

CASINO LICENSE AGREEMENT AMENDMENT No. 9

This CASINO LICENSE AGREEMENT AMENDMENT No. 9 is entered into between IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC (hereinafter "Imperial Pacific" or "Licensee"), 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 ("Lottery Commission") (collectively "Parties").

WHEREAS, Imperial Pacific 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; July 31, 2017; August 31, 2018; September 28, 2018; and July 17, 2019); and

WHEREAS, the purposes of the requested amendments are to provide Imperial Pacific with additional time to fulfill payment obligations imposed by Section 16 the License Agreement that have come due and not been paid; and

WHEREAS, Imperial Pacific is currently the subject of both administrative and legal proceedings based on its failure to fulfill current and past payment obligations in 2018, 2019, and 2020, including five complaints currently being considered by the Commonwealth Casino Commission for violations of the License Agreement and the Commonwealth's gaming laws; and

WHEREAS, the Lottery Commission does not have authority over the enforcement of the License Agreement, and does not intend by this action to interfere with the administrative review and deciding of the administrative complaints currently pending before the Commonwealth Casino Commission; and

WHEREAS, as a result of the COVID-19 pandemic, an unexpected major unpredicted global event that has already lasted almost 6 months and generally expected to last for many more months to come, Imperial Pacific's current ability to make payments that are currently in arrears has been impacted. On or about March 17, 2020, Imperial Pacific closed the operation of its casino in CNMI, citing diminished tourists to the CNMI and the present unknown as to when tourism may properly resume; and

WHEREAS, as a result of various natural climatic events including super typhoons Soudelor and Yutu and recently, the Federal change in immigration laws and regulations that include a prevention of CW visa holders from working in construction, the further an additional Federal change in immigration policy that prevents construction companies from hiring H-2B workers as construction workers, which are entirely beyond the control of Imperial Pacific, Imperial Pacific not completed the needed construction; and

WHEREAS, Imperial Pacific initially contracted to make annual community benefit contributions in support of "*education, scholarships, infrastructure, health care, employee retirement benefits*" following the commencement of operation of the first hotel in the Integrated Resort. Imperial Pacific was not able to complete the first hotel in the Integrated Resort on schedule, and received an extension of time to do so along with the ability to count the Initial Gaming Facility toward its total compliance

obligations in exchange for an acceleration of its community benefit obligations pursuant to Amendment no. 5 to the License Agreement. Imperial Pacific has not met these obligations; and

WHEREAS, on October 8th, 2020, the CNMI Lottery Commission held a properly noticed public meeting to discuss the details of these proposed amendments and approved a deferment of the 2020 Community Benefit Fund until February 2020 under Section 25, entitled Force Majeure.

WHEREAS, on November 20th, 2020, the CNMI Lottery Commission held another properly noticed public meeting to discuss the further, the details of these proposed amendments; and

WHEREAS, the Lottery Commission, acting through Commissioner David Dlg. Atalig, negotiated the terms of this Amendment with the Licensee to allow Imperial Pacific to make the amendments to the CLA as provided herein; and

WHEREAS, the Lottery Commission concluded that it is in the best interest of the Commonwealth to amend the CLA as set forth herein.

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 16, entitled Community Benefit Fund, of the License Agreement (as amended by the Casino License Agreement Amendment No. 3 and No. 5) shall now read as follows, with the underlined and struck-through language indicating the only changes to this Section:

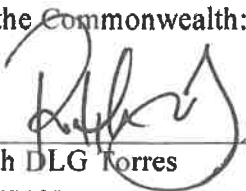
An important element of the Licensee Development Proposal Requirements are contributions which are to be used to benefit the community ("Community Benefit Contribution"). The timing, amount and use of the Community Benefit Contribution shall be as follows:

- 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. On October 1, 2018, Licensee shall contribute twenty million dollars (\$20,000,000) to be used for community benefit programs towards, amongst others: education, scholarships, infrastructure, health care, employee retirement benefits, as may be determined in consultation with the Governor. If Licensee does not timely make this contribution in full, Licensee shall be given a deferment until October 1, 2025 to complete this payment, however, this deferment shall not affect Licensee's liability for any fees, penalties, or other sanctions due to its delayed payment. As a condition of this deferment, Licensee admits that it owes the community benefit contribution due on October 1, 2018, agrees that it will not contest its duty to make this contribution in full on October 1, 2018, and will not contest its failure to timely make this contribution in full.**

- c. **On October 1, 2019, Licensee shall contribute twenty million dollars (\$20,000,000) to be used for community benefit programs towards, amongst others: education, scholarships, infrastructure, health care, employee retirement benefits, as may be determined in consultation with the Governor. If Licensee does not timely make this contribution in full, Licensee shall be given a deferment until October 1, 2025 to complete this payment, however, this deferment shall not affect Licensee's liability for any fees, penalties, or other sanctions due to its delayed payment. As a condition of this deferment, Licensee admits that it owes the community benefit contribution due on October 1, 2019, agrees that it will not contest its duty to make this contribution in full on October 1, 2019, and will not contest its failure to timely make this contribution in full.**
 - d. **On October 1, 2020, Licensee shall contribute twenty million dollars (\$20,000,000) to be used for community benefit programs towards, amongst others: education, scholarships, infrastructure, health care, employee retirement benefits, as may be determined in consultation with the Governor. If Licensee does not timely make this contribution in full, Licensee shall be given a deferment until October 1, 2023 or until sixty (60) days after the completion of the Initial Gaming Facility, whichever comes first, to complete this payment, however, this deferment shall not affect Licensee's liability for any fees, penalties, or other sanctions due to its delayed payment. As a condition of this deferment, Licensee admits that it owes the community benefit contribution due on October 1, 2020, agrees that it will not contest its duty to make this contribution in full on October 1, 2020, and will not contest its failure to timely make this contribution in full.**
 - e. ~~No later than Sixty (60) days after the Upon 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, the 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~~ **completion of the Initial Gaming Facility "IGF", Licensee shall annually contribute twenty million dollars (\$20,000,000) to be used for community benefit programs towards, amongst others: education, scholarships, infrastructure, health care, employee retirement benefits, as may be determined in consultation with the Governor.**
 - f. 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.
2. 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.

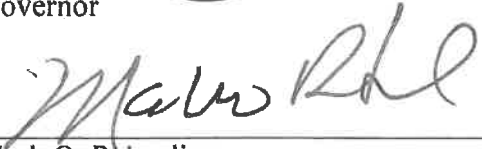
IN WITNESS WHEREOF, the parties hereby execute this Amendment No. 9:

For the Commonwealth:



Ralph DLG Torres
Governor

12/1/2020
Date



Mark O. Rabauliman
Chairman -- CNMI Lottery Commission

12/3/2020
Date


For the Licensee:



Donald Browne
Chief Executive Officer
Imperial Pacific International (CNMI), LLC

12/3/2020
Date

Approved as to form and legal sufficiency:



Edward Manibusan
Attorney General

12/15/2020
Date