

CASINO LICENSE AGREEMENT AMENDMENT No. 6

This **CASINO LICENSE AGREEMENT AMENDMENT No. 6** is entered into between **IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC** (“Imperial Pacific”), a Commonwealth of the Northern Mariana Islands (“CNMI”) limited liability company; the Commonwealth of the Northern Mariana Islands by and through its Acting Governor, the **HONORABLE VICTOR B. HOCO**; and the **CNMI LOTTERY COMMISSION** (“Lottery Commission”) (collectively “Parties”) by and through its Chairman, **Mr. MARK O. RABAULIMAN**.

WHEREAS, Imperial Pacific has submitted its request to amend the Casino License Agreement (“License Agreement” or “CLA”) between the CNMI Lottery Commission and Imperial Pacific executed on 12 August 2014 (as amended on November, 19 2014; March 3, 2015; April 25, 2017; June 29, 2017; and July 31, 2017); and

WHEREAS, the CLA §13 created a Development Plan Advisory Committee composed of 2 members: N15 Architecture, Inc, (“N15”) an architect firm representing Imperial Pacific; and Pacific Century, Inc. (“Pacific Century”) on behalf of the Office the Governor, representing the Commonwealth of the Northern Mariana Islands (“CNMI”); and

WHEREAS, Imperial Pacific, through N15, submitted its request for an extension of the August 31, 2018 deadline to complete construction and begin operations of the Initial Gaming Facility hotel and related facility operations; and

WHEREAS, as justification for the request for extension, N15 submitted the following information to DPAC:

- In March 2017, there was substantial work stoppage by the General Contractor and subcontractors when a fatal workplace accident occurred at the Imperial Pacific Resort construction site which led to discovery of substantial illegal construction workers employed by the construction General Contractor and its subcontractors.
- In April 2017, the total number of CW Construction Workers at the Imperial Pacific Resort construction site went to as low as 470 due to the CW Cap. Imperial Pacific sought to hire local construction companies who were also impacted by shortage of manpower due to the CW Cap. During this period, Imperial Pacific was advised to seek H2B Visa workers for the Construction site.
- In June 2017, Imperial Pacific consulted with several individuals on Saipan and Guam to get guidance in how to acquire H2B Visa for construction workers.
- In July 2017, Imperial Pacific negotiated with 3 attorneys to handle the H2B visa application process. Imperial Pacific also began recruiting local construction workers on Saipan and Guam.

- In August 2017, Public Law 115-53 was signed into law by the U.S. President that made Construction Workers ineligible for CW visa except for construction workers who already has a CW visa before October 2015. Imperial Pacific immediately hired an attorney to proceed with the H2B project and began contacting Construction Contractors on the US Mainland, Hawaii and Guam.
- From September 2017 to November 2017, Imperial Pacific communicated with over 150 construction companies from US Mainland and Guam. There were only 2 companies from the US Mainland that showed interest. Imperial Pacific met with 6 companies out of Guam but only 1 company could provide manpower. Through a referral, Imperial Pacific met with Pacific Rim Group of Companies (“PacRim”) in Guam and requested they submit a proposal.
- Between July and December 2017 the construction workforce steadily decreased from roughly 620 to 200 workers in a project that requires no less than 1,500 construction workers.
- On or about January 2018, Imperial Pacific signed the Offer and Letter of Intent with PacRim as the General Contractor to commence their inspection of IPR which included a status report to continue the project, preparation of inventory list and project planning.
- In February 2018, PacRim and Imperial Pacific signed a General Contractor Agreement.
- In February 2018, 1542 H2B visa approvals were received by Imperial Pacific.

WHEREAS, Imperial Pacific has explained to DPAC the above justifications for the request amendments and with DPAC understanding the issues and challenges that Imperial Pacific has to tackle and address, DPAC finds Imperial Pacific’s request for an extension justified and reasonable, therefore supports and concurs with Imperial Pacific’s requests for the amendments as necessary for the proper implementation of the project and the CLA; and

WHEREAS, DPAC agrees that granting Imperial Pacific’s request to amend the CLA is in the best interest of the Commonwealth, the community and Imperial Pacific; and

WHEREAS, clarification of the scope of the obligations and commitment of Imperial Pacific under the CLA promotes certainty and avoids potential misunderstanding and dispute; and

WHEREAS, on the 29th day of August, 2018, the CNMI Lottery Commission held a properly noticed public meeting to discuss the details of the proposed amendments; and

WHEREAS, there were 19 people who provided testimony, all of whom supported IPI’s request to amend the Initial Gaming Facility Implementation Schedules and some requested for conditions to the extension. The overwhelming message from community members was a plea

to approve the request in order for the community to continue to benefit from the revenue derived from gaming business gross receipt tax; and

WHEREAS, the DPAC is in full support of Imperial Pacific's requests to amend the CLA; and

WHEREAS, the CNMI Lottery Commission concluded that it is in the best interest of the Commonwealth to grant a Conditional Amendment to the CLA to (i) extend the implementation schedule for completion and operation of the Initial Gaming Facility; and

WHEREAS, the Lottery Commission, acting through the Chairman, received DPAC's report and recommendations regarding the terms of this Amendment to amend the Implementation Schedules for the benefit of the CNMI; and

NOW, THEREFORE BE IT RESOLVED, based on the authority of the Lottery Commission to amend the CLA, and 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 Casino License Agreement Amendment Nos. 2, 3, 4 and 5 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. The structures associated with the Initial Gaming Facility shall be considered in evaluating Licensee efforts towards meeting the Licensee Development Proposal Requirements and shall be considered as one of the allowed Development Sites as identified in section 8.

Subject to the issuance of CNMI Government permits and the consent of the Casino Commission, the Initial Gaming Facility may be completed in phases and operations of casino and other facilities may commence in phases provided that the Completion (as defined below) of the Initial Gaming Facility is completed within the schedule provided in this Agreement.

Prior to the full opening of the Initial Gaming Facility with casino and hotel operations, 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, or at the casino portion of the Initial Gaming Facility. 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. However, upon issuance of all required CNMI Government permits and consent from the Casino Commission, the Licensee may transfer the operations of the Temporary Live Training Facility to the casino portion of the Initial Gaming Facility at any time prior to completion of the 250 rooms of the hotel portion of the Initial Gaming Facility. In no event may Licensee operate the Temporary Live Training Facility beyond August 31, 2018, unless otherwise approved by the Casino Commission

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.

a. Construction Progress Monitoring

The Licensee shall submit no later than 15 days after execution of this Amendment No. 6 to the Lottery Commission a Construction Milestone Schedule (CMS) which shall provide a list of pending tasks and projected completion dates. Pacific Rim Land Development LLC, or the Construction Management, shall submit a quarterly report to the Lottery Commission with detailed explanation of the Licensee's progress of the CMS; provided, however, the Lottery Commission may hold a public hearing on the CMS if it does not meet their approval. If no public hearing is held within 30 days of the CMS submission, the CMS shall be deemed accepted. The CNMI Department of Public Works shall certify completion of each CMS and the CNMI Department of Labor shall certify Occupational Safety and Health Administration (OSHA) compliance as submitted by the Construction Management.

The Licensee shall submit to the Lottery Commission biannual audit as certified by its external auditor as it pertains to the construction of the Initial Gaming Facility.

Construction Completion of the Initial Gaming Facility shall be when the Licensee receives and the CNMI Department of Public Works issues the Certificate of Occupancy Permit.

b. Liquidated Damages

Licensee agrees that the delay in Construction Completion of the Initial Gaming Facility shall result in imposition of liquidated damages in the amount of \$5,000 a day.

c. Consideration

Licensee agrees that in consideration for the extension of the Implementation Schedule for the Initial Gaming Facility Construction Completion to February 28, 2021, no later than 90 days after the execution of this Amendment No. 6 a \$500,000 donation will be made to the Commonwealth Healthcare Corporation (CHCC) for the purchase of medical equipment as determined by CHCC.

2. Section 11 a, entitled Implementation Schedules, of the License Agreement (as amended by the Casino License Agreement Amendments Nos. 3 and 5) shall now read as follows, with the underlined and struck-through language indicating the only changes to this Section:

“The Licensee shall provide to the Development Plan Advisory Committee, as provided for in section 13 below, proposed implementation schedules for the completion of all elements of the Licensee Development Proposal Requirements (“Implementation Schedules”). Subject always to mutual agreement to the terms of the Casino License Agreement from time to time which may change aspects of the Implementation Schedule, 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 two independent implementation schedules for: (1) phase one development of the Licensee Development Proposal Requirements (“Licensee Development Proposal Requirements – Phase One”); and (2) 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 **construction completion and initiation of operations which shall occur when the Licensee receives and the CNMI Department of Public Works issues the Certificate of Occupancy Permit** (collectively, “Completion” or “Completed”) by no later than ~~August 31, 2018~~ **February 28, 2021.**

The Initial Gaming Facility shall include, at a minimum, the following elements and associated support components:

- (1) A 329 room four or five star luxury hotel;
- (2) 14,140 square meters of gaming area;
- (3) 3,870 square meters of food and beverage outlets;
- (4) 186 square meters of retail space;
- (5) 930 square meters of meeting space;
- (6) 15 villas;
- (7) 1,500 square meters of spa/fitness area; and
- (8) Associated parking, site improvements, landscaping, furnishings, fixtures, utilities and infrastructure.

3. These amendments 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.

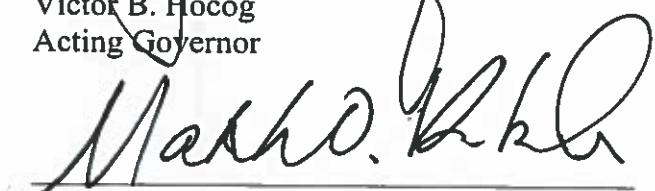
IN WITNESS WHEREOF, the parties hereby execute this Amendment No. 6:

For the Commonwealth:



Victor B. Hocog
Acting Governor

8/31/18
Date



Mark O. Rabauliman
Chairman
CNMI Lottery Commission

8/31/2018
Date


For the Licensee:



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

8/31/2018
Date

Approved as to Form and Legal Capacity:



Edward Manibusan
Attorney General

8/31/18
Date