

CASINO RESORT DEVELOPMENT AGREEMENT

This Casino Resort Development Agreement (the “Agreement”) is dated as of the 3rd day of September, 2020, among Caesars Virginia, LLC, a Delaware limited liability company authorized to do business in the Commonwealth of Virginia (“Caesars Virginia”), which is a subsidiary of Caesars Resort Collection, LLC, a Delaware limited liability company, which is a subsidiary of Caesars Growth Partners, LLC, itself a Delaware limited liability company, which is a subsidiary of Caesars Holdings, Inc., a Delaware corporation, which is a subsidiary of Caesars Entertainment, Inc., a Delaware corporation (“CEC” and, together with the other Caesars entities collectively, “Caesars”); the City of Danville, a municipal corporation of the Commonwealth of Virginia (the “City”); and the Industrial Development Authority of Danville, Virginia, a political subdivision of the Commonwealth of Virginia (the “IDA”) (together with CEC, Caesars Virginia and the City, the “Parties” or, individually, a “Party”).

PREAMBLE

WHEREAS, the Virginia General Assembly has authorized the operation of a casino in the City pursuant to the provisions of Title 58.1, Chapter 41 of the Code of Virginia (the “Act”); and

WHEREAS, the City solicited from qualified applicants expressions of interest in being designated as a “preferred casino gaming operator” for the purpose of developing and operating a proposed “casino gaming establishment,” all as contemplated by the Act; and

WHEREAS, in response to such solicitation, the City Council reviewed a number of excellent proposals and considered such proposals pursuant to the requirements of the Act; and

WHEREAS, after giving substantial weight to the standards and criteria set forth in the Act, the proposal put forward by CEC was judged by the City Council to be in the best interests of the City and its citizens; and

WHEREAS, CEC has formed an indirect wholly-owned subsidiary, Caesars Virginia, to be the entity through which CEC will apply for a casino operator’s license and proposes to develop and operate a casino gaming establishment in the City (the “Project” as further described herein); and

WHEREAS, at its regularly scheduled meeting on June 2, 2020, the City Council unanimously adopted a resolution formally selecting Caesars Virginia as the City’s preferred casino gaming operator; authorizing the City Manager to execute a non-binding letter of intent with CEC as the parent company of Caesars Virginia; and authorizing the City Manager to submit to the Virginia Lottery Board the City’s preferred casino gaming operator and related information; and

WHEREAS, Caesars Virginia intends to develop the Project on the 78.16-acre Schoolfield property owned by the IDA and further identified as Parcel Identification Number 51530 (located at 1100 West Main Street, Danville, Virginia 24541) (the “Schoolfield Property”), and the IDA has agreed to sell to Caesars Virginia the Schoolfield Property;

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby enter into this agreement to effectuate the purposes set forth above and to be bound by the provisions set forth below:

1. Conditions Precedent.

a. Obligations under this Agreement. Caesars Virginia’s obligations under this Agreement, including but not limited to the obligation to purchase the Schoolfield Property and make any payments to the City, are conditioned upon a majority of those voting in the casino gaming referendum to be held pursuant to the Act on November 3, 2020, in the City (the “Referendum”) voting in the affirmative, with the only exception being the agreements and obligations contained in Section 14.o. to indemnify and reimburse the City for any costs and expenses, including legal fees, but solely with respect to any claim, action, or proceeding arising out of this Agreement (the “Surviving Obligations”).

b. Agreement Becomes Void. With the exception of the Surviving Obligations, this Agreement shall be void and of no force and effect if a majority of those voting do not approve the Referendum.

2. Term. The term of this Agreement (the “Term”) shall commence upon its execution by the Parties and shall continue until terminated as provided herein.

3. Project Details; Commitments.

a. Project Branding. CEC shall use the “Caesars” brand with respect to the Project but shall retain control over the precise name (inclusive of the “Caesars” brand) that will be used for the Project.

b. Casino Project. Caesars Virginia shall construct the Project (which will include the elements described in this Section 3) either as new construction or as a combination of new construction and existing structures or new construction and modifying existing structures consistent with First Class Casino Standards, the Act and all other Governmental Requirements and in compliance with this Agreement, after receiving and considering public comment and comment from the City regarding proposed design plans for the Project. Caesars Virginia will make an initial capital investment, inclusive of all costs associated with the planning, design, and construction of the Project, of at least four hundred million dollars (\$400,000,000.00) to develop the Project on the Schoolfield Property with an emphasis on a total destination resort with many facets and amenities, and Caesars Virginia agrees to make additional capital expenditures each year to maintain the Project at First Class Casino Standards.

As part of the Project, Caesars Virginia will include a casino with a mixture of gaming devices, table games, poker tables, and a sportsbook (the “Casino”). The Project shall also include multiple restaurant options available to guests of the Project, including restaurant options that feature a national and combination of regional and/or local culinary experts, one of which shall be a fine dining restaurant. As an experienced casino operator, CEC shall maintain all operational control of the Casino, including authority to make decisions regarding its gaming amenities, in an effort to maximize revenue.

c. Hotel. As part of the Project, Caesars Virginia will include a hotel with a minimum of three hundred (300) rooms, a pool, a fitness center, and a spa (the “Hotel”). It is anticipated that the Hotel will either exceed the expected number of rooms after the initial development of the Project or during an expansion of the development.

d. Conference Center. As part of the Project, Caesars Virginia will include a conference center with thirty-five thousand (35,000) square feet of flexible meeting and conference space (the “Conference Center”). It is anticipated that the Conference Center will either exceed the square footage after the initial development of the Project or during an expansion of the development.

e. Entertainment Venue. As part of the Project, Caesars Virginia will include an entertainment venue with two thousand five hundred (2,500) seats (the “Venue”). The Venue will be used to showcase live entertainment including musical acts, comedy shows, and performance art, as well as host local events for the community. All such tickets to attend events at the Venue shall be available through Caesars Virginia’s ordinary means of ticket sales. It is anticipated that the Venue will either exceed the expected number of seats after the initial development of the Project or during an expansion of the development.

f. Parking. Caesars Virginia will maintain adequate parking in accordance with applicable Governmental Requirements.

g. Minimum Number of Employees. Caesars Virginia agrees to employ a minimum number of employees, based on current labor models, either as employees or as independent contractors, during the development stage of the Project and upon Final Completion of the Project. During the development stage (based on a two-year development period), it is expected that a minimum of 900 individuals on an annualized basis will perform work related to the development of the Schoolfield Property and construction of the Project. Upon Final Completion, Caesars Virginia agrees to employ a minimum of one thousand three hundred (1,300) full-time equivalent (FTE) employees on an annualized basis. In the event of a partial or total shutdown of the Project as a result of a natural disaster, pandemic, endemic, or other emergency situation, Caesars Virginia shall not be required to meet the commitments contained in this subsection for any such year in which a partial or total shutdown of the Project occurs. It is anticipated that Caesars Virginia will exceed the minimum requirements of employment on an annual basis. Caesars Virginia will use its commercially reasonable efforts to employ local residents of the City and surrounding localities with a commitment to training, development and retention of same and to host multiple job fairs in the community.

h. Wage Floor. Providing a living wage to its employees is an important aspect of CEC's philosophy and operations. In addition to the provision of health insurance benefits, educational benefits, and savings benefits, Caesars Virginia agrees to pay its employees a minimum wage of thirty-one thousand two hundred dollars (\$31,200) per annum based on an employee working forty (40) hours per week for fifty-two (52) weeks per year, including paid time off and holidays. Such employees shall include salaried and hourly employees. It is anticipated that Caesars Virginia will exceed the minimum requirements of compensation stated herein. In the event of a partial or total shutdown of the Project as a result of a natural disaster, pandemic, endemic, or other emergency situation, Caesars Virginia shall not be required to meet the commitments contained in this subsection for any such year in which a partial or total shutdown of the Project occurs.

i. Quality of Work. All Work shall be performed in a good and workmanlike manner and in accordance with good construction and standard industry practices. All materials used in the construction of the Project shall meet or exceed industry standards and Governmental Requirements. The quality of the Finish Work shall meet or exceed First Class Casino Standards.

j. Construction and Scheduling. Caesars Virginia will comply with all applicable Governmental Requirements in the development, construction and financing of the Project and will achieve Final Completion on or before the Final Completion Date. Upon Final Completion, the Project will conform to First Class Casino Standards and to all applicable Governmental Requirements. Notwithstanding the foregoing, Caesars Virginia's obligation to achieve Final Completion by the Final Completion Date is subject to Force Majeure.

k. Local and Minority Contractors. Caesars Virginia will use its commercially reasonable efforts to engage qualified City and other local businesses and minority-owned businesses for contracting, subcontracting, and servicing opportunities related to the development and construction phase of the Project.

l. Operations. Caesars Virginia agrees to diligently operate and maintain the Project and all other support facilities directly in a manner consistent with First Class Casino Standards and in compliance with this Agreement, the Act and all other Governmental Requirements. Caesars Virginia covenants that, at all times, it will operate the Casino in a manner that maximizes revenue generation and meets its organizational requirements and objectives, while also abiding by Governmental Requirements and in accordance with commercially reasonable hours of operation. So long as casino gaming activities would be permitted by law to operate at the Project (assuming the existence of a valid Casino License), the primary business to be operated at the Project shall be casino gaming activities.

4. **Schedule; Timing.** Caesars Virginia shall use its commercially reasonable efforts to do the following:

- a. Between the date of this Agreement and the Referendum, Caesars Virginia will financially support the passage of the Referendum through a local

committee focused on advertising and promoting the passage of the Referendum.

- b. On or before December 31, 2020, purchase the Schoolfield Property from the IDA.
- c. On or before November 15, 2021, complete and submit all applications necessary to obtain all Permits necessary to commence construction of the Project.
- d. On or before December 1, 2021, commence construction of the Project, subject to issuance and receipt of all applicable Permits.
- e. At the earliest possible reasonable date, file with the Board and any other applicable Governmental Authorities all applications necessary to obtain a Casino License and provide to the City satisfactory evidence thereof and obtain all necessary Casino Licenses from the Board in sufficient time to be fully operational by the Final Completion Date.
- f. On or before the Final Completion Date achieve Final Completion of the Project.
- g. On or before the Anticipated Opening Date open for business to the public and commence operations.

5. Payments by Caesars Virginia.

a. Payment Following Successful Passage of Referendum. Not later than thirty (30) calendar days following approval of the Referendum, Caesars Virginia shall pay to the City the lump sum of fifteen million and 00/100 dollars (\$15,000,000.00) (the “Upfront Payment”).

b. Ongoing Minimum Gaming Fee Payment to City. In addition to the Upfront Payment, Caesars Virginia shall pay to the City for each Full Fiscal Year following the earlier to occur of (i) the opening of the Casino to the public and (ii) September 1, 2023 an additional subsidy equal to the greater of (i) five million dollars (\$5,000,000.00) (the “Minimum Gaming Fee Payment”) or (ii) an amount the total of which is equal to the sum of 2.5% of Net Gaming Revenue of the Casino, up to \$200,000,000.00, plus 6% of Net Gaming Revenue of the Casino between \$200,000,000.00 and \$400,000,000.00, plus 10% of Net Gaming Revenue of the Casino above \$400,000,000.00 during such Full Fiscal Year (the “Percentage Gaming Fee Payment”). The Percentage Gaming Fee Payment shall be paid to the City on the same schedule that Caesars Virginia makes payments to the State for taxes assessed on “adjusted gross receipts” as defined in the Act. If for a Full Fiscal Year the Minimum Gaming Fee Payment is more than the Percentage Gaming Fee Payment, then the difference shall be paid to the City on or before the fifteenth (15th) day following the end of the applicable Full Fiscal Year. Such Minimum

Gaming Fee Payment obligation shall be prorated for any portion of a Fiscal Year that is not a Full Fiscal Year. For the avoidance of doubt and by way of example, if the Casino is initially opened to the public on a date which is three (3) months prior to the end of the Fiscal Year, then the amount of the Minimum Gaming Fee Payment for that portion of the Fiscal Year to be paid to the City is one million two hundred fifty thousand dollars (\$1,250,000.00).

c. Cost of Master Plan. Upon the successful passage of the Referendum, Caesars Virginia shall pay to the City the sum of three hundred sixty thousand dollars (\$360,000.00) for the cost of the Schoolfield master plan being developed by WRT, LLC.

d. Payment of Other Applicable Taxes. Caesars Virginia will pay any and all applicable fees and taxes as they are assessed or due, including those imposed on revenue, property, usage, and/or operations, and further including the collection and payment of all applicable sales, use and occupancy taxes (except to the extent otherwise provided below) and any other taxes (or tax increases such as millage increases) of general applicability to the ownership or operation of businesses in the City. Unless specifically directed otherwise by applicable State Governmental Authorities, the Parties specifically agree that the City's ordinances regarding transient occupancy and meals tax do not apply to rooms or meals that are provided free of charge to guests of the Project on a complimentary basis. Should the City enact new ordinances to apply taxes or fees to complimentary rooms and meals, then a corresponding setoff equal to the amount of such fees and taxes shall be applied to reduce the greater of the Minimum Gaming Fee Payment or the Percentage Gaming Fee Payment.

e. Community Development Contributions. Annually, Caesars Virginia will make financial contributions to community groups to be achieved through educational partnerships and other financial support for charitable causes and organizations.

f. Traffic Study. Caesars Virginia will defray reasonable costs of the City related to infrastructure improvements related to the Project, including, but not limited, to the commissioning of an appropriate traffic study of the impacts of the Project at a time appropriate to the planning and development of the Project. Caesars Virginia shall make any such payments within thirty (30) days of the latter of either (i) receipt of an appropriate invoice, or (ii) successful passage of the Referendum.

g. Support for First Responders. Caesars Virginia agrees to fund the purchase of one (1) fire engine and one (1) emergency medical services vehicle for the City.

6. **Reinvestment of Certain Proceeds by City.** The development of the corridor within the City between the North Carolina border located on the Highway 29-Business and the Schoolfield Property (the "Corridor") is important to the Parties. Therefore, the Parties agree that 5% of all net gaming fees paid to the City by Caesars Virginia in excess of the Minimum Gaming Fee Payment shall be placed in a fund to be used solely for infrastructure improvements and enhancements for economic and community development within the area of the Corridor (the "Corridor Fund"). After ten (10) years from the Final Completion Date, the Corridor Fund payment shall be reduced to 3% of all net gaming fees paid to the City by Caesars Virginia in

excess of the Minimum Gaming Fee Payment, and then, after fifteen (15) years, the Parties shall confer to determine whether to continue such payment or terminate such obligation. The Parties agree to work together to establish a mechanism or entity to identify Corridor infrastructure improvements and enhancements for economic and community development needs within the area of the Corridor and allocations from the Corridor Fund with participation and input of Caesars Virginia representatives, City representatives, and/or IDA representatives.

7. Real Estate.

a. Purchase. On or before December 31, 2020, the IDA shall sell to Caesars Virginia, and Caesars Virginia shall purchase, the entirety of IDA's interest in, and convey marketable title to, the Schoolfield Property for the sum of five million and 00/100 dollars (\$5,000,000.00). The terms of such sale shall be set forth in a separate agreement.

b. Structures on Schoolfield Property. The Parties acknowledge that several existing structures, including the structures referred to as the "Smokestacks" and the "Finishing Plant," are situated on the Schoolfield Property. Caesars Virginia agrees to use its commercially reasonable efforts to incorporate such structures into the Project through redevelopment and/or rehabilitation of the structures; however, the Parties agree that Caesars Virginia retains full and complete discretion for determining whether it is commercially feasible or practical to retain or to remove such structures, including the Smokestacks and Finishing Plant. In the event that Caesars Virginia determines that it is not commercially feasible or practical to retain the Smokestacks due to cost concerns that exceed fifteen hundredths of one percent (.15%) of Caesars Virginia's capital investment as set forth in Section 3.b. of this Agreement (the "Smokestacks Threshold"), then City, upon thirty (30) days written notice from Caesars Virginia, shall have the right to pay for any costs in excess of the Smokestacks Threshold to preserve the Smokestacks at the Project.

c. Right of First Refusal. In addition to selling to Caesars Virginia the entirety of its interest in the Schoolfield Property, for a period of ten (10) years following the Final Completion Date, the IDA agrees to provide to Caesars Virginia a right of first refusal with respect to two other properties, identified by Parcel Identification Numbers 51588 and 60539 (together, the "Additional Properties"), owned by the IDA.

- i. In the event that the IDA receives a bona fide offer from any third party Person for purchase of either the entirety of the Additional Properties or any portion of the Additional Properties that IDA is prepared to accept (the "Offer"), then the IDA shall send to Caesars Virginia notice in writing of its desire or intention to sell either the entirety of the Additional Properties or any portion of the Additional Properties accompanied by a copy of the Offer, including a description of the proposed uses for the property and a proposed timeline for development.
- ii. Upon receipt of such notice, Caesars Virginia shall have (a) thirty (30) days from the date of receipt within which to give to the IDA notice

that it desires and agrees to purchase either the entirety of the Additional Properties or any portion of the Additional Properties on the same terms and conditions as are contained in the Offer and (b) thirty (30) days from the date of delivery of such notice to IDA of the election to purchase to provide IDA an additional notice of a proposed use for the property that is complimentary to the Project, revenue generating and beneficial to the City, and sets forth a reasonable timeline for the development.

- iii. In the event that Caesars Virginia elects not to purchase either the entirety of the Additional Properties or any portion of the Additional Properties as set forth in the Offer, then the IDA may accept the Offer and proceed to sell either the entirety of the Additional Properties or any portion of the Additional Properties that are the subject of the Offer at the price and on and in accordance with the terms and conditions contained in the Offer.
- iv. However, in the event that Caesars Virginia elects not to purchase either the entirety of the Additional Properties or any portion of the Additional Properties as set forth in the Offer, and the transaction contemplated by the Offer is not completed within a period of sixty (60) days after the expiration of the last day upon which Caesars Virginia may exercise its right to elect to purchase either the entirety of the Additional Properties or any portion of the Additional Properties as set forth in the Offer, then the IDA shall not thereafter sell either the entirety of the Additional Properties or any portion of the Additional Properties unless and until it again complies with the provisions of this subsection c.

8. Other Obligations of Caesars Virginia and/or the City.

a. Sharing of Reports. To the extent it is required to file reports with the Board regarding the Project that are public record, Caesars Virginia shall supply the City with copies of all such reports within fourteen (14) days of filing.

b. Workforce Development and Hiring; Vendor Preferences. Caesars Virginia will use its commercially reasonable efforts to identify, develop and utilize as suppliers and vendors to the Project (i) locally owned and/or operated businesses and (ii) women-owned and minority-owned businesses. In addition, Caesars Virginia has already shown a desire to partner with locally owned and/or operated businesses, educational institutions, and individuals in joint efforts to promote the prosperity of the entire community, including the development of its workforce. Caesars Virginia commits to continuing such efforts.

c. Legal Compliance. Caesars Virginia shall do or cause to be done all things necessary to apply for, obtain, 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 business

and other activities and comply with all Governmental Requirements applicable to the operation of its businesses and other activities, in all material respects, whether now in effect or hereafter enacted. Caesars Virginia and City shall, and shall cause their Affiliates and Representatives to, use their respective best efforts to cooperate with the other Parties hereto to (i) as promptly as practicable, take, or cause to be taken, all appropriate action, and do, or cause to be done, all things reasonably necessary under applicable Governmental Requirements or otherwise to consummate and make effective the transactions contemplated by this Agreement, (ii) obtain from any Governmental Authorities or other third Parties any consents, licenses, findings of suitability, Permits, waivers, approvals, authorizations or orders required to be obtained by CEC, Caesars Virginia or any of their respective Affiliates or Representatives, as applicable, in the case of clauses (i) or (ii), in connection with the authorization, execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, and (iii) make all necessary filings, as applicable, and thereafter make any other required submissions with respect to this Agreement, as required in order to obtain all approvals of Governmental Authorities required under (A) the Act, and (B) any other applicable Governmental Requirements, including any applicable liquor laws (collectively, the “Governmental Approvals”). The Parties hereto and their respective Representatives and Affiliates shall (x) file all required applications and documents in connection with obtaining the Governmental Approvals (including under the Act and other applicable Gaming Laws), (y) act diligently to pursue the Governmental Approvals and (z) cooperate with each other in connection with the making of all filings referenced in the preceding sentence. CEC and Caesars Virginia and any applicable Affiliate and Representatives shall use their best efforts to schedule and attend any hearings or meetings with Governmental Authorities to obtain the Governmental Approvals. The Parties will keep each other reasonably advised of the receipt of comments or requests from Governmental Authorities relating to any Governmental Approvals.

d. Oppose Adverse Litigation. CEC, Caesars Virginia and City shall take, or cause to be taken, all actions reasonably necessary to (i) defend any lawsuits or other legal proceedings challenging this Agreement or the consummation of the transactions contemplated by this Agreement, (ii) prevent the entry by any Governmental Authority of any decree, injunction or other order challenging this Agreement or the consummation of the transactions contemplated by this Agreement, (iii) appeal as promptly as practicable any such decree, injunction or other order and (iv) have any such decree, injunction or other order vacated or reversed.

e. Annual Reports. On or before the fifteenth (15th) day following the end of each fiscal year, Caesars Virginia will provide to the City written reports for the previous year with respect to information regarding efforts to utilize local and women-owned and minority-owned businesses for goods and services and information regarding hiring of local residents and compliance with FTE and salary commitments.

f. Quarterly Reports. On or before the fifth (5th) day following the end of each calendar quarter, Caesars Virginia will provide to the City reports for the previous quarter with respect to the following:

- i. A work-in-progress report on the construction of the Project, which report shall include a detailed narrative of the status of all work up to

the date of the report, a progress payment report listing all payments made by or on behalf of Caesars Virginia and payment amounts made to date on the Project, to whom such payments were made and for what goods or services rendered.

- ii. Adjusted gross revenue tax returns to the State for the months within the previous quarter, with documentation of the amount of complimentary gaming for such periods. Such adjusted gross tax returns shall be furnished in writing.

9. Representations and Warranties of Parties.

- a. By Caesars. CEC and Caesars Virginia represent and warrant to each other Party the following:

- i. CEC has disclosed to the City the right of first refusal held by the Eastern Band of Cherokee Indians to participate with Caesars as an investor in the Project (“Cherokee ROFR”), and with such disclosure to the City, CEC has the full authority to enter into this Agreement.
- ii. Caesars Virginia is a limited liability company duly organized and validly existing under the laws of the State, and has all requisite power and authority to enter into and perform its obligations under this Agreement and all other agreements and undertakings to be entered into by Caesars Virginia in connection herewith.
- iii. CEC is a corporation duly incorporated and validly existing under the laws of the State of Delaware, and has all requisite power and authority to enter into and perform its obligations under this Agreement and all other agreements and undertakings to be entered into by CEC in connection herewith.
- iv. This Agreement has been duly authorized by all necessary action on the part of, and has been executed and delivered by, CEC and Caesars Virginia; is binding on CEC and Caesars Virginia; and is enforceable against CEC and Caesars Virginia in accordance with its terms, subject to applicable principles of equity and insolvency laws.
- v. Neither CEC nor Caesars Virginia is a party to any agreement, document or instrument that has a material adverse effect on the ability of CEC or Caesars Virginia to carry out their obligations under this Agreement.
- vi. Neither execution of this Agreement nor discharge by CEC or Caesars Virginia of any of its obligations hereunder shall cause CEC or Caesars Virginia to be in violation of any applicable law, or regulation, its charter or other organizational documents or any agreement to which it is a party.
- vii. CEC and Caesars Virginia and their Representatives and Affiliates are in good standing with the Gaming Authorities in each of the

jurisdictions in which they or any of their respective Affiliates owns or operates gaming facilities.

viii. There are no facts that, if known to the Board, would (i) be reasonably likely to result in the denial, restriction, limitation, termination, suspension or revocation of a gaming license, approval, consent or waiver, (ii) result in a negative outcome to any finding of suitability proceedings or other approval proceedings necessary for the transactions contemplated under this Agreement or (ii) be reasonably likely to negatively impact, or cause a delay under, any suitability or other approval proceeding required by the Board to consummate the transactions contemplated hereby.

b. By the City. The City represents and warrants to CEC and to Caesars Virginia as follows:

- i. That it will cooperate with CEC and Caesars Virginia during all phases of the development and operation of the Project, and will in good faith meet and confer with CEC and Caesars Virginia regarding any matters directly impacting the Project, including the Referendum, the licensing process by the Board, and the acquisition of other property related to the Project.
- ii. City is a validly existing municipal corporation and has all requisite power and authority to enter into and perform its obligations under this Agreement, and all other agreements and undertakings to be entered into by City in connection herewith.
- iii. This Agreement has been duly authorized by all necessary action on the part of, has been or will be duly executed and delivered by City; is binding on City; and is enforceable against City in accordance with its terms, subject to applicable principles of equity and insolvency laws.
- iv. Neither execution of this Agreement nor discharge by the City of any of its obligations hereunder shall cause City to be in violation of any applicable law, or regulation, its charter or organizational documents or any agreement to which it is a party.

c. By the IDA. The IDA represents and warrants to CEC and Caesars Virginia as follows:

- i. That it will cooperate with CEC and Caesars Virginia during all phases of the development and operation of the Project, and will in good faith meet and confer with CEC and Caesars Virginia regarding any matters directly impacting the Project, including the acquisition of other property related to the Project.
- ii. IDA is a validly existing political subdivision and has all requisite power and authority to enter into and perform its obligations under this Agreement, and all other agreements and undertakings to be entered into by IDA in connection herewith.
- iii. This Agreement has been duly authorized by all necessary action on the part of and has been duly executed and delivered by IDA; is

- binding on IDA; and is enforceable against IDA in accordance with its terms, subject to applicable principles of equity and insolvency laws.
- iv. Neither execution of this Agreement nor discharge by IDA of any of its obligations hereunder shall cause IDA to be in violation of any applicable law, or regulation, its charter or organizational documents or any agreement to which it is a party.

10. Affirmative Covenants of Caesars Virginia.

- a. Damage or Destruction. In the event of damage to or destruction of improvements at the Project or any part thereof by fire, casualty or otherwise, Caesars Virginia, at its sole expense and whether or not the insurance proceeds, if any, shall be sufficient therefor, (i) shall promptly repair, restore, replace and rebuild the improvements, as nearly as possible to the same condition that existed prior to such damage or destruction using materials of an equal or superior quality to those existing in the improvements prior to such casualty, or (ii) if such repair, restoration, replacement or rebuild under clause (i) would be commercially unreasonable or if in the reasonable commercial discretion of Caesars Virginia, an alternative purpose would be anticipated to create greater economic benefit to the Parties than the prior use of such improvements, Caesars Virginia shall promptly repair, restore, replace or rebuild in a manner to repurpose such damaged or destroyed improvements for such an alternative purpose which shall be explained to the City in writing. Caesars Virginia shall obtain a permanent certificate of occupancy as soon as practicable after the completion of any such restoration.
- b. Condemnation. If a Major Condemnation occurs, this Agreement shall terminate, and no Party to this Agreement shall have any claims, rights, obligations, or liabilities towards any other party arising after termination, other than as provided for herein. If a Minor Condemnation occurs or the use or occupancy of the Project or any part thereof is temporarily requisitioned by a civil or military Governmental Authority, then (a) this Agreement shall continue in full force and effect; and (b) Caesars Virginia (i) shall promptly perform all restoration required in order to repair any physical damage to the Project caused by the Condemnation, and to restore the Project, to the extent reasonably practicable, to its condition immediately before the Condemnation, or (ii) if such repair under clause (i) would be commercially unreasonable or if, in the reasonable commercial discretion of Caesars Virginia, an alternative purpose would be anticipated to create greater economic benefit to the Parties than the prior use of such condemned portion, Caesars Virginia shall promptly repair, restore, replace or rebuild the damage to the Project caused by the Condemnation in a manner to repurpose the affected areas of the Project for such an alternative purpose which shall be explained to the City in writing. Caesars Virginia shall obtain a permanent certificate of occupancy as soon as practicable after the completion of any such work.

11. Negative Covenants of Caesars Virginia.

- a. Mortgage. Caesars Virginia agrees that it shall not enter into any Mortgage unless such Mortgage is with a Suitable Lender and shall provide that (i) the Mortgagee shall not transfer or assign its interest in any Mortgage without City's prior written consent, except to a Suitable Lender; and (ii) if, as the result of a Loan Default, the Mortgagee forecloses upon or otherwise acquires all or part of Caesars Virginia's interest in the Project, the Mortgagee (or the Nominee of the Mortgagee) or transferee of the Mortgagee's interest in the Project shall expressly accept and agree to assume all of the terms, covenants and provisions of this Agreement contained to be observed and performed by Caesars Virginia and become bound to comply therewith. As used in this Agreement, the word "Nominee" shall mean a Person who is designated by Mortgagee to act in place of the Mortgagee solely for the purpose of holding title to the Project and performing the obligations of Caesars Virginia hereunder.
- b. No Transfer of Development Agreement or Interest in Schoolfield Property.
 - i. Except for the Cherokee ROFR, Caesars Virginia shall not, whether by operation of law or otherwise, Transfer this Agreement or the Schoolfield Property or any interest in either without the prior written consent of the City, which consent shall not be unreasonably withheld. This provision shall not be construed to prohibit the transfer of the Schoolfield Property to a real estate investment trust specializing in casino properties, so long as either CEC or Caesars Virginia is a lessee of the Schoolfield Property and CEC and Caesars Virginia remain liable under this Agreement.
 - ii. Caesars Virginia shall not enter into any agreement for the management of the Project (other than with a Caesars entity) without the prior written consent of the City, which consent shall not be unreasonably withheld.
- c. No Transfer of Ownership Interest. Except for the Cherokee ROFR:
 - i. For purposes of this Section, "Restricted Owner" means (i) Caesars Virginia and (ii) any Person who directly or indirectly owns or holds any interest in Caesars Virginia other than any Person who would be a Restricted Owner due solely to that Person's ownership of (x) a direct or indirect interest in a publicly traded corporation or (y) a less than five percent (5%) direct or indirect interest in Caesars Virginia unless, in the case of clause (y), upon completion of any Transfer the transferee will in the aggregate own or hold a five percent (5%) or more direct or indirect ownership interest in Caesars Virginia. The

covenants that Caesars Virginia is to perform under this Agreement for City's benefit are personal in nature. City and IDA are relying upon Caesars Virginia in the exercise of its skill, judgment, reputation and discretion with respect to the Project. Any Transfer by a Restricted Owner of (x) any direct ownership interest in Caesars Virginia, whether held by virtue of partnership, limited liability company, corporation or other form of entity; or (y) any ownership interest in any Restricted Owner, whether held by virtue of partnership, limited liability company, corporation or through other form of entity shall require the prior written consent of City, provided that with respect to a Transfer by any Restricted Owner other than a Transfer by Caesars Virginia, any Affiliate of Caesars Virginia, City shall not unreasonably withhold its consent to any Transfer.

- ii. Nothing contained in this Section shall prevent a Transfer of (x) an ownership interest in a Restricted Owner by: (i) Parent Company or an Affiliate of Parent Company to an entity which has succeeded to all or a substantial portion of the assets of Parent Company or such Affiliate; or (ii) any Person (1) to that Person's spouse, child or parent ("Family Members"); (2) to an entity whose beneficial owners consist solely of such transferor and/or the Family Members of the transferor; (3) to the beneficial owners of the transferor if the transferor is an entity; (4) to any Person who owns any direct or indirect interest in any Restricted Owner; (5) to any Person to whom the City previously has consented to a Transfer; (6) by operation of law; and (7) to an institutional lender on account of a pledge to such lender or (y) an ownership interest in Caesars Virginia or Restricted Owner or in any Affiliate of Caesars Virginia or Restricted Owner in connection with a registered public offering.
- iii. All transferees shall hold their interests subject to the restrictions of this Section.

12. **Notices to City.** As soon as practicable after obtaining knowledge or notice thereof, Caesars Virginia shall deliver to City, together with copies of all relevant documentation with respect thereto:

- a. Receipt of written notice of any matured event of default under any Financing or Mortgage related to the Project.
- b. Receipt of notice of all summons, citations, directives, complaints, notices of violation or deficiency, and other communications from any Governmental Authority other than City, asserting a violation of Governmental Requirements applicable to the Project.

- c. Receipt of notice of any pending or, to the knowledge of any Party, as appropriate, threatened action, suit, arbitration or other proceeding or investigation by any Governmental Authority or any other Person (i) challenging or seeking damages in connection with the transactions contemplated by this Agreement or (ii) seeking to restrain or prohibit the consummation of any action under the Agreement.
- d. Receipt of notice by Caesars Virginia from the Board which asserts a violation of the Act or other Gaming Laws.
- e. Any damage or destruction to the Project which in the judgment of Caesars Virginia may require a closure or shutdown of Casino operations of more than three (3) days.

13. Defaults; Remedies.

a. Events of Default

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

1. Subject to Force Majeure, if CEC or Caesars Virginia or City fails to substantially perform or comply with any commitment, agreement, covenant, term or condition (other than those specifically described in any other subparagraph of this Section), and in such event if said defaulting Party shall fail to remedy any such default within ten (10) days after receipt of written notice of default with respect thereto (the "Cure Period"); *provided, however*, that if any such default is reasonably susceptible of being cured within sixty (60) days, but cannot with due diligence be cured by the defaulting Party within ten (10) days, and if the defaulting Party commences to cure the default within ten (10) days and diligently prosecutes the cure to completion, then the defaulting Party shall not during such period of diligently curing be in default hereunder as long as such default is completely cured within sixty (60) days of the first notice of such default to said defaulting Party; *provided, however*, that if the cure can be accomplished by the payment of money, the failure to pay is not a diligent commencement of a cure;
2. If CEC or Caesars Virginia shall make a general assignment for the benefit of creditors or shall admit in writing its inability to pay its debts as they become due;
3. If CEC or Caesars Virginia shall file a voluntary petition under any title of the federal bankruptcy code, as amended from time to time, or if such petition is filed against CEC or Caesars Virginia and an order for relief is entered, or if CEC or Caesars Virginia shall file any petition or answer

seeking, consenting to or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or any future federal bankruptcy code or any other present or future applicable federal, state or similar statute or law, or shall seek or consent to or acquiesce to or suffer the appointment of any trustee, receiver, custodian, assignee, liquidator or similar official of CEC or Caesars Virginia, or of all or any substantial part of its properties or of the Project or any interest therein of Caesars Virginia;

4. If within ninety (90) days after the commencement of any proceeding against CEC or Caesars Virginia seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable federal, state or similar statute or law, such proceeding shall not have been dismissed; or if within ninety (90) days after the appointment, without the consent or acquiescence of CEC or Caesars Virginia of any trustee, receiver, custodian, assignee, liquidator or other similar official of CEC or Caesars Virginia or of all or any substantial part of its properties or of the Project or any interest therein of Caesars Virginia, such appointment shall have not been vacated or stayed on appeal or otherwise, or if within ninety (90) days after the expiration of any such stay, such appointment shall not have been vacated;
5. If any representation or warranty made by CEC or Caesars Virginia hereunder is intentionally false or in the opinion of the City misleading in any material respect when made and such false or misleading representation or warranty has a material adverse effect on the Project;
6. If a default shall occur, which has not been cured within any applicable cure period, or if there is any attempted withdrawal, disaffirmance, cancellation, repudiation, disclaimer of liability or contest of obligations (other than a contest as to performance of such obligations) under any agreement which guaranties the payment or performance of any of the obligations of CEC or Caesars Virginia to City and/or IDA hereunder, other than as may be permitted in such agreement;
7. If Caesars Virginia fails to maintain in full force and effect policies of insurance meeting the requirements hereunder and in such event Caesars Virginia fails to remedy such default within five (5) Business Days after Caesars Virginia's receipt of written notice of default with respect thereto from City;
8. If the construction of the Project at any time is discontinued or suspended for a period of twenty (20) consecutive calendar days, except

if subject to a Force Majeure event and is not restarted prior to Caesars Virginia's receipt of written notice of default hereunder;

9. If Final Completion does not occur by the Final Completion Date;
10. If Caesars Virginia fails to obtain its Casino License or the Casino License is revoked by a final, non-appealable order or Caesars Virginia fails to renew its Casino License or the Casino License is suspended for a period of five (5) days or longer or has received written notice of a violation of the conditions of the Casino License; or
11. If CEC or Caesars Virginia fails to make any of those payments described in this Agreement when required and fails to make such payment within five (5) days after the applicable due date.

b. Remedies

- i. Subject to the limitations set forth herein, the following remedies shall be available to Caesars Virginia in the case of an Event of Default by City or IDA and to City in the case of an Event of Default by Caesars Virginia: (i) to institute and prosecute proceedings to terminate this Agreement; (ii) to institute and prosecute proceedings to enforce in whole or in part the specific performance of this Agreement, and/or to enjoin or restrain the breaching Party from commencing or continuing said breach, and/or to cause the breaching Party by injunction to correct and cure said breach or threatened breach (a "Specific Performance Proceeding"); and (iii) to institute and prosecute proceedings for actual damages as a result of said breach ("Actual Damages").
- ii. If the City or IDA fails to perform an act required under this Agreement within the time specified in this Agreement (or if no time is specified, within a reasonable time), Caesars Virginia shall have available all rights and remedies under applicable law, in equity, or under this Agreement, on a cumulative basis, and the exercise by Caesars Virginia 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.
- iii. If Caesars Virginia fails to perform an act required under this Agreement within the time specified in this Agreement (or if no time is specified, within a reasonable time), the City or IDA shall have available all rights and remedies under applicable law, in equity, or under this Agreement, on a cumulative basis, and the exercise by the City or IDA 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

14. **Miscellaneous.**

a. Assignment. Except as specifically set forth herein, this Agreement may not be assigned, in whole or in part, by any Party without the prior written consent of all other Parties, and all of the terms, conditions and covenants shall be binding on any successor or assignee of such assigning Party. The City acknowledges and agrees that this Agreement (and all documents, agreements, understandings and arrangements relating to the transaction contemplated hereby) may be pledged or otherwise collaterally assigned by Caesars Virginia, its successors or assigns at any time and on one or more occasions in order to provide security to a lender, mezzanine lender, or equity holder in connection with a financing or equity contribution. Upon request of Caesars Virginia, the City shall execute and deliver a commercially reasonable estoppel certificate concerning this Agreement for the benefit of the entity designated by Caesars Virginia.

b. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to its conflict of law principles.

c. Construction. This Agreement has been negotiated by the Parties hereto, including the exhibits attached hereto, shall not be deemed to have been negotiated and prepared by any Party solely, but by each of them.

d. Venue. Any dispute that may arise in connection with this Agreement shall be resolved by the Circuit Court for the City of Danville or the United States District Court for the Western District of Virginia, Danville Division, by virtue of their respective jurisdiction. The Parties hereto hereby irrevocably submit to, and give up any objection to, the exercise of jurisdiction by either of those courts. The Parties hereto will not seek dismissal of a proceeding or ask to move it to another court on the ground that resolution of the dispute in any of these courts is not convenient or in the interests of justice. The Parties shall not seek a jury trial in any action based upon or arising out of this Agreement. The Parties will not seek to consolidate any such action with any other action in which trial by jury has not been waived.

e. Default. If there is an Event of Default by any Party to this Agreement, the non-defaulting Party shall give written notice of any such Event of Default to the Party in default to the address listed in this Agreement. Such defaulting Party shall have the Cure Period, if any is specifically applicable, to cure any such default or to request a formal meeting to resolve any such Event of Default with the non-defaulting Party to be held during any applicable Cure Period (the "Formal Meeting"). If such default is not cured within any applicable Cure Period, or if a Formal Meeting does not occur within any applicable Cure Period, then either Party may demand a mediation between the Parties to resolve such default.

f. Mediation.

i. Good faith mediation shall be a condition precedent to the filing of any litigation in law or equity by any Party against another Party relating to this Agreement.

Before the remedies provided for in this Agreement may be exercised by any Party, such Party shall give written notice to the other Parties that such Party believes that an Event of Default or impasse under this Agreement may have occurred, specifying the circumstances constituting the Event of Default or impasse in sufficient detail that the other Party will be fully advised of the nature of the Event of Default or impasse. The responding Party shall prepare and serve a written response thereto within ten (10) business days of receipt of such notice. A meeting shall be held within ten (10) business days after the response between the Parties to attempt in good faith to negotiate a resolution of the dispute.

ii. If the Parties are unable to resolve the dispute through the above process, the Parties shall attempt to resolve the controversy by engaging a single mediator, experienced in the subject matter, to mediate the dispute. The mediator shall be mutually selected by the Parties to the controversy and conduct mediation at a location to be agreed upon by the Parties or absent agreement, by the mediator. Within five (5) Business Days of selection, the mediator shall be furnished copies of the notice, this Agreement, response and any other documents exchanged by the Parties. Should the Parties be unable to agree upon a single mediator within five (5) Business Days of the written response of the responding Party the Parties jointly shall agree upon the selection of a neutral third party agreed upon by the Parties, to appoint a mediator, experienced and knowledgeable in the matters which are the subject of the dispute. The costs of the mediator and the mediation shall be shared equally by the Parties to the dispute.

iii. If the Parties and the mediator are unable to settle the same within thirty (30) calendar days from selection, or such other time as the Parties agree, either Party, in its sole discretion, may pursue litigation in order to resolve the dispute.

iv. The Parties' consent to selection of a mediator by any court shall not constitute consent to jurisdiction of such court or waiver of defenses as to venue or jurisdiction.

v. Each Party agrees to be responsible for its own attorney's fees in the mediation.

g. Default Rate. All amounts owed by Caesars Virginia to City and/or IDA pursuant to any provision of this Agreement shall bear interest at the Default Rate from the due date (but if no due date is specified, then fifteen (15) Business Days from demand for payment) until paid.

h. Entire Agreement. This Agreement, and all the documents and agreements described or referred to herein, including any exhibits attached hereto, constitute the full and complete agreement between the Parties with respect to the subject matter hereof, and supersedes and controls in its entirety any and all prior agreements, understandings, representations and statements whether written or oral by any of the Parties.

i. No Joint Venture. The Parties hereto agree that nothing contained in this Agreement or any other documents executed in connection herewith is intended or shall be construed to establish, on the one hand, Caesars Virginia or any parent entity, and, on the other hand, the City and the IDA, as joint venturers or partners.

j. Severability. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

k. 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.

l. Amendments.

i. This Agreement may not be modified or amended except by a written instrument signed by all the Parties.

ii. The Parties acknowledge that the Board may, subsequent to the date of this Agreement, promulgate regulations under or issue interpretations of or policies or evaluation criteria concerning the Act, which regulations, interpretations, policies or criteria may conflict with, or may not have been contemplated by, the express terms of this Agreement. In addition, the Parties acknowledge that environmental permits and approvals may necessitate changes to this Agreement. In such event, the Parties agree to negotiate in good faith any amendment to this Agreement necessary to comply with the foregoing two sentences, whether such changes increase or decrease either of the Parties' respective rights or obligations hereunder.

m. Effect of Force Majeure. If the ability of CEC or Caesars Virginia, or its agents and contractors to perform their obligations under this Agreement is affected by an event of Force Majeure, CEC or Caesars Virginia shall promptly (i) notify the City in writing of such event of Force Majeure, (ii) supply the City with available information about the event of Force Majeure and its cause, and (iii) exercise commercially reasonable efforts to eliminate the disabling effects of such event of Force Majeure. Only the obligations of CEC or Caesars Virginia which are incapable of performance because of the event of Force Majeure shall be suspended and only during the continuance of the event of Force Majeure. Notwithstanding anything to the contrary in this Agreement, it is understood and agreed by the Parties that Caesars Virginia shall only be obligated to pay the City the Minimum Gaming Fee Payment pro-rated for such portion of the Fiscal Year prior to or following the resolution of the occurrence of an event of Force Majeure.

n. Insurance. Caesars Virginia shall maintain in full force and effect insurance coverage in such amounts and types of coverage as are commercially reasonable and/or required by law and typical for First Class Casino Standards. In any instance where work is to be performed by Caesars Virginia on City infrastructure or a permit is to be issued by the City, the appropriate entity doing same shall name the City, its officers, employees and consultants as additional insureds for the coverage appropriate to such activity being performed and provide the City with an appropriate accord certificate.

o. Indemnification by CEC and Caesars Virginia. CEC and Caesars Virginia shall defend, indemnify, and hold harmless the City and each of its officers, agents, employees,

contractors, subcontractors, attorneys, and consultants (collectively the "Indemnitees" and individually an "Indemnatee") from and against any and all liabilities, losses, damages, costs, expenses, claims, obligations, penalties, and causes of action, including reasonable fees and expenses for attorneys, arising out of (1) Caesars Virginia's development, construction, ownership, possession, use, condition, occupancy, or abandonment of the Project or the Schoolfield Property; (2) any breach of any warranty or the inaccuracy of any representation made by Caesars Virginia or CEC contained or referred to in this Agreement or in any certificate or other writing delivered by or on behalf of Caesars Virginia or CEC pursuant to the terms of this Agreement; (3) the release of any hazardous or toxic substance, by Caesars Virginia or anyone performing work on behalf of such entity at the Project, the Schoolfield Property or any portion thereof, to the environment arising or resulting from any work or things whatsoever done in or at the Project, the Schoolfield Property or any portion thereof, or in or at off-site improvements or facilities used or constructed by Caesars Virginia or any of its contractors or subcontractors in connection with the Project or the Schoolfield Property pursuant to the terms of this Agreement; and (4) any breach or failure by Caesars Virginia to perform any of its covenants or obligations under this Agreement. Such duty to defend exists regardless of any ultimate liability of Caesars Virginia or the City.

In any action or proceeding brought against any Indemnatee based upon any claim in respect of which CEC or Caesars Virginia has agreed to indemnify said Indemnatee, Indemnatee shall have the right to choose its own legal counsel (at Caesars Virginia's expense) and make all decisions relating to the dispute, including, without limitation, the litigation strategy and the terms of any settlement, provided the legal fees shall be at standard rates applicable in the City for attorneys with the requisite experience in such matter.

Notwithstanding anything to the contrary contained in this subsection, CEC and Caesars Virginia shall not indemnify and shall have no responsibility to any Indemnatee for any matter to the extent caused by any gross negligence or willful misconduct, including but not limited to any illegal act, of such Indemnatee.

p. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original document and together shall constitute one instrument.

q. Notices. Any notice, demand or other communication which any Party may desire or may be required to give to any other Party shall be in writing delivered by (i) hand-delivery, (ii) a nationally recognized overnight courier, or (iii) U.S. mail (but excluding electronic mail), addressed to a Party at its address set forth below, or to such other address as the Party to receive such notice may have designated to all other Parties by notice in accordance herewith:

If to the City:	City of Danville Attn: City Manager 427 Patton Street Danville, Virginia 24541
-----------------	---

With a copy to: City of Danville
Attn: City Attorney
427 Patton Street
Danville, VA 24541

If to the IDA: Industrial Development Authority of Danville, VA
Attn: Director of Economic Development
427 Patton Street
Danville, Virginia 24541

If to Caesars Virginia or
any parent entity: Caesars Entertainment, Inc.
Attn: Edmund L. Quatmann, Jr.
Chief Legal Officer
One Caesars Palace Drive
Las Vegas, NV 89109

15. Parent Guaranty. CEC hereby irrevocably guarantees the prompt payment and performance of the obligations of Caesars Virginia under this Agreement.

16. Definitions.

The terms defined in this Agreement shall have the meanings indicated below. Definitions which are expressed by reference to the singular or plural number of a term shall also apply to the other number of that term.

(a) "Act" is defined in the Preamble to this Agreement as Title 58.1, Chapter 41 of the Code of Virginia, and includes the Act as amended from time to time, together with all rules and regulations issued by the Board in connection therewith or promulgated thereunder.

(b) "Actual Damages" is defined in Section 13.b. of this Agreement.

(c) "Additional Properties" is defined in Section 7.c. of this Agreement.

(d) "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by, or is under common Control with, another Person. For purposes of clarification, Affiliates of Caesars Virginia include, without limitation, among Caesars Virginia, which is a subsidiary of Caesars Resort Collection, LLC, a Delaware limited liability company, which is a subsidiary of Caesars Growth Partners, LLC, itself a Delaware limited liability company, which is a subsidiary of Caesars Entertainment, Inc., a Delaware corporation (collectively, "Caesars").

(e) "Agreement" means this Agreement.

(f) "Anticipated Opening Date" means December 1, 2023.

- (g) "Board" means the Virginia Lottery Board, or its successors, and its staff and director.
- (h) "Business Day" means all weekdays except Saturday and Sunday and those that are official legal holiday of the City, State or the United States government. Unless specifically stated as "Business Days," a reference to "days" means calendar days.
- (i) "Caesars Virginia" means Caesars Virginia, LLC or its successors or assigns as permitted hereunder.
- (j) "Casino" is defined in Section 3.b. and includes any portion of the Project wherein gaming is conducted by Caesars Virginia pursuant to this Agreement, including all buildings, improvements, equipment, and facilities used or maintained in connection with and in support of such gaming.
- (k) "Casino Gaming Operations" means any gaming operations permitted under the Act and offered or conducted at or in connection with or related to the Project.
- (l) "Casino License" means the license issued by the Board to operate the Casino and engage in Casino Gaming Operations.
- (m) "CEC" means Caesars Entertainment, Inc.
- (n) "Cherokee ROFR" is defined in Section 9.a. of this Agreement.
- (o) "City" means the City of Danville, Virginia, a municipal corporation of the Commonwealth of Virginia.
- (p) "City Council" means the City Council of the City.
- (q) "City Manager" means the City Manager of the City.
- (r) "Condemnation" means a taking of all or any part of the Project by eminent domain, condemnation, compulsory acquisition or similar proceeding by a competent authority for a public or quasi-public use or purpose.
- (s) "Conference Center" is defined in Section 3.d. of this Agreement.
- (t) "Control(s)" or "Controlled" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, as such terms are used by and interpreted under federal securities laws, rules and regulations.
- (u) "Corridor" and "Corridor Fund" are defined in Section 6 of this Agreement.
- (v) "Cure Period" is defined in Section 13.a. of this Agreement.

(w) "Default Rate" means a rate of interest at all times equal to the greater of (i) the rate of interest announced from time to time by American National Bank and Trust Co., or its successors ("Bank"), at its City office, as its prime, reference or corporate base rate of interest, or if Bank is no longer in business in the City or no longer publishes a prime, reference or corporate base rate of interest, then the prime, reference or corporate base rate of interest announced from time to time by such local bank having from time to time the largest capital surplus, plus four percent (4%) per annum or (ii) twelve percent (12%) per annum, provided, however, the Default Rate shall not exceed the maximum rate allowed by applicable law.

(x) "direct or indirect interest" means an interest in an entity held directly or an interest held indirectly through interests in one or more intermediary entities connected through a chain of ownership to the entity in question, taking into account the dilutive effect of the interests of others in such intermediary entities.

(y) "Event of Default" is defined in Section 13.a. of this Agreement.

(z) "Family Members" is defined in Section 11.c. of this Agreement.

(aa) "Final Completion" means for the Project, the completion of the Work, as evidenced by the entitlement to or receipt of a certificate of occupancy by the appropriate Governmental Authority for all components to which a certificate of occupancy would apply, and that one hundred percent (100%) of the parking area or structure, Hotel, Casino, the Venue, the Conference Center, the retail floor space and restaurant floor space are open to the public for their intended use (and/or in the case of the retail and restaurant floor spaces, are completed as shells and available for leasing).

(bb) "Final Completion Date" means two (2) years from the issuance of all Permits necessary for the beginning of the construction of the Project.

(cc) "Financing" means the act, process or an instance of obtaining funds for the Project, whether secured or unsecured, including but not limited to (i) issuing securities; (ii) drawing upon any existing or new credit facility; or (iii) contributions to capital by any Person.

(dd) "Finish Work" means the finishes which create the internal and external appearance of the Project.

(ee) "First Class Casino Standards" means the standards of quality and operations described on Exhibit "A" attached hereto and incorporated herein by reference.

(ff) "Fiscal Year" means the fiscal year that ends on the last day of the fiscal year of the City. The first Fiscal Year shall be the period commencing on the date the Project is open to the public and ending on the last day of the fiscal year of the City in which the Project is open to the public. The term "Full Fiscal Year" means any Fiscal Year containing not fewer than three hundred sixty-five (365) days. The partial Fiscal Year commencing after the end of the last Full Fiscal Year and ending with the termination of this Agreement shall constitute a separate Fiscal Year.

(gg) "Force Majeure" means the following events or circumstances, to the extent that they delay or otherwise adversely affect the performance beyond the reasonable control of Caesars Virginia, or its agents and contractors, of their duties and obligations under this Agreement, or the performance by the City or the IDA of their respective duties and obligations under this Agreement:

- (1) Strikes, lockouts, labor disputes, inability to procure materials, failure of utilities, labor shortages or explosions;
- (2) Changes in Governmental Requirements by any Governmental Authority, first effective after the date of this Agreement;
- (3) Acts of God, tornadoes, hurricanes, floods, sinkholes, fires and other casualties, landslides, earthquakes, epidemics, pandemics, quarantine, pestilence, and/or abnormal inclement weather;
- (4) Acts of a public enemy, acts of war, terrorism, effects of nuclear radiation, blockades, insurrections, riots, civil disturbances, or national or international calamities;
- (5) Concealed and unknown conditions of an unusual nature that are encountered below ground or in an existing structure;
- (6) Any temporary restraining order, preliminary injunction or permanent injunction, or mandamus or similar order, unless based in whole or in part on the actions or failure to act of Caesars Virginia;
- (7) Causes (other than insufficiency of financial resources) beyond the reasonable control of the Party seeking the benefits of this definition; or
- (8) In the case of the City or the IDA, an Event of Default on the part of CEC or Caesars Virginia, and in the case of CEC or Caesars Virginia, an Event of Default on the part of the City or the IDA.

(hh) "Formal Meeting" is defined in Section 14.e. of this Agreement.

(ii) "Gaming Authorities" means the Virginia Lottery Board and all other agencies, authorities and instrumentalities of the City, State, or the United States, or any subdivision thereof, having jurisdiction over the gaming or related activities at the Project, including their respective successors.

(jj) "Gaming Laws" means all laws (including the Act), including any rules, regulations, judgments, injunctions, orders, decrees or other restrictions of any Gaming Authority, applicable to the gaming industry or Indian Tribes or the manufacture, sale, lease, distribution or operation of gaming devices or equipment, the design, operation or distribution of internet gaming services or products, online gaming products and services, the ownership or operation of current or contemplated casinos, sports wagering, online gaming or any other gaming activities and operations.

(kk) "Governmental Approvals" is defined in Section 8.c. of this Agreement.

(ll) "Governmental Authority" or "Governmental Authorities" means any federal, state, county or municipal governmental authority, including all executive, legislative, judicial and administrative departments and bodies thereof (including any Gaming Authority) having jurisdiction over the Project.

(mm) "Governmental Requirements" means all laws (including the Act), ordinances, statutes, executive orders, rules, zoning requirements and agreements of any Governmental Authority that are applicable to the acquisition, remediation, renovation, demolition, development, construction and operation of the Project including all required Permits, approvals or findings of suitability, and any rules, guidelines or restrictions enacted or imposed by Governmental Authorities, but only to the extent that such laws, ordinances, statutes, executive orders, zoning requirements, agreements, Permits, approvals, rules, guidelines and restrictions are valid and binding on Caesars Virginia and Caesars Virginia would be required to comply with the same without regard to this Agreement.

(nn) "Hotel" is defined in Section 3.c. of this Agreement.

(oo) "IDA" means the Industrial Development Authority of the City.

(pp) "including" and any variant or other form of such term means including but not limited to.

(qq) "Indemnitee" and "Indemnitees" are defined in Section 14.o. of this Agreement.

(rr) "Loan Default" means an event of default or default or event or condition which, with respect to Caesars Virginia without further notice or passage of time, would entitle a mortgagee to exercise the right to foreclose upon, acquire, possess or obtain the appointment of a receiver or other similar trustee or officer over all or a part of Caesars Virginia's interest in the Project.

(ss) "Major Condemnation" means a Condemnation either (i) of the entire Project, or (ii) of a portion of the Project if, as a result of the Condemnation, it would be imprudent or unreasonable to continue to operate the Project even after making all reasonable repairs and restorations.

(tt) "Minimum Gaming Fee Payment" is defined in Section 5.b. of this Agreement.

(uu) "Minor Condemnation" means a Condemnation that is not a Major Condemnation.

(vv) "Mortgage" means a mortgage or deed of trust on all or any part of Caesars Virginia's interest in the Project.

(ww) "Mortgagee" means the holder from time to time of a mortgage or deed of trust on all or any part of Caesars Virginia's interest in the Project.

(xx) "Net Gaming Revenue" means "adjusted gross receipts" as defined in the Act as reported to the State by Caesars Virginia, less "free play" or complementary credits provided to patrons that can be documented by Caesars Virginia.

(yy) "Nominee" is defined in Section 11.a. of this Agreement.

(zz) "Offer" is defined in Section 7.c. of this Agreement.

(aaa) "Parent Company" means CEC and its successors and assigns.

(bbb) "Percentage Gaming Fee Payment" is defined in Section 5.b. of this Agreement.

(ccc) "Permits" means all licenses, findings of suitability, permits, approvals, consents and authorizations that Caesars Virginia is required to obtain from any Governmental Authority, including but not limited to the City, to perform and carry out its obligations under this Agreement including permits and licenses necessary to demolish, build, open, operate and occupy the Project.

(ddd) "Person" means an individual, a corporation, partnership, limited liability company, association or other entity, a trust, an unincorporated organization, or a governmental unit, subdivision, agency or instrumentality.

(eee) "Project" means the Casino, the Hotel, the Venue, the Conference Center and all buildings, parking areas, structures, recreational or entertainment facilities, restaurants or other dining facilities, bars and lounges, retail stores and other amenities that are connected with, or operated in such an integral manner as to form a part of the same operation whether on the same tract of land or otherwise.

(fff) "Referendum" is defined in Section 1.a. of this Agreement.

(ggg) "Representatives" means a Person's respective members, managers, officers or directors.

(hhh) "Restricted Owner" is defined in Section 11.c. of this Agreement.

(iii) "Schoolfield Property" is defined in the Preamble to this Agreement.

(jjj) "Smokestacks Threshold" is defined Section 7.b. of this Agreement.

(kkk) "Specific Performance Proceeding" is defined in Section 13.b. of this Agreement.

(lll) "State" means the Commonwealth of Virginia.

(mmm) "Suitable Lender" means a lender suitable or otherwise qualified under the Gaming Laws.

(nnn) "Term" is defined in Section 2 of this Agreement.

(ooo) "Transfer" means (i) any sale (including agreements to sell on an installment basis), assignment, transfer, alienation, merger, consolidation, reorganization, liquidation, or any other disposition by operation of law or otherwise, and (ii) the creation or issuance of new or additional interests in the ownership of any entity.

(ppp) "Upfront Payment" is defined in Section 5.a. of this Agreement.

(qqq) "Venue" is defined in Section 3.e. of this Agreement.

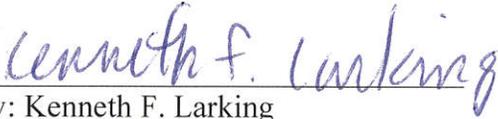
(rrr) "Work" means site preparation work and/or construction of the improvements in accordance with the construction documents for the Project and includes labor, materials and equipment to be furnished by a contractor or subcontractor.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first written above.

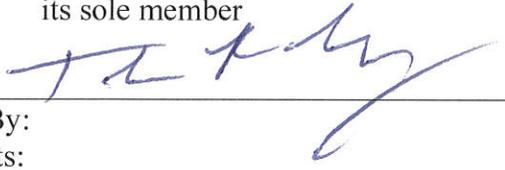
CITY OF DANVILLE,
a Virginia municipal corporation

**INDUSTRIAL DEVELOPMENT
AUTHORITY OF DANVILLE, VA**,
a political subdivision of the Commonwealth
of Virginia


By: Kenneth F. Larking
Its: City Manager


By: T. Neal Morris
Its: Chairman

CAESARS VIRGINIA, LLC,
a Delaware limited liability company
By: Caesars Resort Collection, LLC,
its sole member


By:
Its:

CAESARS ENTERTAINMENT, INC.,
a Delaware corporation


By:
Its:

Exhibit "A"

First Class Casino Standards

First Class Casino Standards shall mean the specifications, standards, policies and requirements adopted and as may be amended or supplemented from time to time by CEC, any related entity or their respective Affiliates for constructing, renovating, equipping, furnishing, managing, operating, licensing, maintaining, refurbishing and marketing developments under the Caesars brand, which shall be (i) at a level generally considered to be in effect at all or substantially all of the hotels and resorts operated under such brand from time to time, and (ii) consistent with the standards and requirements set forth in this Agreement. In determining the specific or referenced standards applicable to clause (i) above for the physical and operational standards of Caesars Virginia, the standards at the Caesars Southern Indiana, effective August 12, 2020, shall constitute the primary standard of reference, taking into consideration the unique nature and character of any such development's location (as well as the different amenities, facilities and staffing as a result thereof). The First Class Casino Standards, as applied to both the operational and physical components of all Caesars developments, shall be subject to change over time as CEC, any related entity or their respective Affiliates may determine in their sole discretion, provided that no such revisions shall result in a material adverse change in the overall quality of the Project and level of service at the Caesars Virginia without the City's prior written acknowledgement thereof.