

# Northern Arkansas Hotels & Convention Center, LLC

May 19, 2017

Mr. Jerry Morgan, Chairman  
Jonesboro A&P Commission  
City of Jonesboro

HAND DELIVERED TO CITY OF JONESBORO FINANCE OFFICE  
C/O SUZANNE ALLEN, CFO

Dear Mr. Morgan,

This letter is in response to your request on behalf of the Commission by today's date looking for an update on our project, along with a list of specific deliverables that you requested.

I will address the status and each deliverable individually below:

1. Letter from Bank/Investor: Please find attached a letter from Carl Kaeding. Carl is owner Kaeding Management Group LLC in Minneapolis, Minnesota, and is a principal partner in Central Midwest Hospitality Trust, LP. His companies have a long and successful history in the development, construction, and management of hotels and convention properties. His support in this project will allow us to satisfy the existing obligations to the contractors and sub-contractors who have already performed their work; as well as shore up the traditional financing required to complete this project.
2. Irrevocable letter of credit for A&P \$300,000 commitment: This will not be necessary due to the fact that we have returned just over \$71,000 of the initial installment of \$75,000 (representing the balance after advertising that was spent in Arkansas Business to promote future meetings and conferences). In addition, we will not be requesting any future installments of A&P money until such time the project is complete. Even at that time, we will only be requesting the installments as agreed, and will never have \$300,000 of A&P funds at any one time.
3. Final plans: With the project back on track financially, our architect has told us that we should expect final plans available for submittal in approximately 60 days. I will make sure that the Commission is notified when those plans are submitted to the City.
4. Full accounting of A&P funds spent: Already provided
5. "Out of the ground" timeframe: Based upon conversations with our architect, general contractor and lender, we anticipate that it is reasonable to project we will be "coming out of the ground" within 120 days.
6. Documentation of vendor payments: An agreement has been reached with our contractor and sub-contractors to satisfy the release of liens and for work to continue on the site when the job restarts. Our legal counsel is working with their legal counsels to facilitate the release of liens; and you will be provided with copies of those releases once they are filed.

7. Commitment letter from Hyatt: We have a signed franchise agreement between our company and Hyatt for the Hyatt Place Hotel in Jonesboro. That document is proprietary and cannot be shared. The agreement is in place and in full effect. This should be a non-issue, especially since we have no plans to ask for the reinstatement of our initial installment from you until such time that the project is built and the Hyatt Place sign is illuminating 1555.

I will keep you updated throughout the process, and am available if you have any further questions.

Thank you!

Sincerely,

A handwritten signature in black ink, appearing to read 'Christopher Keller', written over a large, faint circular watermark or stamp.

Christopher Keller  
Northern Arkansas Hotels & Convention Center, LLC