

ECONOMIC DEVELOPMENT
AGREEMENT

This Economic Development Agreement (the "Agreement") is entered into as of August ____, 2019 by and between the citizens of Pope County, Arkansas acting by and through the Pope County Judge Ben Cross (the "County") and Cherokee Nation Businesses, LLC, (the "Operator"). Capitalized terms used and defined elsewhere in this Agreement are defined in Section 1.

RECITALS

- A. Operator seeks to make application to the Arkansas Racing Commission (the "Commission") for the casino license established in Arkansas Constitutional Amendment 100 in Pope County, Arkansas (the "License").
- B. As a condition precedent to submission of such application, Operator is required by Amendment 100, the Rules of the Commission, and Arkansas Act 371 of 2019, to provide written evidence of the County's support of said application;
- C. The Pope County Judge has the authority, pursuant to Ark. Const. Amend 55 Sec 1(a) and Ark. Code Ann. Sections 14-14-801(a), 14-14-801(2), 14-14-1102(b)(7)(A), 14-164-201, *et seq.*, 14-170-205, and 14-176-103, to negotiate in good faith with the Operator, to enter into this Agreement, to perform all of the terms and conditions imposed upon the County hereunder, and to require performance by Operator of the terms and conditions upon it hereunder;
- D. Operator's development plans contemplate not only a Casino, but also ancillary facilities including recreational and entertainment components;
- E. The Project will result in hundreds of millions of dollars of capital investment by Operator, thousands of jobs, significant direct and indirect revenues and other economic benefits to the County and surrounding area; and
- F. This Agreement shall become effectuated, fully executed and enforceable upon endorsement signatures of representatives of both the County and Operator and the passage of a Resolution of Support by the Pope County Quorum Court for the Operator's casino license application to be submitted to the Commission.

NOW, THEREFORE, in consideration of their execution and delivery of this Agreement, the passage of a Resolution of Support for the Operator and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Operator and the County hereby agree to the following:

1. Definitions

The terms defined in this Section 1 shall have the meanings indicated for purposes of this

Agreement. Capitalized terms which are used primarily in a single Section of this Agreement are defined in that Section.

- (a) "Amendment 100" refers to Amendment 100 to the Arkansas Constitution, known as the Arkansas Casino Gaming Amendment of 2018.
- (b) "Casino" shall have the meaning given such term in Rule 1.065 of the Rules.
- (c) "Commission" means the Arkansas Racing Commission.
- (d) "Rules" means the Arkansas Casino Gaming Rules in effect from time to time as promulgated by the Commission pursuant to Amendment 100.

2. General Provisions

2.1 Purpose

The County has determined that the development, construction and operation of the Project will (i) be in the best interests of the citizens of Pope County and its municipalities; (ii) support and contribute to the economic growth within the County and the entire State of Arkansas; (iii) contribute to the provision and preservation of gainful employment opportunities for residents of the County; and (iv) support and promote tourism in Central Arkansas and the County. Accordingly, the County Judge has evaluated each potential operator for Pope County and the terms of a potential agreement prior to agreeing to the terms of this Agreement.

2.2 Application for License

Operator shall comply with the applicable rules and regulations adopted and/or prescribed by the Commission, presently or in the future, which govern the operation of Casino gaming at the Project, including the Rules. The parties agree that (i) the Rules are incorporated into this agreement, as and when adopted or prescribed, the same as if set forth fully herein, and (ii) in the event of a conflict between the provisions of this Agreement and the Rules, the Parties agree to take all reasonably necessary steps to amend or modify this Agreement to accommodate or reflect the Rules in a manner that preserves to the extent possible the economic benefits of the transactions contemplated hereby to each of the Parties.

2.3 Term

The term of this Agreement shall commence upon (i) execution of this Agreement by the County Judge, and the authorized representative of the Operator, and (ii) the passage of a Resolution of Support for the Operator's Casino License Application to be submitted to the Commission, and shall continue until the expiration of the term of the License, including any and all renewals or extensions thereof (the "Term").

3. Project

(a) Operator will pursue development of the Project, which will meet the following minimum commitments:

- i. a minimum construction cost of Two Hundred Twenty Five Million DOLLARS (\$225,000,000), in addition to the Economic Development Fee referenced in 4.1(b) below;
- ii. casino/gaming facilities constructed in compliance with the License and any rules or regulations imposed by the Commission;
- iii. a hotel with a minimum of 200 rooms which shall, meet the construction and operational standards necessary to achieve the American Automobile Association's "Four Diamond" hotel rating, or substantial equivalent thereof;
- iv. a mixed-use indoor conference and music venue capable of accommodating a minimum of one thousand (1,000) guests;
- v. multiple price-point dining facilities, sports bar/communal areas;
- vi. a sports book/simulcast parlor, subject to the Commission's Rules;
- vii. a waterpark;
- viii. a recreational vehicle park;
- ix. an outdoor music venue capable of accommodating a minimum of five thousand (5,000) guests;
- x. a medical air ambulance landing zone for use by medevac patients; and
- xi. a separate, secure office space to be utilized as a sub-station by local law enforcement agencies.

(b) Operator shall use commercially reasonable efforts to promptly apply for, pursue and obtain the License, in the name of its wholly owned subsidiary, Legends Resort and Casino, LLC, an Arkansas LLC, and all other approvals necessary for the design, development, construction and operation of the Project (the "Approvals").

(c) Operator agrees to keep the County reasonably informed with respect to the progress of design and construction of the Project. The County acknowledges and agrees that the Operator may alter the Project and its components from time to time provided that said alterations shall remain in compliance with this Agreement.

3.1 Duty to Complete; Commencement of Operations

The Operator will use commercially reasonable efforts to commence and complete construction of the Project, and to commence operations of the Project, at the earliest dates reasonably practicable, taking into account, among other factors, (i) the process for obtaining the License and the Approvals, and the potential of regulatory delays and/or legal challenges, (ii) the typical time frames for design, development and construction of projects of this nature and magnitude, (iii) the process of recruiting and training the necessary skilled workforce and obtaining all necessary permits/licenses for operating the Project, and (iv) events or factors that are unforeseeable or outside the Operator's control, including any Force Majeure event.

3.2 Project Operations

Operator agrees to diligently operate and maintain the Project in accordance with the Rules and in compliance with this Agreement.

3.3 Maintenance; Transfer

(a) Operator agrees at all times during the term of this Agreement to use reasonable business judgment and diligence to maintain and/or upgrade the improvements comprising the Project, and to refrain from making transfers of any interest in the Project except as may be expressly authorized by the Commission and in consultation with the County Judge and Quorum Court of Pope County.

(b) The terms of this Agreement shall be binding and enforceable by the County against any successor in interest to the Operator.

4. Obligations of Operator

4.1 Economic Development Fee

(a) The Operator recognizes and acknowledges that the construction and operation of the Project will cause direct and indirect impacts and benefits within Pope County. The Operator also recognizes and acknowledges that the ultimate responsibility to mitigate the community impacts of the Project rests upon local governmental units.

(b) The Operator shall be obligated to pay Economic Development Fees in the total amount of Thirty-Eight Million Eight Hundred Thousand DOLLARS (\$38,800,000.00) (the "EDF"), to be distributed among certain municipalities and fire protection districts or associations within Pope County. Operator shall deliver to the Recipients within thirty (30) days of the successful resolution of all litigation or administrative challenges relating to the issuance of the License (the "Final Conditions") cashier's checks, as follows, to-wit:

- i. \$27,599,373 to Pope County, Arkansas;
- ii. \$3,361,608 to the City of Pottsville, Arkansas;
- iii. \$3,532,236 to the City of Atkins, Arkansas;
- iv. \$1,444,000 to the City of London, Arkansas;
- v. \$1,505,356 to the City of Dover, Arkansas;
- vi. \$242,427 to the City of Hector, Arkansas;
- vii. \$800,000 to the Crow Mountain Fire Protection District;
- viii. \$130,000 to the Pope County Fire Association;
- ix. \$30,000 to the Arkansas Tech University Foundation;
- x. \$25,000 to the Russellville Center For the Arts;
- xi. \$25,000 to the Dover Public Education Foundation;
- xii. \$25,000 to the Hector Public Education Foundation;
- xiii. \$25,000 to the Atkins Red Devil Foundation;
- xiv. \$25,000 to the Pottsville Community Scholarship Fund;
- xv. \$10,000 to the Dover Chamber of Commerce;
- xvi. \$10,000 to the Atkins People For a Better Atkins; and
- xvii. \$10,000 to the River Valley Arts Center.

(c) The EDF hereinabove provided is agreed to be appropriate and adequate and fairly and lawfully established. Any share of the EDF that is refused by a Recipient will be paid to Pope County.

4.2 Community Development Grants

(a) It is in the best interests of the County and the Operator to provide resources for continuing charitable contributions to the people of Pope County, Arkansas. Accordingly, beginning on the second anniversary date of the commencement of Casino gaming operations, and on each subsequent anniversary date during the term of this Agreement, Operator shall contribute the sum of Two Million DOLLARS (\$2,000,000) to a charitable foundation which is properly established and operating pursuant to state and federal law to be designated by the County prior to commencement of the payments described in this sub-section.

(b) The amount of the contributions provided in (a) above shall be adjusted every five (5) years during the term hereof to reflect the percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") over the previous five (5) years, calculated by using the most recently published CPI at the date of the adjustment, and the CPI on the same date five (5) years prior to the date of the adjustment.

4.3 Ongoing Research and Economic Development Support

- (a) Operator shall contribute the sum of Twenty Five Thousand DOLLARS (\$25,000), every two (2) years during the term of this Agreement, to the Arkansas Tech University Foundation for purposes of study/research relating to the economic impact of the Project.
- (b) Operator shall contribute the sum of One Hundred Thousand DOLLARS (\$100,000) annually to the Russellville Economic Development Alliance, or its successor or assigns.
- (c) The amount of the contributions provided in (a) and (b) above shall be adjusted every five (5) years during the term hereof to reflect the percentage increase in the Consumer Price Index for All Urban Consumers, U.S. City Average published by the Bureau of Labor Statistics of the United States Department of Labor ("CPI") over the previous five (5) years, calculated by using the most recently published CPI at the date of the adjustment, and the CPI on the same date five (5) years prior to the date of the adjustment.
- (d) The contributions provided in (a) and (b) above shall begin on the first anniversary date of the commencement of Casino gaming operations.

4.4 Certain Hiring Practices

- (a) Operator agrees to use commercially reasonable efforts to create positions for and set a targeted goal of filling three percent (3%) of its workforce at the Project with individuals who have one or more "disabilities" (as that term is defined under the Americans with Disabilities Act).
- (b) Operator agrees to hire a full time employee certified as an addiction counselor or contract with an appropriate Pope County non-profit organization to provide addiction counseling services.
- (c) Operator agrees that upon commencement of operations, all employees who do not receive gratuities as part of their regular compensation will be subject to a \$13 per hour minimum wage.

4.5 Utility Services; Infrastructure

County agrees to fully cooperate with, utilize its best efforts, and actively assist Operator in the timely procurement of necessary utility and other public services, including, without limitation, electric, gas, water, sewer and sanitation services, as well as necessary infrastructure improvements, including, without limitation, street and highway improvements, access thoroughfares, curb cuts and signalized intersections, all at costs, assessments or rates generally available to other commercial users within Pope County, Arkansas. Operator agrees that it will

assume and pay all costs associated with the street and drainage infrastructure improvements and modifications upon county roadways and rights-of-way necessary for the development of the Project.

5. Covenants of Operator

The Operator covenants that throughout the Term, the Operator shall:

(a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, and refrain from making any organic changes to its legal form (including changing the legal status of its wholly owned subsidiary as an Arkansas LLC), or any changes in the status of the Project site that would have the effect of eliminating or changing any of its responsibilities regarding the payment of taxes, assessments, levies, permit fees, or the like, to the State of Arkansas or any subdivision or agency thereof, or to Pope County or any of its subdivisions, municipalities or agencies thereof

(b) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect the rights, licenses, registrations, permits, certifications, approvals, consents, franchises, patents, copyrights, trade secrets, trademarks and trade names that are used in the conduct of its businesses and other activities, and comply with all governmental requirements applicable to the operation of its business and other activities, in all material respects, whether now in effect or hereafter enacted.

(c) Violation or breach of this Section shall result in liquidated damages equal to the then present value of the subsequent 15 years of tax losses to the state of Arkansas, Pope County and all municipalities within, as a direct result of such a breach or violation.

6. Default

6.1 Events of Default

The occurrence of any of the following shall constitute an "Event of Default" under this Agreement:

(a) If any material representation or warranty made by Operator hereunder shall prove to have been false or misleading in any material respect as of the time made or furnished.

(b) Subject to Force Majeure, if Operator shall materially default in the performance of any (i) governmental requirement; or (ii) commitment, agreement, covenant, term or condition (other than those specifically described in any other subparagraph of this Section 6.1) of this Agreement, and in such event if Operator shall fail to remedy any such default within one hundred eighty (180) days after receipt of written notice of default with respect thereto.

(c) If Operator fails to make any payments required to be made by Operator hereunder as and when due, and further fails to make any such payment within ninety (90) days after receiving written notice of default from the County; provided that if any such payment be the subject of a good faith dispute as to the amount thereof and Operator is proceeding with diligence to resolve such dispute, the time for making such payment shall be extended pending such resolution.

(d) If the County, either through letter from the County Judge's Office or Resolution of the Quorum Court, endorses or expresses support for any other casino license applicant during the term of this Agreement.

6.2 Remedies

(a) Upon an Event of Default, the County shall have the right if it so elects to: (i) institute and prosecute proceedings to enforce in whole or in part the specific performance of this Agreement by Operator, and/or to enjoin or restrain Operator from commencing or continuing said breach, and/or to cause by injunction Operator to correct and cure said breach or threatened breach; and/or (ii) exercise any and all other remedies available at law or in equity.

(b) Except as expressly stated otherwise, the rights and remedies of the County whether provided by law or by this Agreement, shall be cumulative, and the exercise by the County of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach, to the extent permitted by law. No waiver made by the County shall apply to obligations beyond those expressly waived in writing.

(c) In the event that the County, either through letter from the County Judge's Office or Resolution of the Quorum Court endorses or expresses support for any other casino license applicant during the term of this Agreement, this Agreement shall become voidable, at the election of the Operator, after which Operator shall no longer be bound hereunder and may continue to pursue its casino license application utilizing the Resolution of Support before the Commission.

6.3 Termination

Except for the provisions that by their terms survive, this Agreement shall terminate upon the occurrence of any of the following, and upon notification of such occurrence by Operator to County:

(a) The Commission fails to issue the License or issues the same to someone other than Operator;

(b) Operator's License (i) is revoked by a final, non-appealable order; (ii) expires and is not renewed by the Commission and Operator has exhausted any rights it may have to appeal such

expiration or non-renewal; or (iii) subsequently terminates due to conditions the Commission imposes which are not satisfied within the time periods specified therein, subject to any cure periods or extension rights.

7. Miscellaneous

7.1 Applicable Law and Construction

The laws of the State of Arkansas shall govern the validity, performance and interpretation of this Agreement. This Agreement has been negotiated by the County and Operator, and the Agreement, shall not be deemed to have been drafted by the County or by the Operator, but by each of them.

7.2 Venue

The parties expressly agree that any actions or legal proceedings relating to this Agreement may be brought in the State of Arkansas and that any legal action or procedure of any nature which may be brought by any party relating to this Agreement may only be brought in the following venues, to wit: the Circuit Court sitting in Pope County, Arkansas, or the United States District Court sitting in Little Rock, Arkansas.

7.3 Complete Agreement

This Agreement constitutes the full and complete agreement between the parties with respect to the subject matter hereof, and supersedes and controls in its entirety over any and all prior agreements, understandings, representations and statements whether written or oral by each of the parties.

7.4 No Joint Venture

The County and the Operator agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish the County and Operator as joint venturers or partners.

7.5 Time of the Essence

All times, wherever specified herein for the performance by Operator of its obligations hereunder, are of the essence of this Agreement.

7.6 Captions

The captions of this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

7.7 Force Majeure

(a) An event of "Force Majeure" shall mean the following events or circumstances, to the extent that they delay or otherwise adversely affect the performance beyond the reasonable control of Operator, or its agents and contractors, of their duties and obligations under this Agreement: (i) Strikes, lockouts, labor disputes, disputes arising from a failure to enter into a union or collective bargaining agreement, inability to procure materials on favorable terms due to market-wide shortages, failure of utilities, labor shortages or explosions; (ii) Acts of God, tornadoes, floods, sinkholes, fires and other casualties; (iii) Acts of a public enemy, acts of war, terrorism, effects of nuclear radiation, or national or international calamities; (iv) Concealed and unknown conditions of an unusual nature that are encountered below ground or in an existing structure; (v) Any litigation or administrative delay which impedes the ability of Operator to complete the Project, unless based in whole or in part on the actions or failure to act of Operator; (vi) The failure by, or unreasonable delay of, the County, the State of Arkansas or any other governmental authority or subdivision to issue any licenses, permits or approvals on terms Operator reasonably deems necessary to develop, construct, open or operate the Project, unless such failure or delay is based materially on the actions or failure to act of Operator, or its agents and contractors; or (vii) Any impacts to major modes of transportation to the Project Site, whether private or public, which adversely and materially impact access to the Project Site.

(b) Notwithstanding any other provision of this Agreement to the contrary, Operator shall be entitled to an adjustment in the time for, or excuse of the performance of, any duty or obligation of Operator under this Agreement for Force Majeure events, but only for the number of days due to and/or resulting as a consequence of such causes and only to the extent that such occurrences actually prevent or delay the performance of such duty or obligation or cause such performance to be commercially unreasonable.

7.8 Amendments

This Agreement may not be modified or amended except by a written instrument signed by the Parties; provided, however, that the parties acknowledge that the Commission may, subsequent to the date of this Agreement, promulgate additional rules or regulations, issue interpretations or adopt policies or evaluation criteria which rules, regulations, interpretations, policies or criteria may conflict with, or may not have been contemplated by, the express terms of this Agreement. In such event, the Parties agree to take all reasonably necessary steps to amend or modify this Agreement to accommodate or reflect the provisions of all such regulations, interpretations, policies or criteria, in a manner that preserves to the fullest extent possible the economic benefits of the transactions contemplated hereby to each of the Parties.

7.9 Further Assurances and Assistance

The County and Operator will cooperate and work together in good faith to the extent reasonably necessary and commercially reasonable to accomplish the mutual intent of the parties that the Project be successfully completed as expeditiously as is reasonably possible. The County also agrees to utilize its best efforts to assist Operator in its dealings with the City of Russellville, whether in obtaining required approvals, services, permits or permissions or addressing matters of concern or importance to its officials or citizens.

7.10 Severability

In the event one or more provisions of the Agreement shall be deemed unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

7.11 Exclusivity

County agrees that it shall not negotiate or enter into another economic development agreement, or any similar agreement to this Agreement, with any other party so long as this Agreement has not been terminated.

IN WITNESS WHEREOF, the Parties have set their hands and had their seals affixed on the dates set forth after their respective signatures below on this _____th day of August, 2019.

“COUNTY”

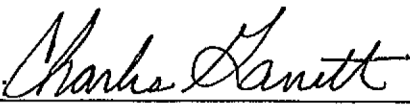
Counsel for Pope County, Arkansas

By: _____
Ben D. Cross
Pope County Judge

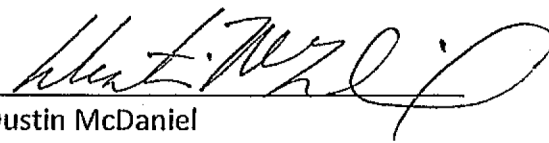
Clayton E. McCall
McCall Law Firm
1020 West Main St.
Russellville, AR 72801

“OPERATOR”

Counsel for Cherokee Nation Businesses,
LLC

By: 

Charles Garrett
Executive Vice President
Cherokee Nation Businesses, LLC



Dustin McDaniel
McDaniel, Richardson and Calhoun, PLLC
1020 West 4th St.
Suite 410
Little Rock, AR 72201