line of the Baltimore and Ohio Railroad right of way; thence North 0 degrees 00 minutes 00 seconds East along the West section line 92.96 feet to an iron pipe marking the point of beginning, said point being on a line 40 feet from the Northerly right of way line of the Elgin Joliet and Eastern Railroad; thence North 0 degrees 00 minutes 00 seconds East along the West section line 61.97 feet to an iron rod; thence South 40 degrees 12 minutes 00 seconds East along the Northerly right of way line of the Elgin Joliet and Eastern Railroad 152.94 feet to an iron rod; thence along said right of way line 663.25 feet on a curve to the left said curve having a radius of 2,815.93 feet and a central angle of 13 degrees 30 minutes to an iron rod; thence South 53 degrees 42 minutes 00 seconds East along said right of way line 178.65 feet to an iron rod; thence South 00 degrees 00 minutes 30 seconds West along said right of way line 42.18 feet to an iron rod; thence North 53 degrees 42 minutes 00 seconds West 254.31 feet to an iron rod; thence 621.51 feet along a curve to the right having a radius of 2,637.78 feet and a central angle of 13 degrees 30 minutes to an iron rod; thence North 40 degrees 12 minutes 00 seconds West 105.61 feet to the point of beginning.

PARCEL 4:

A strip of land 40 feet wide, lying in the East one half of Section 1, Township 37 North, Range 10 West of the Second Principal Meridian, Lake County, Indiana, described as commencing at the intersection of the East section line and the Northerly line of the Baltimore and Ohio Railroad right of way; thence North 0 degrees 00 minutes 00 seconds East along the East Section line 92.96 feet to an iron rod marking the point of beginning, said point being on a line 40 feet from the Northerly right of way line of the Elgin Joliet and Eastern Railroad; thence North 42 degrees



of-way; thence North 0 degrees 00 minutes 00 seconds East along the East Section line 92.96 feet to an iron rod marking the point of beginning; said point being on a line 40 feet from the Northerly right-of-way line of the Elgin Joliet and Eastern Railroad; thence North 42 degrees 12 minutes 00 seconds West parallel with said Northerly right-of-way line 1,718.57 feet to an iron rod; thence North 49 degrees 18 minutes 00 seconds East 40.00 feet to an iron rod and said Northerly right-of-way line; thence South 00 degrees 12 minutes 00 seconds East along said Northerly right-of-way line 1,671.2 feet to an iron rod and the East line of said Section 1; thence South 00 degrees 00 minutes 00 seconds West 61.97 feet to the point of beginning.



ACKNOWLEDGMENT OF PRINCIPAL - IF A CORPORATION

STATE OF }
COUNTY OF } SS

On this day of, before me personally appeared to be known, who, being by me duly sworn, did depose and say; that he/she resides at, that he/she is the President of the corporation described in and which executed the within insurance instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that is was so affixed by the Board of Directors of said corporation; and that he/she signed his/her name thereto by like order.

ACKNOWLEDGMENT OF PRINCIPAL - IF INDIVIDUAL OR FIRM

STATE OF }
COUNTY OF } SS

On this day of before me personally appeared to me know to be (the individual) (one of the firm) of described in and who executed the within instrument and he/she thereupon acknowledged to me that he/she executed the same (as the act and deed of said firm).

This Document is the property of
the Lake County Recorder!
ACKNOWLEDGMENT OF SURETY COMPANY

STATE OF New York }
COUNTY OF Nassau } SS

On this March 6, 2009 before me personally came Susan Lupski to me known, who, being by me duly sworn, did depose and say; that he/she resides in Nassau County, State of New York, that he/she is the Attorney-in-Fact of the Safeco Insurance Company of America the corporation described in which executed the above instrument; that he/she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that is was so affixed by the Board of Directors of said corporation; and that he/she signed his/her name thereto by like order; and the affiant did further depose and say that the Superintendent of Insurance of the State of New York, has, pursuant to Section 1111 of the Insurance Law of the State of New York, issued to Safeco Insurance Company of America (Surety) his/her certificate of qualification evidencing the qualification of said Company and its sufficiency under any law of the State of New York as surety and guarantor, and the propriety of accepting and approving it as such; and that such certificate has not been revoked.

Notary Public

NY acknowledgement

DANA GRANICE
Notary Public, State of New York
No. 01GR6099128
Qualified in Nassau County
Term Expires September 22, 2011



POWER OF ATTORNEY

Safeco Insurance Company of America
General Insurance Company of America
1001 4th Avenue
Suite 1700
Seattle, WA 98154

No. 13188

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*****RICHARD G. AVERY; THOMAS BEAN; KAREN BOWLING; GEORGE O. BREWSTER; PETER F. JONES; SUSAN LUPSKI; GERARD S. MACHOLZ; CAMILLE MAITLAND; DIANA L. PARKER; ROBERT T. PEARSON; RITA SAGISTANO; Garden City, New York; KATHLEEN M. CRISTIANO; JOSEPH DOBKOWSKI, JR.; ADRIANNE SCALERA; Clark, New Jersey; RUSSELL M. CANTERBURY; JOANN DOMBROWSKI; MARION R. VAIL; Farmington, Connecticut*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 14th day of January, 2009

Dexter R. Legg

T. Mikolajewski

Dexter R. Legg, Secretary

Timothy A. Mikolajewski, Vice President

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out, (i) The provisions of Article V, Section 13 of the By-Laws, and (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and (iii) Certifying that said power-of-attorney appointment is in full force and effect, the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Dexter R. Legg, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 6th day of March, 2009



Dexter R. Legg

Dexter R. Legg, Secretary

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FINANCIAL STATEMENT — DECEMBER 31, 2007

Assets		Liabilities	
Cash and Bank Deposits.....	\$ 53,483,126	Unearned Premiums.....	\$ 728,534,002
*Bonds — U.S Government.....	16,728,067	Reserve for Claims and Claims Expense	1,560,913,950
*Other Bonds.....	2,478,711,287	Funds Held Under Reinsurance Treaties.....	430,979
*Stocks.....	499,235,954	Reserve for Dividends to Policyholders.....	2,421,611
Real Estate.....	0	Additional Statutory Reserve.....	—
Agents' Balances or Uncollected Premiums.....	625,553,621	Reserve for Commissions, Taxes and	
Accrued Interest and Rents.....	33,936,490	Other Liabilities.....	<u>936,336,881</u>
Other Admitted Assets.....	<u>359,599,572</u>	Total	\$3,228,637,423
		Special Surplus Funds.....	\$ 226,334
		Capital Stock.....	5,000,000
		Paid in Surplus.....	275,002,873
		Unassigned Surplus.....	<u>558,381,487</u>
		Surplus to Policyholders	838,610,694
Total Admitted Assets	<u>\$4,067,248,117</u>	Total Liabilities and Surplus	<u>\$4,067,248,117</u>



* Bonds are stated at amortized or investment value; Stocks at Association Market Values. Securities carried at \$124,368,976 are deposited as required by law.

I, TIM MIKOLAJEWSKI, Senior Vice-President of SAFECO Insurance Company of America, do hereby certify that the foregoing is a true, and correct statement of the Assets and Liabilities of said Corporation, as of December 31, 2007, to the best of my knowledge and belief.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Corporation at Seattle, Washington, this 1st day of March, 2008.

Tim Mikolajewski
 Senior Vice-President

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S-1262a 3/08

