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STATE OF INDIANA
LAKE COUNTY
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PEPPER CONSTRUCTION

RELEASE OF LIEN BOND A. BROWN
RECORDER

Bond No: 6538635

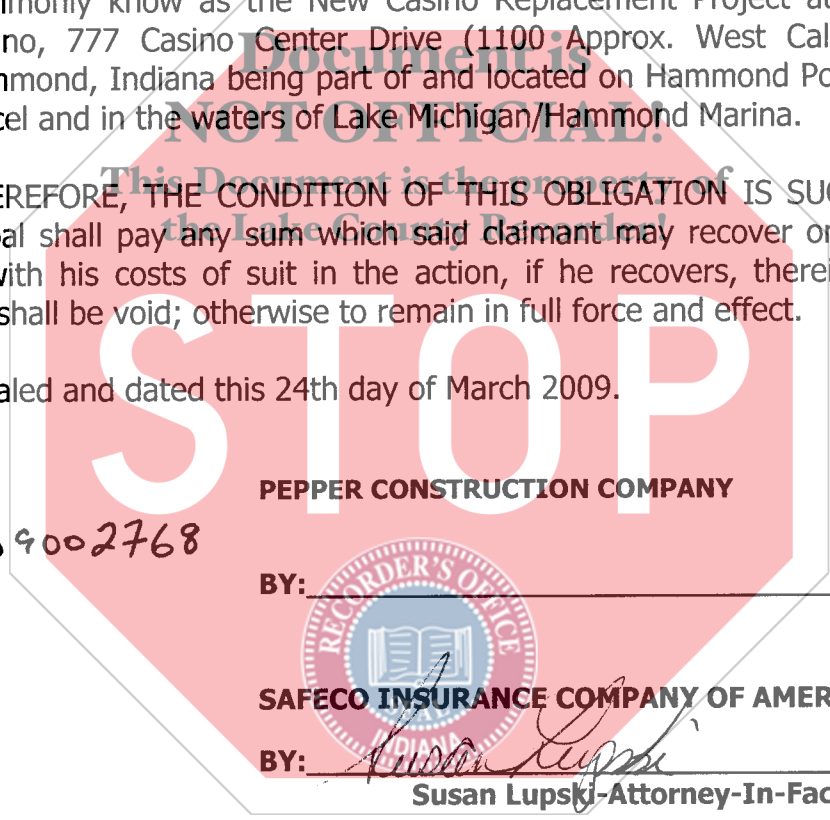
KNOW ALL BY THESE PRESENTS, That we, Pepper Construction Company, as Principal, and Safeco Insurance Company of America, as Surety, are held and firmly bound unto Harrah's Operating Co., Inc./Hammond Horseshoe, LLC, in the sum of One Million Five Hundred Sixteen Thousand Sixty Three and 00/100 Dollars (\$1,516,063.00), 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, Rausch Construction Company is the claimant under that certain mechanic's lien in the amount of One Million Five Hundred Sixteen Thousand Sixty Three and 00/100 (\$1,516,063.00), with respect to the following described real estate:

Commonly know as the New Casino Replacement Project at Horseshoe Casino, 777 Casino Center Drive (1100 Approx. West Calumet Ave), Hammond, Indiana being part of and located on Hammond Port Authority parcel and in the waters of Lake Michigan/Hammond Marina.

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 24th day of March 2009.



PEPPER CONSTRUCTION COMPANY

Release # 2009002768

BY: _____

SAFECO INSURANCE COMPANY OF AMERICA

BY: _____

Susan Lupski-Attorney-In-Fact

\$18
CS
CA

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 }
COUNTY OF } ss

On this March 24, 2009 before me personally came Robert T. Pearson to me known, who, being by me duly sworn, did depose and say; that he/she resides in Nassau County, New York, 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.

Susan Lupski
Notary Public

NY acknowledgement

SUSAN LUPSKI
Notary Public, State of New York
No. 011U6097366
Qualified in Nassau County
Commission Expires August 18, 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 21st day of March, 2009

Dexter R. Legg

TAMikolajewski

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 24th day of March, 2009



Dexter R. Legg

Dexter R. Legg, Secretary

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.....	936,336,881
Other Admitted Assets.....	359,599,572	Total	\$3,228,637,423
Total Admitted Assets	<u>\$4,067,248,117</u>	Special Surplus Funds.....	\$ 226,334
		Capital Stock.....	5,000,000
		Paid in Surplus.....	275,002,873
		Unassigned Surplus.....	558,381,487
		Surplus to Policyholders	838,610,694
		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

