CASINO LICENSE AGREEMENT AMENDMENT No. 2

This CASINO LICENSE AGREEMENT AMENDMENT No. 2 is entered into between IMPERIAL PACIFIC INTERNATIONAL (CNMI) LLC ("Imperial Pacific"), a Commonwealth of the Northern Mariana Islands ("CNMI") limited liability company, and the CNMI LOTTERY COMMISSION;

WHEREAS, Imperial Pacific submitted a proposal to amend the Casino License Agreement between the Commonwealth of the Northern Mariana Islands Lottery Commission and Imperial Pacific International (CNMI) LLC (the "License Agreement") to authorize the operation of a Temporary Live Training Facility;

WHEREAS, on February 24, 2015, the Lottery Commission held a public meeting to discuss the details of the proposed amendment;

WHEREAS, the public comment taken at the meeting reflected the community's support of the amendment;

WHEREAS, the Temporary Live Training Facility will provide a venue to properly train the Imperial Pacific's employees;

WHEREAS, the Temporary Live Training Facility will also allow enforcement officials to gain experience in gaming regulation;

WHEREAS, Imperial Pacific has identified a location (namely, the first floor of the T Galleria, Garapan) to house the Temporary Live Training Facility;

WHEREAS, the operation of the Temporary Live Training Facility will benefit the Commonwealth economy and community. For example, the facility will (1) facilitate stakeholders' understanding of the casino industry; (2) generate tax revenue for the Commonwealth; (3) provide additional entertainment facilities for tourists; and (4) create approximately five hundred new jobs;

WHEREAS, the Lottery Commission found that amending the License Agreement to authorize the Temporary Live Training Facility will be beneficial to the Commonwealth and voted to approve an amendment authorizing the Licensee to operate such a facility subject to the Chairman's negotiation of the terms of the amendment;

WHEREAS, the Lottery Commission, acting through the Chairman, negotiated the terms of this Amendment with the Licensee to assure the regulation of the Temporary Live Training Facility and to advance the Annual License Fee for the second year;
NOW, THEREFORE BE IT RESOLVED, in light of the foregoing recitals, the Parties agree to amend the License Agreement as follows:

1. Section 6 of the License Agreement shall now read as follows, with the underlined and struck-through language indicating the change:

Under the terms of P.L. 18-56, the Licensee entered into an escrow agreement, as revised by two (2) subsequent amendments, with the Commonwealth (collectively, “Escrow Agreement”), exhibited herein as Amendment A1. Pursuant to the Escrow Agreement, the Licensee delivered the sum of thirty million dollars ($30,000,000) (“Escrow Monies”) into a third party independent escrow account designated by the Commonwealth Treasurer as a deposit for the Annual License Fee for the first and fifth years of the Total License Term. In accordance with the Escrow Agreement, the Escrow Monies of thirty million dollars ($30,000,000) will be released to the Commonwealth on the License Issuance Date, being (a) payment for the Annual License Fee for the first year of the License Term; and (b) pre-payment of the Annual License Fee for the fifth year of the License Term.

Licensee agrees to pay (1) $5 million of the Annual License Fee for the second year within 15 days after the Lottery Commission and the Licensee execute Amendment 2 of the License Agreement authorizing the Temporary Live Training Facility, and (2) the remaining $10 million of the Annual License Fee for the second year within 15 days after execution of the public land lease between the Department of Public Lands and Licensee leasing to Licensee the area commonly known as the Samoan Housing in Garapan for construction of the Initial Gaming Facility. Both payments described above will be made prior to the August 12, 2015 due date and shall constitute full payment of Licensee’s Annual License Fee for the second year.

Additionally, the Licensee agrees to make a pre-payment of the Annual License Fee for the eighth year of the License Term, being a minimum of fifteen million dollars ($15,000,000), within sixty (60) days from the opening of the Initial Facility, as provided for in section 10 below.

For avoidance of doubt, in every case of pre-payment of the Annual License Fee for any particular year pursuant to this License Agreement, there will be no requirement for payment of the Annual License Fee for such particular year on the respective anniversary of the License Issuance Date, except for any adjustment based on the cumulative change that has occurred in the Consumer Price Index, as provided for in section 5 above.

2. Section 10 of the License Agreement shall now read as follows, with the underlined and struck-through language indicating the change:
"The initial gaming facility shall be a newly constructed or refurbished structure with guest rooms and services of similar quality as those identified for five star developments identified in Attachment B and Attachment C. ("Initial Gaming Facility").

"The Initial Gaming Facility shall have a minimum of two hundred and fifty (250) rooms and shall be submitted to the Development Plan Review Advisory Committee, as provided for in section 13 below, to assure compliance with this License Agreement. The structures associated with the Initial Gaming Facility shall not be considered in evaluating Licensee efforts towards meeting the Licensee Development Proposal Requirements but shall be considered as one of the allowed Development Sites as identified in section 8.

"Prior to the opening of the Initial Gaming Facility, the Licensee may establish and operate a Temporary Live Training Facility on the first floor of the T Galleria, Garapan, as depicted in Exhibit A of this Amendment No. 2. The operation of the Temporary Live Training Facility shall be subject to regulation by the Casino Commission pursuant to Public Law No. 18-56, and the Licensee may not begin operation until the Casino Commission has promulgated regulations necessary for the proper regulation of the Temporary Live Training Facility.

"The Licensee shall cease operations at the Temporary Live Training Facility prior to the opening of the Initial Gaming Facility. In no event may the Licensee operate the Temporary Live Training Facility beyond April 30, 2017."

"The Temporary Live Training Facility shall not be considered in evaluating the Licensee’s efforts towards meeting the Licensee Development Proposal Requirements or as one of the allowed Development Sites as identified in section 8. The Licensee is not required to submit the plan for the Temporary Live Training Facility to the Development Plan Advisory Committee. However, the Licensee must submit a final plan for the Temporary Live Training Facility to the Casino Commission at least thirty (30) days before commencing operations at the Temporary Live Training Facility for a determination as to whether the plan is consistent with the applicable regulations."

3. This Amendment may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. However, the Amendment shall not be effective until signed by both Parties.

IN WITNESS WHEREOF, the parties hereby execute this Amendment No. 2:

For the Commonwealth:
Mark Rabauliman  
Chairman CNMI Lottery Commission

For the Licensee:

Imperial Pacific International (CNMI) LLC

Mark A. Brown  
Chief Executive Officer

Approved as to form and legal sufficiency:

Edward Manibusan  
Attorney General

Date  
3-5-15 effective as of 3-4-15
LAYOUT FOR TEMPORARY LIVE TRAINING FACILITY

NOT TO EXCEED 15,000 SQ. METERS (NOTE: NOT TO SCALE)

EXHIBIT A
FIRST FLOOR GALLERIA, GARAPAN