

CASINO LICENSE AGREEMENT AMENDMENT No. 3

This CASINO LICENSE AGREEMENT AMENDMENT No. 3 is entered into between IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC ("Imperial Pacific"), a Commonwealth of the Northern Mariana Islands ("CNMI") limited liability company, the HONORABLE RALPH DLG. TORRES, Governor of the CNMI and the CNMI LOTTERY COMMISSION.

WHEREAS, Imperial Pacific has requested amendments to the Casino License Agreement (License Agreement or CLA) between the Commonwealth of the Northern Mariana Islands Lottery Commission and Imperial Pacific executed on 12 August 2014 (as amended on 19 November 2014 and further amended on 3 March 2015); and

WHEREAS, the purpose of the first requested amendment is to extend the period of time in which the Temporary Live Training Facility shall be allowed to remain open and operational as provided in Amendment No. 2 to the CLA from April 30, 2017 until no later than August 31, 2018; and

WHEREAS, the purpose of the second requested amendment is to extend the period of time given and required by the CLA to complete construction and begin operations of the Initial Gaming Facility from August 11, 2017 until no later than August 31, 2018; and

WHEREAS, the purpose of the third requested amendment is to extend the period of time given and required by the CLA to complete construction and begin operations of Phase One of the Integrated Resort from February 11, 2018 until no later than May 1, 2023; and

WHEREAS, the purpose of the fourth requested amendment is to extend the period of time given and required by the CLA to complete and initiate operations of Phase Two of the Integrated Resort from August 11, 2022 until no later than May 1, 2030; and

WHEREAS, the purpose of the fifth requested amendment is to clarify and correct language contained in the CLA to reflect the formation of the Development Plan Advisory Committee (DPAC); and

WHEREAS, on the 25th day of April 2017, the CNMI Lottery Commission held a properly noticed public meeting to discuss the details of the proposed amendments; and

WHEREAS, Imperial Pacific explained as justification for the requested amendments that delays resulting from the destruction and multiple adverse effects caused by or as a result of Typhon Soudelor (and lost time during the extended recovery period) and the constraints contained in federal immigration laws in relation to the employment of qualified workers needed to build the Initial Gaming Facility; and

WHEREAS, Imperial Pacific also explained as justification for the requested amendment in relation to the extension for completion of the construction and to begin operations of Phase One of the Integrated Resort that it has been conditionally granted public land lease pursuant to the Department

of Public Land's RFP15 – RED006 in Marpi to develop for Phase One, but that work cannot begin until after the current lease expires in April 30, 2018; and

WHEREAS, Imperial Pacific also explained as justification that acquisition of land suitable and appropriate for construction of Phase Two of the Integrated Resort has not been accomplished and is proving more difficult than anticipated given the size requirements and the availability of land on the island of Saipan and that longer term issues related to the numbers of workers and employees needed to construct and operate Phase Two of the Integrated Resort remain unresolved requiring further deliberation; and

WHEREAS, the public comments taken at the meeting reflected the community's understanding and support for Imperial Pacific's justification and in the need for clarification concerning the formation of the DPAC provision in CLA and the requested amendments concerning the Temporary Live Training Facility and the Initial Gaming Facility; and

WHEREAS, the CNMI Lottery Commission concluded that amending the CLA to (i) extend the CLA's period of time in which the Temporary Live Training Facility is allowed to remain open and operational as provided in Amendment No. 2 to the CLA until no later than August 31, 2018; and (ii) extend the period of time given and required by the CLA to complete construction and begin operations of the Initial Gaming Facility until no later than August 31, 2018; (iii) amend and clarify language in the CLA to reflect the formation of the Development Plan Advisory Committee shall be beneficial to the CNMI in light of Imperial Pacific's good faith and substantial efforts to comply with the terms and conditions of the CLA; and

WHEREAS, the Lottery Commission, acting through the Chairman, negotiated the terms of this Amendment with the Licensee to allow the orderly completion of the Initial Gaming Facility and closure of the Temporary Live Training Facility and advance payment of Community Benefit Funds and other funds for the benefit of the CNMI conditional upon granting extensions for Phase One and Phase Two and subject to the terms and conditions below; and

WHEREAS, the Lottery Commission elected to take under advisement the other proposed amendments requested by Imperial Pacific until further study and consideration of the controlling statutory law and issues involved are undertaken and completed by August 1, 2017; and

WHEREAS, the Lottery Commission agreed to complete its study and consideration and shall hold an additional public meeting and decide the issue related to the requested extension dates for completing the construction and beginning operations of Phase One and Phase Two of the Integrated Resort by no later than the 1st of August 2017.

NOW, THEREFORE BE IT RESOLVED, in light of the foregoing recitals, the Parties agree to amend the License Agreement as follows:

1. Section 10, entitled Initial Gaming Facility, of the License Agreement (as amended by the Casino License Agreement Amendment No. 2) shall now read as follows, with the underlined and struck-through language indicating the only changes to this Section:

"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~~ August 31, 2018.

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."

2. Section 11, entitled Implementation Schedules, of the License Agreement shall now read as follows, with the underlined and struck-through language indicating the only changes to this Section:

~~"Within sixty (60) days of License award, t~~The Licensee shall provide to the Development Plan Review Advisory Committee, as provided for in section 13 below, proposed implementation schedules for the completion of all elements of the Licensee Development Proposal Requirements and the Initial Gaming Facility ("Implementation Schedules"). The Implementation Schedule must follow the standard of detail provided in the suggested implementation schedule template exhibited as Attachment G. This Implementation Schedule shall divide the implementation of the Licensee Development Proposal

Requirements into three independent implementation schedules for: (1) the Initial Gaming Facility ("Initial Gaming Facility Implementation Schedule"); (2) phase one development of the Licensee Development Proposal Requirements ("Licensee Development Proposal Requirements - Phase One"); and (3) phase two development of the Licensee Development Proposal Requirements ("Licensee Development Proposal Requirements - Phase Two").

a. Initial Gaming Facility Implementation Schedule

The Initial Gaming Facility Implementation Schedule shall require completion and initiation of operations (collectively, "Completion" or "Completed") ~~within twenty four (24) months of land acquisition, but~~ by no later than thirty-six (36) months of the Licensee Issuance Date August 31, 2018.

~~The term "Land Acquisition" as used throughout this License Agreement is defined as the date in which licensee has control over sufficient property associated with a Development Site such that development may be initiated ("Land Acquisition").~~

b. Licensee Development Proposal Requirements - Phase One

The Licensee Development Proposal Requirements - Phase One shall be structured to complete the basic structure of an Integrated Resort within thirty-six (36) months of Land Acquisition, but no later than forty-two (42) months from License Issuance Date ("Phase One Implementation Schedule" or "Phase One"). Phase One shall result in the establishment of a fully functional Integrated Resort and include at a minimum the following elements and associated support components at a single Development Site:

- (1) An 800 room four or five star luxury hotel;
- (2) A \$100,000,000 themed entertainment facility with amphitheater;
- (3) 5,372 square meters of food and beverage outlets;
- (4) 2,500 square meters of meeting space (including indoor seating space for 600 persons);
- (5) 5,000 square meters of retail shops;
- (6) wedding chapel;
- (7) 500 square meter spa/fitness area;
- (8) 10,000 square meters of gaming area (which includes back-of-house areas); and
- (9) Associated parking, site improvements, landscaping, furnishings, fixtures, utilities and infrastructure.

The Licensee is required to couple the Licensee Development Proposal Requirements - Phase One with all other necessary components and permit requirements to establish a fully functional Integrated Resort during the period of the Implementation Schedule

c. Licensee Development Proposal Requirements - Phase Two

All the components of the Licensee Development Proposal Requirements that were not completed in Phase One shall be incorporated into the Licensee Development Proposal Requirements - Phase Two which shall be completed within eight years from the date of signing of this License Agreement ("Phase Two Implementation Schedule").

d. Temporary Suspension of License Development Proposal Requirements – Phase One and Phase Two

The License Development Proposal Requirements for Phase One and Phase Two as set out in paragraphs 11 b and 11 c are hereby temporarily suspended until the extensions contemplated herein are concluded on or before August 1, 2017.

3. Section 16, entitled Community Benefit Fund, of the License Agreement shall now read as follows, with the underlined and struck-through language indicating the only changes to this Section:

An important element of the Licensee Development Proposal Requirements are contributions which are to be used to benefit the community ("Community Benefit Contribution"). The timing, amount, and use of the Community Benefit Contribution shall be as follows:

- a. Within sixty days of the Date of License Issuance, Licensee shall provide ten million dollars (\$10,000,000) in the form of Commonwealth Utility Company vouchers which shall be distributed in consultation with the Governor.
- b. ~~Within sixty days of commencing construction work on the first hotel in the Integrated Resort, the Licensee shall contribute~~ **Upon the execution of an amendment to the License Agreement, on or before August 1, 2017, to extend the dates for the completion, construction and beginning of operations of Phase One and Phase Two of the Integrated Resort, Licensee shall, by no later than January 1, 2018 contribute ten million dollars (\$10,000,000); and by no later than June 1, 2018 Licensee shall contribute an additional ten million dollars (\$10,000,000), for a total of (\$20,000,000) towards its community benefits programs and towards, amongst others: education, scholarships, infrastructure, health care, employee retirement benefits, as may be determined in consultation with the Governor.**

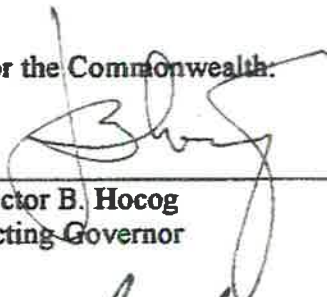
Thereafter, upon the first full year of operation of the Licensee's first hotel in the Integrated Resort, Licensee shall annually contribute twenty million dollars (\$20,000,000) to be used for community benefit ~~programs~~ **programs** towards, amongst others: education, scholarships, infrastructure, health care, employee retirement benefits, as may be determined in consultation with the Governor.

- c. All funds contributed by the Licensee to the Community Benefit Contribution shall remain under the possession and control of the licensee until distributed to selected programs or recipients.
4. 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. 3:

For the Commonwealth:



Victor B. Hocog
Acting Governor

4.25.17
Date



Mark O. Rabauliman
Chairman -- CNMI Lottery Commission

4/25/2017
Date

For the Licensee:



Viola Alepuyo
Senior Vice President, Special Projects
Imperial Pacific International (CNMI), LLC

April 25, 2017
Date

Approved as to Legal Form and Capacity:



Edward Manibusan
Attorney General

4/25/17
Date