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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MICHAEL B. BROWN
RECORDER

**THIRD AMENDMENT TO MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT
OF RENTS AND LEASES AND FIXTURE FILING**

by and from

HORSESHOE HAMMOND, LLC,

as Mortgagor

to

BANK OF AMERICA, N.A., in its capacity as Collateral Agent,

as Mortgagee

Dated as of June 17, 2013

Location: Parcel 26-37-0059-0003; Parcel 26-37-0098-0005; Parcel 26-37-0098-0006; Parcel 26-37-0123-0015; Parcel 26-37-0124-0016; Parcel 26-37-0098-0008

Municipality: Hammond

Counties: Lake

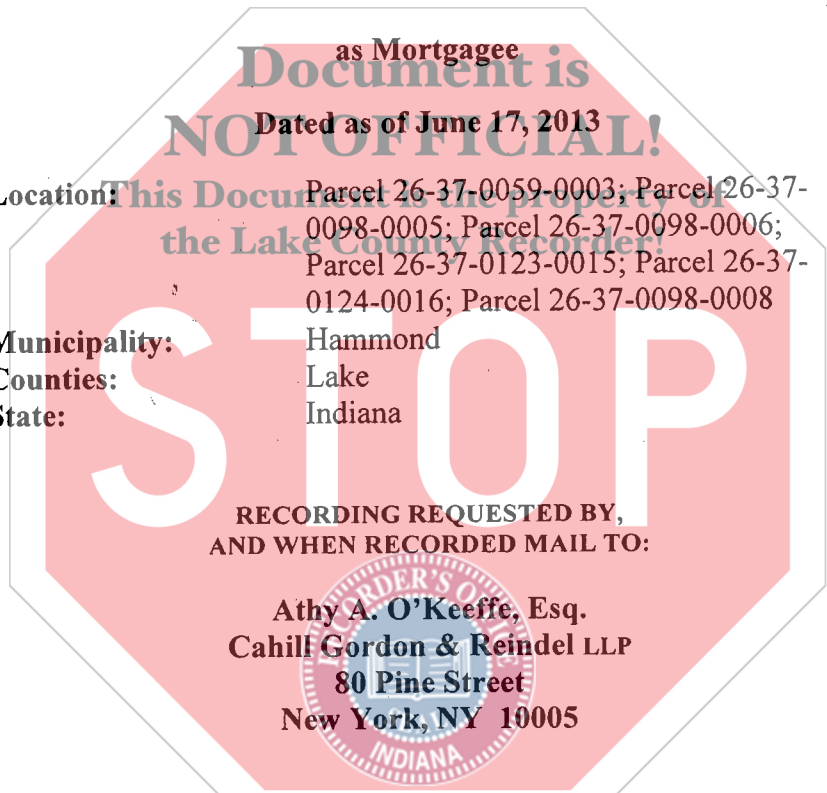
State: Indiana

RECORDING REQUESTED BY,
AND WHEN RECORDED MAIL TO:

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Chicago Title Insurance Company



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THIRD AMENDMENT TO MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING

THIS THIRD AMENDMENT TO MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES AND FIXTURE FILING (this "*Amendment*"), effective as of June 17, 2013 (the "*Effective Date*"), is made and entered into on June 14, 2013, by and between HORSESHOE HAMMOND, LLC, an Indiana limited liability company, as mortgagor, assignor and debtor (in such capacities and together with any successors in such capacities, "*Mortgagor*"), whose address is One Caesars Palace Drive, Las Vegas, NV 89109, and Bank of America, N.A., as Collateral Agent (in such capacity, "*Collateral Agent*") for the Secured Parties (as defined in the Amended Collateral Agreement), having an address at 901 Main Street, Mail Code TXI-492-14-11, Dallas, TX 75202 (Collateral Agent, together with its successors and assigns in such capacity, "*Mortgagee*").

WHEREAS, Mortgagor executed and delivered to Mortgagee a certain Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing dated as of June 10, 2009, recorded on June 22, 2009 as Instrument No. 2009 041677 in the official records of Lake County, Indiana (the "*Original Mortgage*"), as amended by that certain First Amendment to Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing dated as of June 29, 2012, recorded on July 9, 2012 as Instrument No. 2012 044696 in the official records of Lake County, Indiana (the "*First Mortgage Amendment*") as further amended by that certain Second Amendment to Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing dated as of February 1, 2013, recorded on February 7, 2013 as Instrument No. 2013 010352 in the official records of Lake County, Indiana (the "*Second Mortgage Amendment*"; the Original Mortgage, as amended by the First Mortgage Amendment and the Second Mortgage Amendment and as the same may have been or may hereafter be amended, restated, supplemented or otherwise modified from time to time, collectively, the "*Existing Mortgage*"), which is a lien on certain property legally described therein. Capitalized terms used herein without definition shall have the respective meanings ascribed to them in the Mortgage;

WHEREAS, pursuant to the Existing Mortgage, Mortgagor granted to Mortgagee a first priority lien and/or security interest in and upon all of Mortgagor's estate, right, title and interest in and to the Mortgaged Property to secure the "Obligations" (as defined in the Mortgage);

WHEREAS, as more fully described in the Existing Mortgage, the Existing Mortgage secures the Obligations, which include, without limitation, (i) the "Notes Obligations" as defined in the Indenture dated as of June 10, 2009 (the "*2009 Indenture*") among Caesars Operating Escrow LLC (formerly known as Harrah's Operating Escrow LLC) and Caesars Escrow Corporation (formerly known as Harrah's Escrow Corporation), as escrow issuers, Caesars Entertainment Corporation (formerly known as Harrah's Entertainment, Inc.) (the "*Parent Guarantor*"), U.S. Bank National Association, as Trustee (the "*Indenture Trustee*"), and after the consummation of the "HOC Assumption" (as defined therein), Caesars Entertainment Operating Company, Inc. (formerly known as Harrah's Operating Company, Inc.), as the issuer, including in respect of the Notes issued thereunder (the "*2009 Notes*"), (ii) the Notes Obligations under the Supplemental Indenture dated as of June 10, 2009 (the "*First Supplemental Indenture*") and the Notes, if any, issued thereunder (the "*First Supplemental Notes*"), (iii) the "Other First Priority Lien Obligations" (as defined in the 2009 Indenture) pursuant to the Second Supplemental Indenture dated as of September 11, 2009 (the "*Second Supplemental Indenture*") and the "New Notes" (as defined in the Second Supplemental Indenture) issued thereunder (the "*Second Supplemental Notes*"), (iv) the Other First Priority Lien Obligations pursuant to the Indenture dated as of February 14, 2012, as supplemented by that certain Supplemental Indenture dated as of March 1, 2012 (collectively, the "*Spring 2012 Indenture*") and the "Notes" (as defined in the Spring 2012 Indenture) issued thereunder (the "*Spring 2012 Notes*"), (v) the Other First Priority Lien Obligations pursuant to the

Indenture dated as of August 22, 2012, as supplemented by that certain Supplemental Indenture dated as of October 5, 2012 (collectively, the "**Summer 2012 Indenture**"; together with the 2009 Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Spring 2012 Indenture, collectively, the "**Existing Indenture**") and the "Notes" (as defined in the Summer 2012 Indenture) issued thereunder (the "**Summer 2012 Notes**"; together with the 2009 Notes, the First Supplemental Notes, the Second Supplemental Notes and the Spring 2012 Notes, collectively, the "**Existing Notes**") and (vi) other "Additional First Priority Lien Obligations" (as defined in the Existing Indenture) that may be incurred from time to time under the Existing Indenture or any "Other First Lien Agreements" (as defined in the Amended Collateral Agreement);

WHEREAS, Caesars Entertainment Operating Company, Inc. (formerly known as Harrah's Operating Company, Inc.) (the "**Issuer**"), the subsidiaries of the Issuer identified therein (including the Mortgagor) (the "**Subsidiary Pledgors**"), and the Collateral Agent entered into that certain Amended and Restated Collateral Agreement dated effective as of January 28, 2008 (as amended and restated on June 10, 2009) (as the same may have been and may hereafter be amended, restated, supplemented, waived or otherwise modified from time to time, the "**Amended Collateral Agreement**") whereby a first priority lien and/or security interest was granted to the Collateral Agent, for the benefit of the Secured Parties, on substantially all of the Issuer's and the Subsidiary Pledgors' property and assets to secure the Obligations;

WHEREAS, pursuant to the terms of the Existing Indenture, the Issuer and its "Restricted Subsidiaries" (as defined in the Existing Indenture) may from time to time incur "Other First Priority Lien Obligations" (as defined in the Existing Indenture) that are equally and ratably secured with the Existing Notes by designating such additional "Indebtedness" (as defined in the Existing Indenture) as Other First Priority Lien Obligations in accordance with the terms of the Existing Indenture and the Amended Collateral Agreement, and upon such designation, such Indebtedness will constitute Obligations for all purposes under the Mortgage that will be secured by a Lien on the Mortgaged Property;

WHEREAS, Caesars Operating Escrow LLC and Caesars Escrow Corporation, as escrow issuers (and, after the consummation of an "Assumption" (as defined therein), the Issuer, as the issuer), the Parent Guarantor and the Indenture Trustee entered into (i) that certain Additional Notes Supplemental Indenture dated as of December 13, 2012 (as the same may have been or may hereafter be amended, restated, supplemented or otherwise modified from time to time, collectively, the "**Winter 2012 Indenture**") to, among other things, provide for the issuance of \$750,000,000 aggregate principal amount of 9 % Senior Secured Notes due 2020 (the "**Winter 2012 Notes**") and (ii) that certain Indenture dated as of February 15, 2013 (as the same may have been or may hereafter be amended, restated, supplemented or otherwise modified from time to time, collectively, the "**February 2013 Indenture**"; together with the Existing Indenture and the Winter 2012 Indenture, each individually and collectively, an "**Indenture**") to, among other things, provide for the issuance of \$1,500,000,000 aggregate principal amount of 9 % Senior Secured Notes due 2020 (the "**February 2013 Notes**"; together with the Existing Notes, the Winter 2012 Notes, and any Additional Notes or Exchange Notes (each as defined in the Indenture), collectively, the "**Notes**");

WHEREAS, pursuant to that certain Other First Lien Secured Party Consent, dated as of February 20, 2013 (the "**Winter 2012 Other First Lien Secured Party Consent**"), among the Issuer, the Indenture Trustee and Mortgagor, in its capacity as Collateral Agent under the Amended Collateral Agreement, among other things, (i) the Indenture Trustee, as authorized representative on behalf of the "New Secured Parties" (as defined therein) (the "**Winter 2012 New Secured Parties**") became a party to the Amended Collateral Agreement and accepted and acknowledged the terms of the Amended Collateral Agreement as applicable to the Winter 2012 New Secured Parties and agreed to be bound by such terms, (ii) the Indenture Trustee appointed and authorized the Collateral Agent to act as agent on its behalf and

on behalf of the Winter 2012 New Secured Parties, (iii) the Collateral Agent accepted the appointment described in subclause (ii) of this Recital and (iv) the Indenture Trustee accepted and acknowledged the terms of the "First Lien Intercreditor Agreement" (as defined in the Amended Collateral Agreement) applicable to it and the Winter 2012 New Secured Parties with respect to the obligations under the Winter 2012 Indenture, the Winter 2012 Notes, and any Additional Notes or Exchange Notes, and agreed on its own behalf and on behalf of the Winter 2012 New Secured Parties to be bound by the terms of the First Lien Intercreditor Agreement applicable to holders of Other First Lien Obligations;

WHEREAS, pursuant to that certain Other First Lien Secured Party Consent, dated as of March 27, 2013 (the "**February 2013 Other First Lien Secured Party Consent**"; together with the Winter 2012 Other First Lien Secured Party Consent, collectively, the "**Other First Lien Secured Party Consent**"), among the Issuer, the Indenture Trustee and Mortgagee, in its capacity as Collateral Agent under the Amended Collateral Agreement, among other things, (i) the Indenture Trustee, as authorized representative on behalf of the "New Secured Parties" (as defined therein) (the "**February 2013 New Secured Parties**"; together with the Winter 2012 New Secured Parties, collectively, the "**New Secured Parties**") became a party to the Amended Collateral Agreement and accepted and acknowledged the terms of the Amended Collateral Agreement as applicable to the February 2013 New Secured Parties and agreed to be bound by such terms, (ii) the Indenture Trustee appointed and authorized the Collateral Agent to act as agent on its behalf and on behalf of the February 2013 New Secured Parties, (iii) the Collateral Agent accepted the appointment described in subclause (ii) of this Recital and (iv) the Indenture Trustee accepted and acknowledged the terms of the "First Lien Intercreditor Agreement" (as defined in the Amended Collateral Agreement) applicable to it and the February 2013 New Secured Parties with respect to the obligations under the February 2013 Indenture, the February 2013 Notes, and any Additional Notes or Exchange Notes, and agreed on its own behalf and on behalf of the February 2013 New Secured Parties to be bound by the terms of the First Lien Intercreditor Agreement applicable to holders of Other First Lien Obligations;

WHEREAS, Mortgagor and Mortgagee desire to, among other things, (i) give notice of the execution and delivery of the Winter 2012 Notes under the Winter 2012 Indenture, (ii) give notice of the execution and delivery of the February 2013 Notes under the February 2013 Indenture, (iii) give notice of the other matters described in the immediately preceding Recitals and (iv) to confirm that the Existing Mortgage remains in full force and effect, except only to the extent expressly modified by this Amendment;

WHEREAS, the indebtedness and obligations under the Existing Indenture and the Existing Notes are continuing, are not being repaid or discharged in whole or in part, and no change is being made to the Obligations except by (i) the issuance of the Winter 2012 Notes (and, subsequent to the date hereof, any Additional Notes and Exchange Notes) pursuant to the Winter 2012 Indenture and the other agreements executed in connection therewith and (ii) the issuance of the February 2013 Notes (and, subsequent to the date hereof, any Additional Notes and Exchange Notes) pursuant to the February 2013 Indenture and the other agreements executed in connection therewith ;

WHEREAS, this Amendment amends the Existing Mortgage (the Existing Mortgage, as amended by this Amendment, and as the same may be further amended, restated, supplemented or otherwise modified from time to time, the "**Mortgage**"); and

WHEREAS, in accordance with Section 7.23 of the Amended Collateral Agreement (as modified by the Other First Lien Secured Party Consent), (i) the Winter 2012 Notes, the February 2013 Notes, any Additional Notes or Exchange Notes, the Winter 2012 Indenture, the February 2013 Indenture and the other agreements evidencing or governing the Winter 2012 Notes, the February 2013 Notes, any Additional Notes or Exchange Notes, the Winter 2012 Indenture and the February 2013 Indenture

constitute Other First Lien Agreements and (ii) the obligations of the Issuer and the Subsidiary Pledgors under the Winter 2012 Notes, the February 2013 Notes, any Additional Notes or Exchange Notes, the Winter 2012 Indenture, the February 2013 Indenture and the other agreements evidencing or governing the Winter 2012 Notes, the February 2013 Notes, any Additional Notes or Exchange Notes, the Winter 2012 Indenture and the February 2013 Indenture constitute and have been designated as Other First Lien Obligations and (iii) the obligations described in subclause (ii) of this Recital shall be secured equally and ratably with the Obligations under the Existing Mortgage.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree and give notice as follows:

ARTICLE I AMENDMENT TO MORTGAGE

As of the date hereof, the Existing Mortgage is amended as follows:

Section 1.1 Amended Definitions. The following defined terms are hereby amended as follows:

Mortgage. All references to the "Mortgage" herein or in the Existing Mortgage shall mean the Existing Mortgage as amended by this Amendment, as the same may be further amended, restated, supplemented or otherwise modified from time to time, including any modification changing the amount, the interest rate or other terms of the Loan Documents or the Obligations or giving notice of any such changes. Any future amendment, restatement, supplementation, or other modification of the Mortgage may or may not be recorded.

Indenture and Notes. All references to the "Indenture" herein or in the Existing Mortgage shall mean the Indenture as defined in the recitals to this Amendment. All references to the "Notes" herein or in the Existing Mortgage shall mean the Notes as defined in the recitals to this Amendment.

Obligations. All references to the "Obligations" herein or in the Existing Mortgage mean the Obligations, as set forth in the Indenture, the Notes and any Other First Lien Agreement (each as defined in the recitals hereto), as each may be further amended, amended and restated, supplemented and otherwise modified from time to time, including any modification changing the amount, the interest rate or other terms of the Obligations.

Section 1.2 Maximum Amount of Indebtedness. Section 2.4 of the Existing Mortgage is hereby deleted in its entirety and replaced with the following:

"Section 2.4 **Maximum Amount of Indebtedness.** The maximum aggregate amount of all indebtedness that is, or under any contingency may be secured at the date hereof or at any time hereafter by this Mortgage is NINE BILLION, THREE HUNDRED AND EIGHTY-SEVEN MILLION, ONE HUNDRED AND FIFTY THOUSAND DOLLARS (\$9,387,150,000) (the "Secured Amount"), plus, to the extent permitted by applicable law, collection costs, sums advanced for the payment of taxes, assessments, maintenance and repair charges, insurance premiums and any other costs incurred to protect the security encumbered hereby or the Lien hereof, and expenses incurred by Mortgagee by

reason of any default of Mortgagor under the terms hereof, together with interest thereon, all of which amount shall be secured hereby.”

Section 1.3 Confirmation and Ratification of Existing Mortgage. Except as modified by this Amendment, the Existing Mortgage is and shall continue in full force and effect. In all other respects, Mortgagor and Mortgagee fully confirm and ratify the Existing Mortgage, the Indenture, the Notes, and the other agreements evidencing or governing the Notes and the Indenture, except as expressly modified pursuant to this Amendment, the Indenture or the Notes. Nothing in this Amendment is intended to waive any rights or remedies of Mortgagee under the Existing Mortgage, or (except to the extent, if any, expressly stated herein) any defaults (if any) of Mortgagor under the Existing Mortgage. The Existing Mortgage shall continue to be a valid and subsisting lien against the Mortgaged Property. Nothing contained in this Amendment shall be construed as (a) a novation of the Obligations or (b) a release or waiver of all or any portion of the grant or conveyance to the Mortgagee of the lien on and security interest in the Mortgaged Property by virtue of the Existing Mortgage.

Section 1.4 Winter 2012 Indenture, Winter 2012 Notes, February 2013 Indenture and February 2013 Notes. The parties hereby give notice that, pursuant to the Winter 2012 Indenture, the Issuer issued the Winter 2012 Notes and, pursuant to the February 2013 Indenture, the Issuer issued the February 2013 Notes. In accordance with Section 7.23 of the Amended Collateral Agreement (as modified by the Other First Lien Secured Party Consent), (i) the Winter 2012 Notes, the February 2013 Notes, any Additional Notes or Exchange Notes, the Winter 2012 Indenture, the February 2013 Indenture and the other agreements evidencing or governing the Winter 2012 Notes, the February 2013 Notes, any Additional Notes or Exchange Notes, the Winter 2012 Indenture and the February 2013 Indenture constitute Other First Lien Agreements and (ii) the obligations of the Issuer and the Subsidiary Pledgors under the Winter 2012 Notes, the February 2013 Notes, any Additional Notes or Exchange Notes, the Winter 2012 Indenture, the February 2013 Indenture and the other agreements evidencing or governing the Winter 2012 Notes, the February 2013 Notes, any Additional Notes or Exchange Notes, the Winter 2012 Indenture and the February 2013 Indenture constitute and have been designated as Other First Lien Obligations and (iii) the obligations described in subclause (ii) of this Section 1.4 shall be secured equally and ratably with the Obligations under the Existing Mortgage.

ARTICLE II MISCELLANEOUS

Section 2.1 Benefit of Mortgage. This Amendment and the Mortgage are and shall continue to be binding upon and shall inure to the benefit of the parties hereto, their heirs, administrators, personal representatives, successors and assigns.

Section 2.2 Future Amendments. The Mortgage may not be altered, amended, modified, terminated, waived, released, or discharged, except in a writing signed by the parties or their successors or assigns.

Section 2.3 Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement.

Section 2.4 Severability. In the event any one or more of the provisions contained in this Amendment or in the Mortgage should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired

thereby. Mortgagor and Mortgagee shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

Section 2.5 Applicable Law. The provisions of this Amendment and the Mortgage shall be governed by and construed under the laws of the state in which the Mortgaged Property is located.

Section 2.6 Headings. Section headings herein are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such Articles, Sections or Subsections.

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IN WITNESS WHEREOF, Mortgagor has on the date set forth in the acknowledgement hereto, effective as of the Effective Date, caused this instrument to be duly EXECUTED AND DELIVERED by authority duly given.

MORTGAGOR:

HORSESHOE HAMMOND, LLC,
an Indiana limited liability company

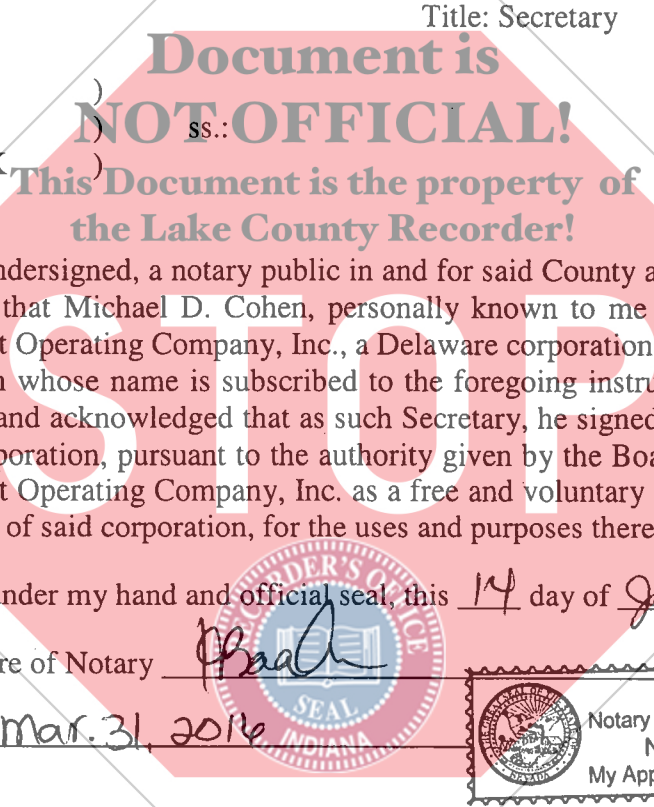
By: Horseshoe Gaming Holding, LLC,
its Sole Member

By: Caesar's Entertainment Operating Company, Inc., its Sole Member

By: 


Name: Michael D. Cohen
Title: Secretary

STATE OF NEVADA)
COUNTY OF CLARK)

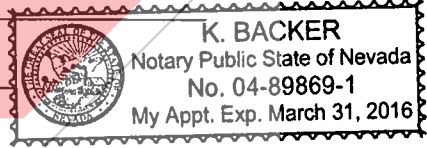


I, the undersigned, a notary public in and for said County and State aforesaid, DO HEREBY CERTIFY, that Michael D. Cohen, personally known to me to be the Secretary of Caesar's Entertainment Operating Company, Inc., a Delaware corporation, and personally known to me to be the person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Secretary, he signed and delivered the said instrument of said corporation, pursuant to the authority given by the Board of Directors of said Caesar's Entertainment Operating Company, Inc. as a free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 14 day of June, 2013.

Signature of Notary 

Commission expires Mar. 31, 2016

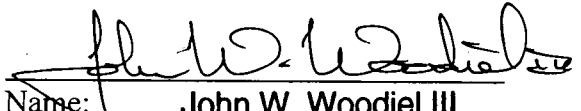


[Horseshoe Hammond – IN, Lake County]

IN WITNESS WHEREOF, Mortgagee has on the date set forth in the acknowledgement hereto, effective as of the Effective Date, caused this instrument to be duly **EXECUTED AND DELIVERED** by authority duly given.

MORTGAGEE:

**BANK OF AMERICA, N.A.,
as Collateral Agent,**

By: 
Name: **John W. Woodiel III**
Title: **Managing Director**



[Horseshoe Hammond – IN, Lake County]

STATE OF Texas)
)
COUNTY OF Dallas)

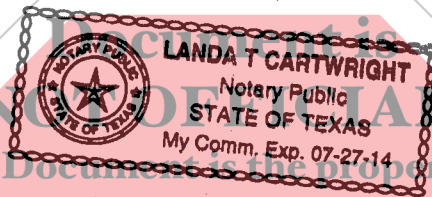
SS.:

I, the undersigned, a notary public in and for said County and State aforesaid, DO HEREBY CERTIFY, that John W. Woodiel III, personally known to me to be the Managing Director of Bank of America, N.A., a national banking association, and personally known to me to be the person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Managing Director, he signed and delivered the said instrument of said national banking association, pursuant to the authority duly given by said national banking association, as a free and voluntary act, and as the free and voluntary act and deed of said national banking association, for the uses and purposes therein set forth.

Given under my hand and official seal, this 13th day of June, 2013.

Signature of Notary Landa J. Cartwright

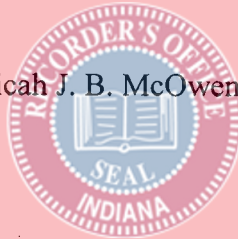
Commission expires 7-27-14



I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law.

Micah J. B. McOwen, Esq.

This instrument prepared by Micah J. B. McOwen, Esq.



[Horseshoe Hammond – IN, Lake County]

