

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

SUBCHAPTER 175-10.2 CODE OF ETHICS

Part 001 CODE OF ETHICS

§ 175-10.2-125 Non-discrimination Policy.

§ 175-10.2-101 Commission to Follow Government Ethics Act.
§ 175-10.2-105 Responsibilities of Public Office.
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§ 175-10.2-115 Conflict of Interest.
§ 175-10.2-120 Political Activity.

APPENDIX
Casino License Agreement
Amendment #1
Amendment #2

Chapter Authority: [4 CMC § 2314](#).

Chapter History: Amdts Adopted 40 Com. Reg. 40910 (Aug. 28, 2018); Amdts Proposed 40 Com. Reg. 40583, 40590 (Mar. 28, 2018); (Amdts Adopted 40 Com. Reg. 40566, 40571 (Feb. 28, 2018); Amdts Proposed 39 Com. Reg. 40308 (Oct. 28, 2017), 39 Com. Reg. 40084 (Sept. 28, 2017), and 39 Com. Reg. 39773 (July 28, 2017); Amdts Adopted 40 Com. Reg. 40560 (Jan. 28, 2018); Amdts Proposed 39 Com. Reg. 39755 (July 28, 2017); Amdts Adopted 39 Com. Reg. 39761 (July 28, 2017); Amdts Proposed 39 Com. Reg. 39169 (Jan. 30, 2017); Adopted 38 Com. Reg. 38619 (Oct. 28, 2016); Proposed 38 Com. Reg. 38424 (Aug. 28, 2016).

Commission Comment: Title 175, Commonwealth Casino Commission, was adopted on October 28, 2016.

In the Public Notice of Certification and Adoption in 38 Com. Reg. 38619 (Oct. 28, 2016), the notice states that these regulations were published as proposed regulations in 38 Com. Reg. 38223 (July 28, 2016). However, the regulations were published as proposed regulations in 38 Com. Reg. 38424 (Aug. 28, 2016), while they were published as emergency regulations in 38 Com. Reg. 38223 (July 28, 2016).

During initial codification, the Commission substituted proper section numbers for certain terms, struck out figures where they were merely a repetition of written words, changed capitalization for the purpose of conformity, and corrected manifest clerical and typographical errors throughout Title 175 pursuant to [1 CMC § 3806\(d\)-\(g\)](#).

SUBCHAPTER 175-10.2 CODE OF ETHICS

Part 001 - CODE OF ETHICS

§ 175-10.2-101 Commission to Follow Government Ethics Act.

The Commission and its employees shall be subject to and follow the Government Ethics Act found in 1 CMC § 8501 et seq.

Modified, 1 CMC § 3806(g).

History: Adopted 38 Com. Reg. 38619 (Oct. 28, 2016); Proposed 38 Com. Reg. 38424 (Aug. 28, 2016).

§ 175-10.2-105 Responsibilities of Public Office.

Individuals appointed to the Commission are agents of the public and serve for the benefit of the public. They shall uphold and act in accordance with the Constitution of the United States of America, the Constitution of the Commonwealth of the Northern

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Mariana Islands, and the rules, regulations, and policies pursuant to the Act and the Government Ethics Act.

Modified, 1 CMC § 3806(f)–(g).

History: Adopted 38 Com. Reg. 38619 (Oct. 28, 2016); Proposed 38 Com. Reg. 38424 (Aug. 28, 2016).

§ 175-10.2-110 Commission Policies.

Commissioners and staff shall comply fully with the policies and standard procedures approved by the Commission.

History: Adopted 38 Com. Reg. 38619 (Oct. 28, 2016); Proposed 38 Com. Reg. 38424 (Aug. 28, 2016).

§ 175-10.2-115 Conflict of Interest.

There is a public trust to be protected from the danger of conflict of interest.

(a) A conflict occurs when an official's responsibilities, duties, or activities conflict with the official's private interests, whether they are of a business, family, social, or other nature.

(b) A Commissioner has an automatic conflict of interest in matters affecting a Commissioner's spouse, children, and siblings. A Commissioner must automatically refrain from voting or engaging in any discussions relating to such family members.

(c) Commissioners and Commission staff shall comply with the following conflict of interest restrictions:

(1) Shall not use their office/staff to seek employment or conduct business.

(2) Shall not use their position to obtain private gain or advantage for themselves, a relative, or an entity in which they have a present or potential financial interest.

(3) Shall not disclose or use confidential information that is not generally available to the public for his/her own or another person's financial benefit.

(4) Shall not participate in transactions that they may influence if they know that a spouse, child, or sibling has a substantial financial interest.

(5) Shall not use public funds, time or equipment for their own private gain, unless authorized by law.

(6) Shall not participate in, vote on, influence or attempt to influence an official decision if they, or the business they are associated with, have a financial interest or can potentially benefit from the matter, unless the interest or benefit is incidental to their position or would normally accrue to them in their profession, occupation or class.

(7) Shall not participate or engage in any conduct or activity that is prohibited by the Act.

Modified, 1 CMC § 3806(g).

History: Adopted 38 Com. Reg. 38619 (Oct. 28, 2016); Proposed 38 Com. Reg. 38424 (Aug. 28, 2016).

§ 175-10.2-120 Political Activity.

Each Commissioner, Executive Director, and Commission staff must be aware of the rules that limit permissible political activity. The following is intended to highlight the kind of activities that can and cannot be engaged in.

(a) Permissible Activities:

- (1) Voting for the candidate of his/her choice.
- (2) Expressing opinions on all political subjects and candidates.
- (3) Membership in any political party, organization or club.
- (4) Making voluntary contributions to a political organization for its general expenditures.
- (5) Lobbying and supporting public, legislative or other constitutional amendments.

(b) Prohibited Activities:

- (1) Use of Commission funds, time, personnel, or equipment for political activity unless that use is authorized by law or is incidental to a legally authorized or required activity.
- (2) Engaging in the discharge, promotion, demotion or changing of the status or compensation of any employee for supporting an official or candidate or promising or threatening to do so.
- (3) Use of their office or the Commission or influence to interfere with an election, or affect its results, or coerce the political action of any person or party.
- (4) Being obliged to contribute to any political fund, render any political service or be removed for refusing to do so.
- (5) Pressuring or coercing staff to participate in political activities or to support political parties or candidates under threat of losing one's employment.
- (6) Soliciting or receiving political contributions from anyone while on Commission time or on Commission or government property.
- (7) Campaigning for any candidate for public office during official working hours.
- (8) Promoting or opposing legislation relating to programs of departments on behalf of the Commission in contravention of Commission authority.

Modified, 1 CMC § 3806(f)-(g).

History: Adopted 38 Com. Reg. 38619 (Oct. 28, 2016); Proposed 38 Com. Reg. 38424 (Aug. 28, 2016).

§ 175-10.2-125 Non-discrimination Policy.

(a) It is the policy of the Commission that discrimination, for or against any employee, because of race, creed, color, gender (including sexual harassment), sexual orientation, national origin, age, religion, political affiliation, organizational membership, veteran status, disability, or genetic information is prohibited and will not be tolerated. No adverse action or hiring decision shall be made on the basis of any of the above factors except that veteran status may be considered positively as permitted by law.

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(b) The Commission shall maintain every workplace free from unlawful harassment, including sexual harassment. Any employee or official who engages in any act of discrimination or harassment on the basis of any of the above factors violates Commission policy, and such misconduct will subject the employee to corrective action ranging from counseling to disciplinary action up to and including termination. Such harassment by a non-employee (for example, a client or contractor) is also prohibited. The Commission shall not tolerate any such outside harassment and shall take necessary action to prevent its continuation or recurrence.

(c) Any employee who feels that he or she has been discriminated against on the basis of any of the above factors, or sexually harassed, should immediately report such incidents to a supervisor at any level without fear of reprisal. Confidentiality will be maintained to the extent permitted by the circumstances.

(d) An employer who receives a claim of discrimination or harassment in violation of this policy shall take such complaint seriously and immediately advise the Executive Director or the Commonwealth Equal Employment Opportunity (EEO) Coordinator of the situation. The Executive Director, with the assistance of the EEO Coordinator, if sought, will ensure that it is investigated promptly, privately, and with as much confidentiality as possible, consistent with the need to determine the facts. The investigation will be documented by an investigative report that will be retained in a confidential file by the Executive Director or EEO Coordinator. Any person accused of a violation shall be allowed the opportunity to rebut the charges.

(e) After determining the facts through the investigation, the Executive Director shall take corrective action as required by the circumstances. This may include counseling any employee, whether or not a violation has occurred; imposing an appropriate sanction, including disciplinary action; making sure that this policy is reiterated to all employees or any group. An employer, or any supervisory staff, who does not take appropriate action also violates this policy and exposes the Commonwealth government to liability.

Modified, 1 CMC § 3806(g).

History: Adopted 38 Com. Reg. 38619 (Oct. 28, 2016); Proposed 38 Com. Reg. 38424 (Aug. 28, 2016).

APPENDIX
Casino License Agreement

**Casino License Agreement between the
Commonwealth of the Northern Mariana Islands
Lottery Commission and Imperial Pacific
International (CNMI) LLC**

**Casino License Agreement between the Commonwealth of the Northern
Mariana Islands Lottery Commission and Best Sunshine International
Limited**

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Casino License Agreement between the Commonwealth of the Northern Mariana Islands Lottery Commission and Imperial Pacific International (CNMI) L.L.C.

This document represents the terms and conditions and for the granting of a casino license ("Casino License" or "License") by the Commonwealth Lottery Commission of the Commonwealth of the Northern Mariana Islands, a duly established government instrumentality ("Lottery Commission") and Imperial Pacific International (CNMI) LLC a Commonwealth of the Northern Mariana Islands corporation ("Licensee") (collectively "Parties") to exclusively operate casino gaming activity on the Island of Saipan under the authority established in P.L. 18-56 and the terms and conditions stated herein ("License Agreement" or "Agreement").

Whereas, the Commonwealth of the Northern Mariana Islands is faced with significant economic challenges including a significant reduction of government revenues, unfunded government retirement obligations, reduction of the economy, and lack economic opportunities for residents; and

Whereas, in order to address these issues the Commonwealth provided authority to establish an exclusive casino license on the island of Saipan with specific development requirements that are meant to provide immediate economic stimulus and long-term benefits to the community; and

Whereas, the granting of a long-term exclusive casino license provide an extremely valuable significant government benefit to the licensee; and

Whereas, the Commonwealth publicly solicited proposals from qualified proposers and established a selection procedure that properly and carefully evaluated these proposals based on the promised benefits to the community and the value of these benefits in meeting the Commonwealth's long and short-term needs; and

Whereas, based on the needs of the Commonwealth and the benefits promised and assurances provided by Best Sunshine International Limited in their proposal, they were chosen to be the licensee; and

Whereas, the Commonwealth requires that this License be held by a Commonwealth entity and has required Best Sunshine to form a domestic entity, Imperial Pacific International (CNMI) LLC, which shall be the designated licensee ("Licensee") and who shall assume all promises, obligations and agreements previously made Best Sunshine International Limited in this matter.

Now Therefore Under the Authority Established in P.L. 18-56 a Casino License Shall Be Issued to the Licensee Subject to the Following Terms and Conditions:

Best Sunshine Casino License

[Signature]
CRMI IPN

1. Coordination with Statutory Authority

The authority to issue this Casino License is derived from P.L. 18-56 ("Act") which is incorporated as part of this License Agreement. A copy of the Act is exhibited herein as Attachment A.

This License Agreement is intended to implement and supplement the terms of the Act.

2. Authority for Enforcement of this License Agreement

Under the terms of P.L. 18-56, the Commonwealth Lottery Commission ("Lottery Commission") was granted authority to issue an exclusive Casino License for gaming facilities on the island of Saipan and attach terms and conditions for issuance of the Casino License. Upon issuance of the Casino License the authority of the Lottery Commission over this License shall cease and the Office of the Governor shall have authority for enforcement of the terms and conditions of this License Agreement except for the elements specifically identified for control by the Casino Commission, as identified in section 3 below.

3. Authority of the Commonwealth Casino Commission

Upon issuance of this Casino License, the Commonwealth Casino Commission, as established under P.L. 18-56, ("Casino Commission") shall have authority for the approval of all casino operations and gaming activities conducted under the Casino License including but not limited to the establishment of gaming rules and regulations and licensing consistent with the requirements of the Commonwealth Administrative Procedure Act and this Agreement (collectively, "Rules"). The authority of the Casino Commission includes the ability to suspend or revoke the Casino License, in accordance with the requirements of the Commonwealth Administrative Procedure Act, for violation of the Rules.

4. Term of License

This Casino License is valid for a consecutive period of twenty-five (25) years ("Initial License Term") from the date of signature of all parties to this License Agreement ("License Issuance Date") with an option of the Licensee to extend the Initial License Term for an additional consecutive period of fifteen (15) years prior to expiration of the Initial License Term (collectively, "Total License Term").

5. Annual License Fee

The annual Casino License fee shall be fifteen million dollars (\$15,000,000) ("Annual License Fee"). The Annual License Fee shall be paid every year to the Commonwealth Treasurer on the License Issuance Date and on every subsequent anniversary of this License Issuance Date for the entire License Term, except for any pre-payment(s) of the Annual License Fee for any particular year pursuant to this Agreement, in which case

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payment for such particular year will not be required on the respective anniversary of the License Issuance Date.

The Annual License Fee amount shall be adjusted every five years based on the cumulative change since the License Issuance Date in the Consumer Price Index announced by the Commonwealth Department of Commerce for the island of Saipan.

Notwithstanding anything in this section 5, the Annual License Fee shall not be less than fifteen million dollars (\$15,000,000).

6. Pre-payments of Annual License Fee

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.

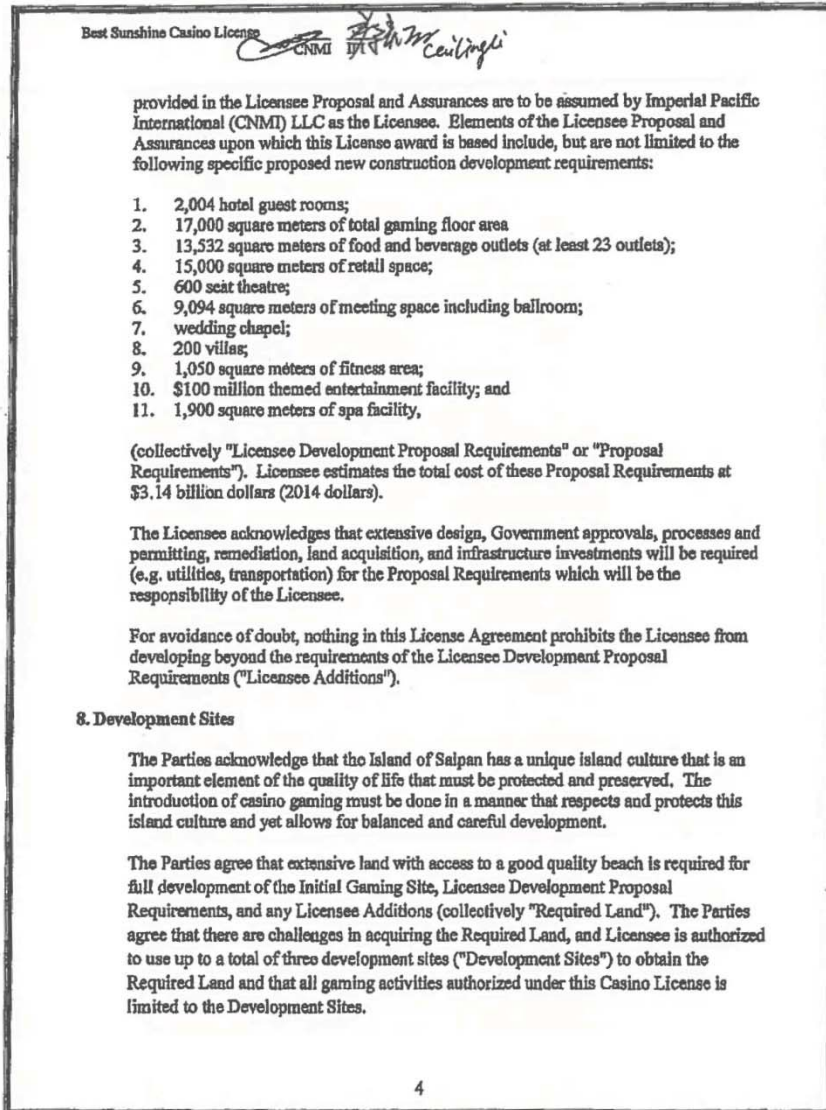
Additionally, the Licensee agrees to make a pre-payment of the Annual License Fee for the eighth year of the License Term, being a minimum of fifteen million dollars (\$15,000,000), within sixty (60) days from the opening of the Initial Gaming Facility, as provided for in section 10 below.

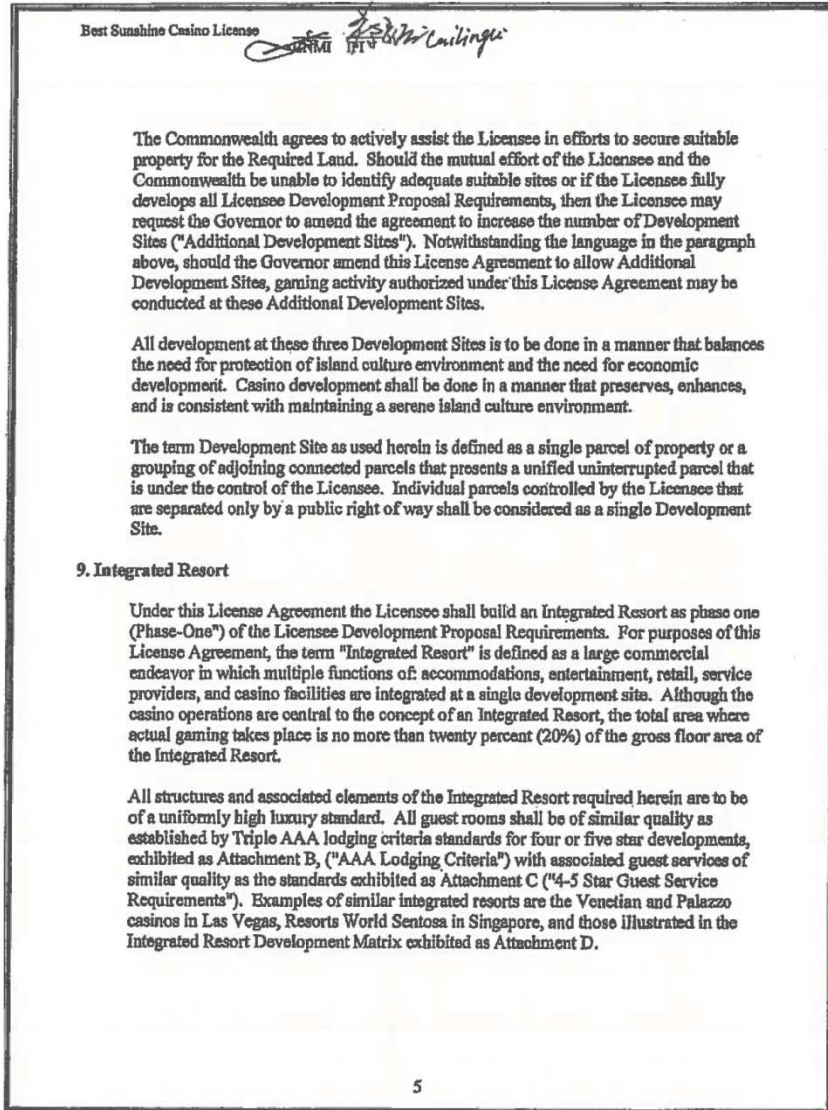
For avoidance of doubt, in every case of pre-payment of the Annual License Fee for any particular year pursuant to this License Agreement, there will be no requirement for payment of the Annual License Fee for such particular year on the respective anniversary of the License Issuance Date, except for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

7. Licensee Proposal and Assurances

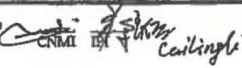
The award of this Casino License was based on the information and assurances provided by the Licensee in: (1) the casino resort developer application ("Casino Application"), exhibited herein as Attachment E, that was submitted by the Licensee in April 2014; (2) the subsequent business plan that was submitted in May 2014 ("Business Plan"), exhibited herein as Attachment F; and information provided to Commonwealth Consultants (collectively "Licensee Proposal and Assurances"). The Commonwealth has relied on the accuracy and trustworthiness of the Licensee Proposal and Assurances in the awarding of this License and they are incorporated as a material element of this License Agreement. For avoidance of any doubt all of the terms, promises, and assurances

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Best Sunshine Casino License

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CNMI

10. Initial Gaming Facility

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 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.

11. Implementation Schedules

Within sixty (60) days of License award, the Licensee shall provide to the Development Plan Review 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").

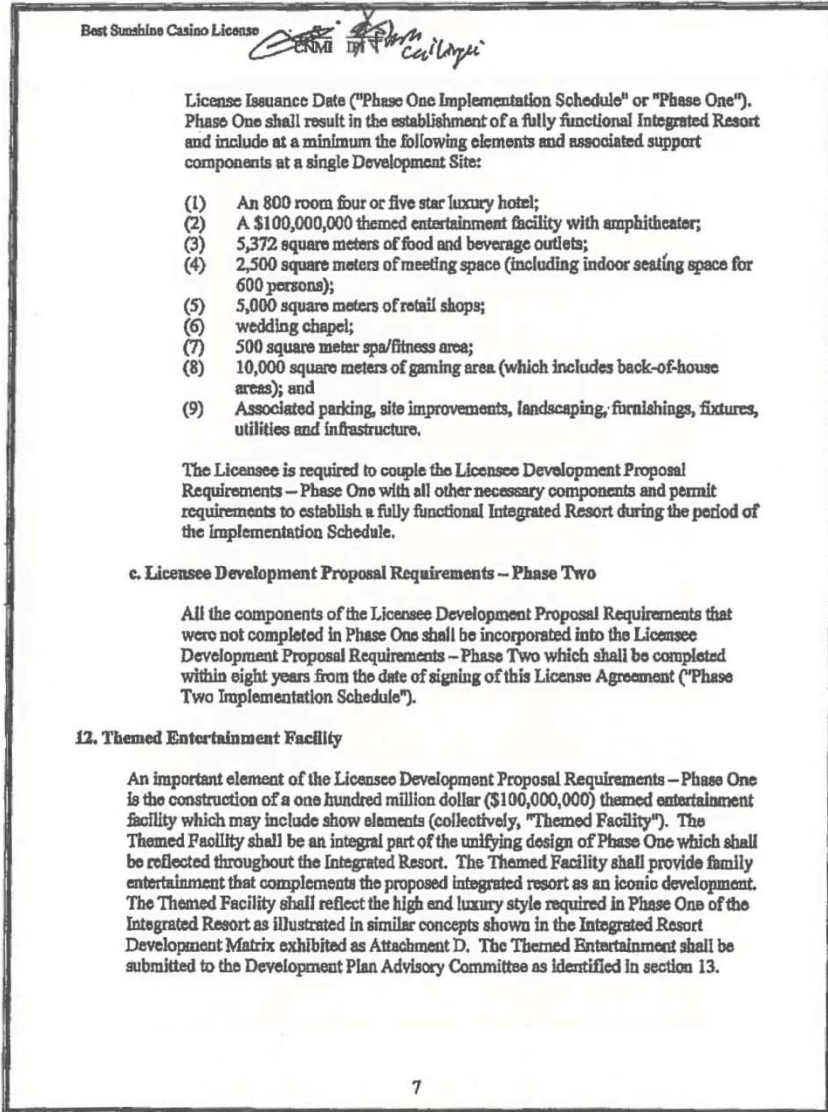
a. Initial Gaming Facility Implementation Schedule

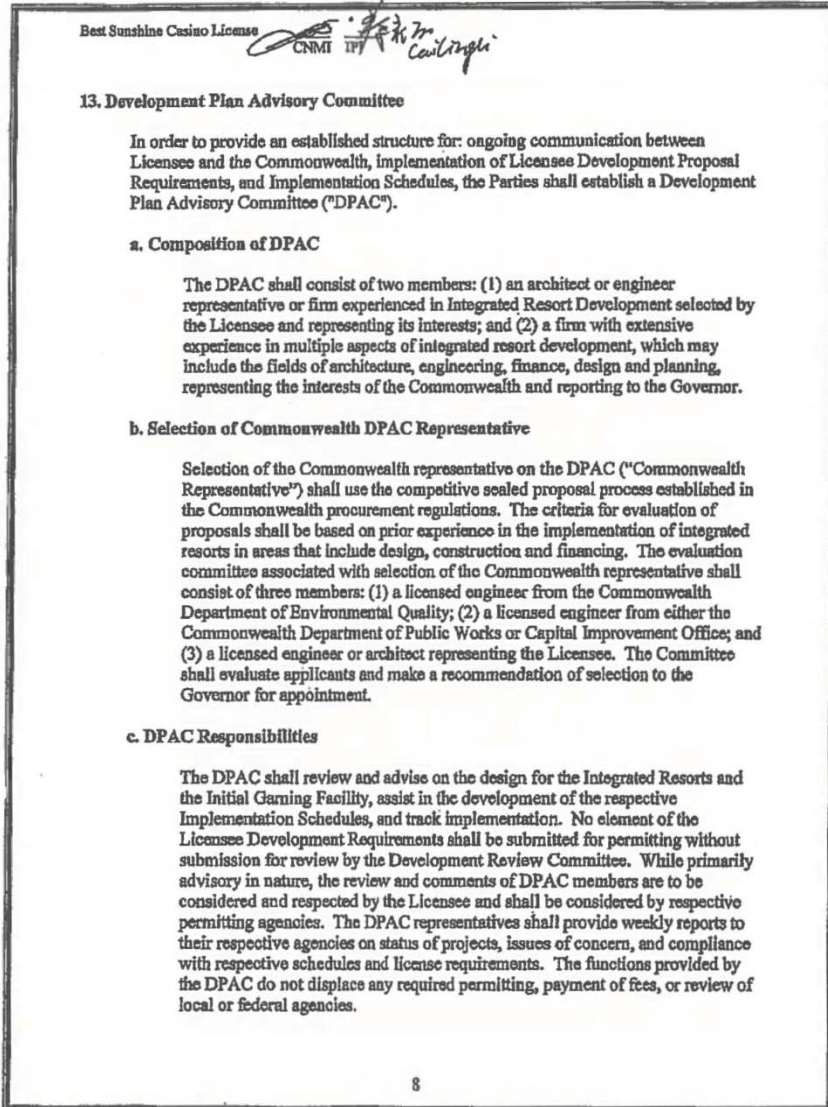
The Initial Gaming Facility Implementation Schedule shall require completion and initiation of operations (collectively, "Completion" or "Completed") within twenty-four (24) months of land acquisition, but no later than thirty-six (36) months of the License Issuance Date.

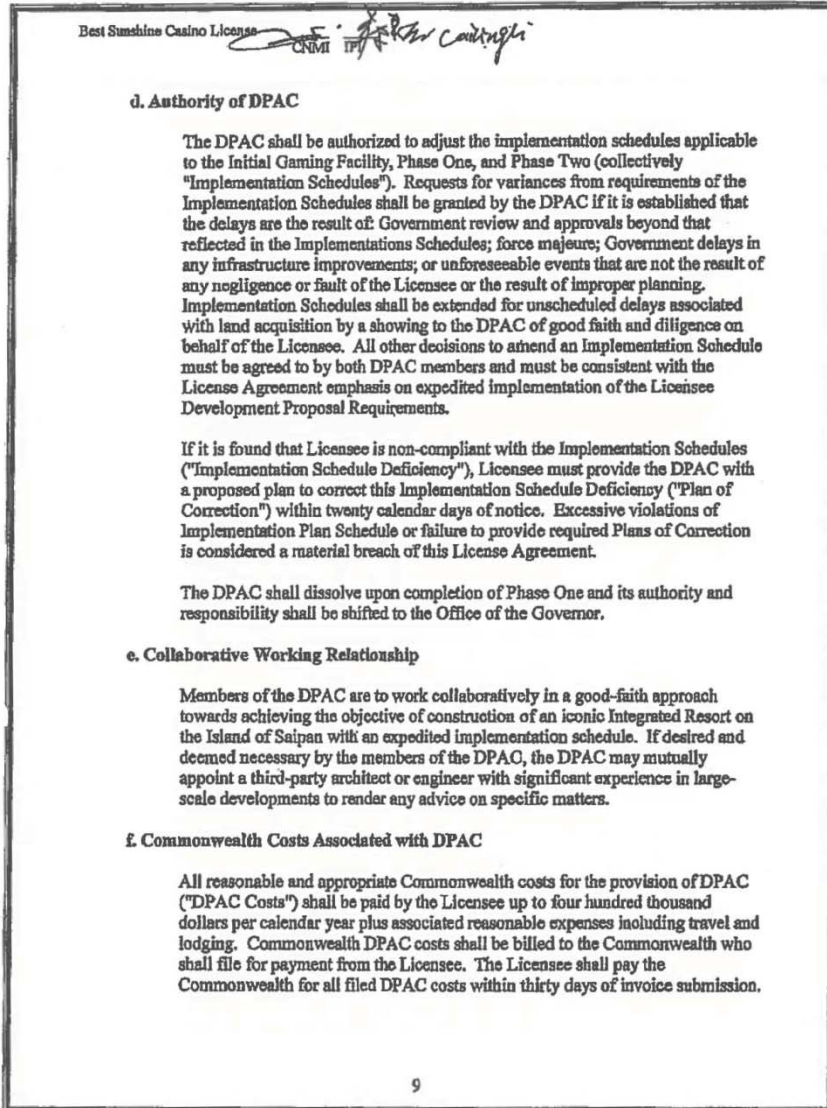
The term "Land Acquisition" as used throughout this License Agreement is defined as the date in which licensee has control over sufficient property associated with a Development Site such that development may be initiated ("Land Acquisition").

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







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14. Liquidated Damages

Licensee agrees that unexcused delay in the timely implementation of the Development Plan Requirements according to the Implementation Plan Schedule as adopted herein will have direct and significant harmful monetary impact on the Commonwealth but that this harm is difficult to quantify. This harm includes but is not limited to: loss of tax revenues, additional oversight costs, loss of anticipated tourism, and impact on local economy. Licensee agrees that a liquidated damage charge of one hundred thousand dollars (\$100,000) per calendar day is an appropriate estimate of these costs and that they are not a penalty and agrees to this charge for any delay in achieving completion of Phase One or Phase Two of the project ("Liquidated Damages") by the dates specified in the Development Plan Implementation Schedule, as may be amended from time to time. Licensee agrees to pay all assessed Liquidated Damages within ten (10) working days of imposition and receipt of notice from the Commonwealth. As used herein, the term "working days," excludes Saturday, Sunday, and any legal government holidays recognized by the Commonwealth of the Northern Mariana Islands.

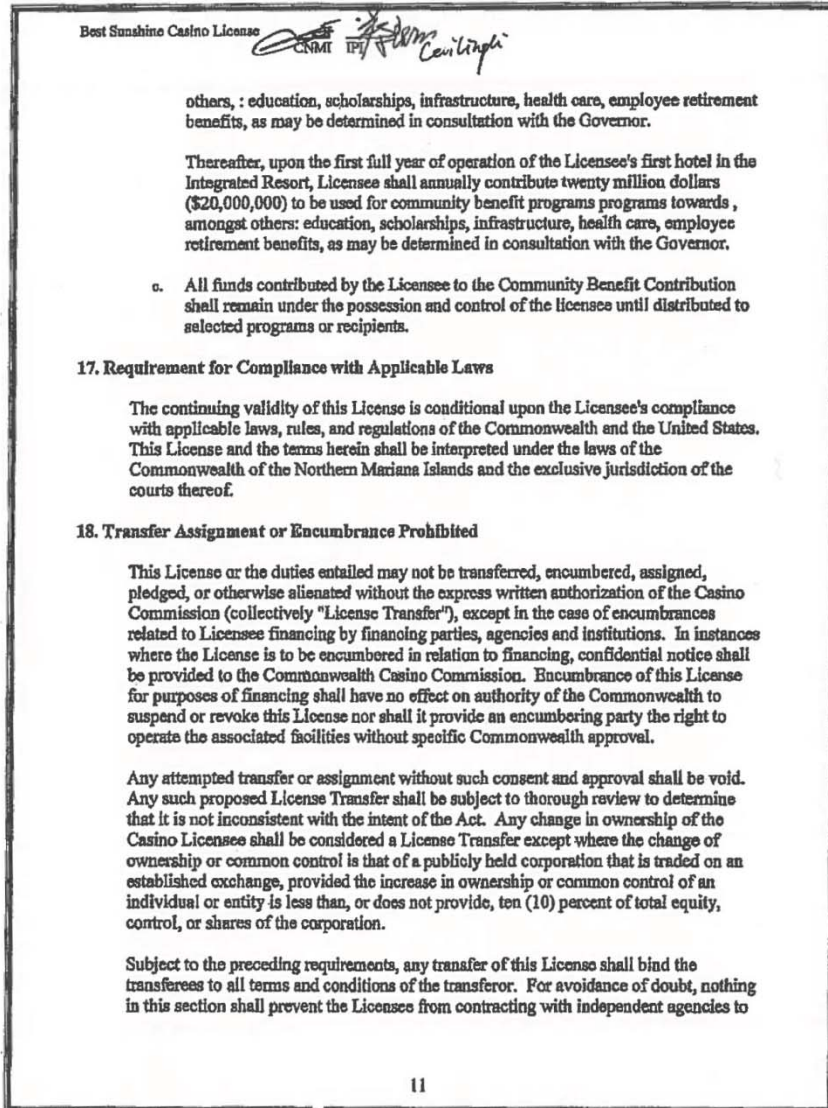
15. Local Training and Hiring Requirement

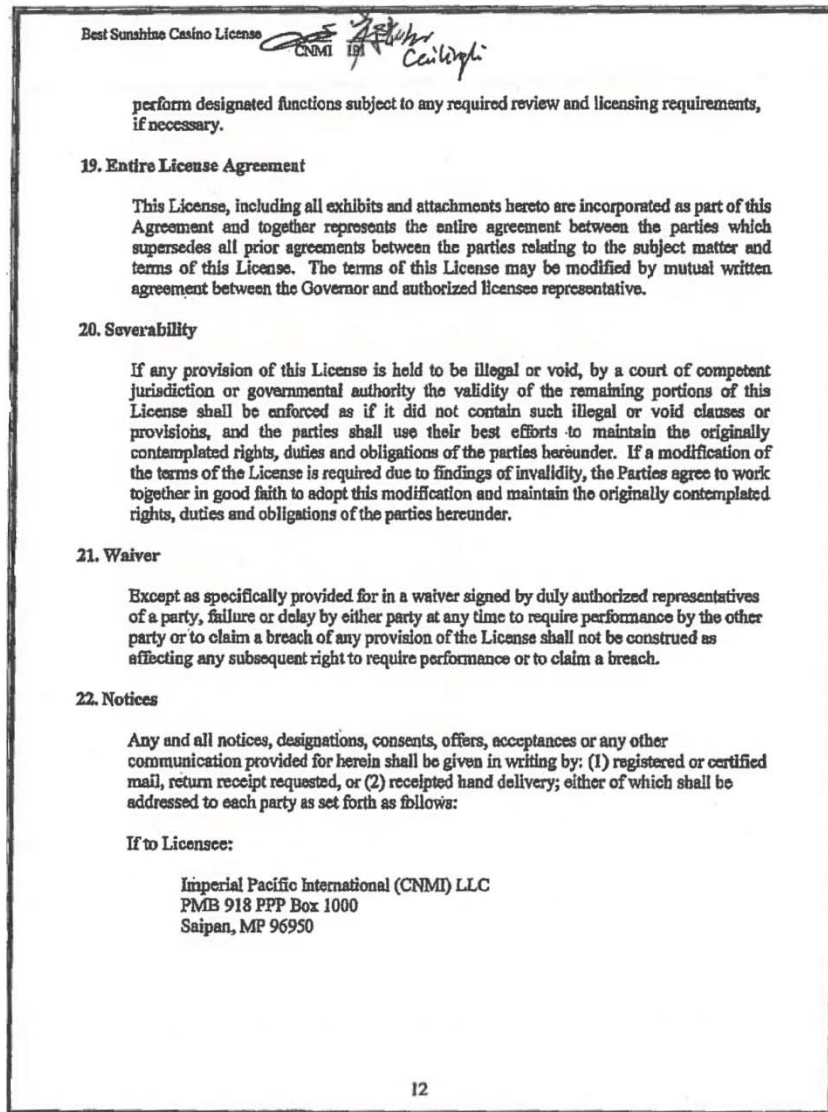
Licensee shall promote training and hiring of local residents in a proactive endeavor to achieve an objective of having permanent United States residents comprise at least sixty-five (65%) percent of all employees ("Resident Employment Objective"). In furtherance of this requirement, Licensee shall work with the Commonwealth Department of Labor to develop an annual plan ("Annual Plan") evaluating: employment needs, local conditions and challenges, current residency status of employees, and the provision of a proactive plan to achieve the Resident Employment Objective. This proactive plan shall include, if required, the funding and provision of necessary training through local educational and trade institutions to provide required skills. Licensee will provide quarterly reports to the Casino Commission and the Department of labor on progress in meeting the Resident Employment Objective.

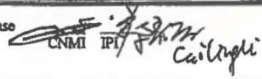
16. Community Benefit Fund

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 twenty million dollars (\$20,000,000) towards its community benefits programs towards , amongst





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If to the Commonwealth:

Office of the Governor
Caller Box 10007 – Capitol Hill
Saipan, MP 96950

Notice shall be deemed to have been provided at the time it is actually received; or in the case of registered or certified United States mail within three (3) days after it is deposited with the U.S. Mail and date stamped as to receipt. From time to time, the parties may change the name and address of a party designated to receive notice. Such change of the designated person shall be in writing to the other party and as provided herein.

23. Warranty

Each Party to this License Agreement represents and warrants to the other party that: it has the right, power and authority to enter into and perform its obligations under this Agreement, it has taken all requisite action (corporate, statutory or otherwise) to approve execution, delivery and performance of this License Agreement, and this License Agreement constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

24. Counterparts

The parties agree that this Agreement has been or may be executed in several counterparts, each of which shall be deemed an original and all such counterparts shall together constitute one and the same instrument

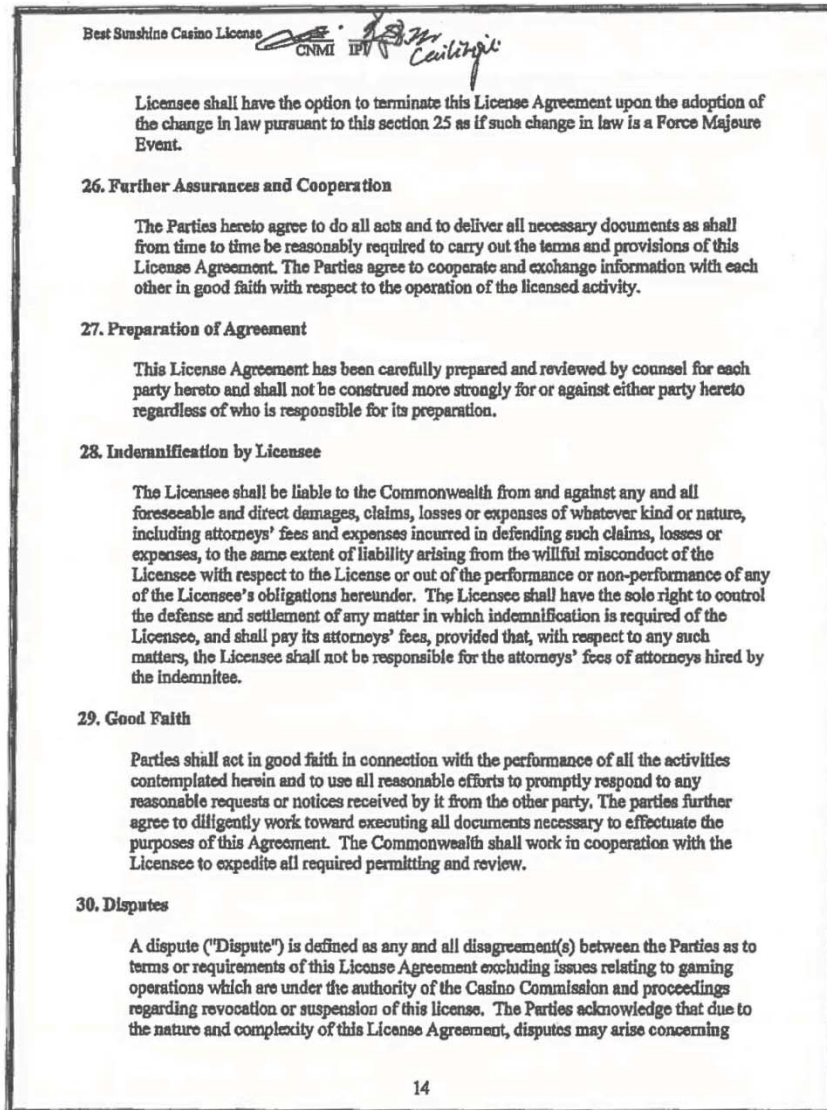
25. Force Majeure


Licensee shall not be in default for any failure or delay in the performance due under this License Agreement if such failure or delay is due to causes beyond reasonable control including, but not limited to: Act(s) of God, war(s), strike(s) or labor dispute(s), embargo(es), act(s) of terrorism, fire(s), flood(s), or accident(s) without the fault or negligence of the Licensee ("Force Majeure Event"). Invocation of force majeure by the Licensee shall not excuse any payment obligations to the Commonwealth where the grounds and or purpose for such payments have already accrued.

Where such Force Majeure Event results in failure in the performance or delay exceeding six (6) months of the performance due under this License Agreement, the Licensee may terminate this License Agreement forthwith provided that the Licensee shall not be excused from any payment obligations to the Commonwealth where the grounds and/or the purpose for such payments have already accrued.

A change in law which prohibits performance of this agreement or makes such performance illegal shall result in a suspension of the performance of both Parties under this License Agreement until such prohibition no longer exists, provided that the

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requirements. In order to provide a structure for resolution of disputes the Parties agree to the following dispute resolution process that must be used prior to initiation of court proceedings:

- a. Parties must maintain good faith and fair dealing in License Agreement interpretation and attempt to resolve issues of conflicting interpretation through informal communications whenever possible.
- b. Upon identification of issue of dispute, the Party claiming a dispute ("Initiating Party") must identify legal basis in a brief writing and provide this to other party ("Responding Party") for consideration ("Presentation of Dispute").
- c. Parties must agree to meet and confer ("Meet-and-Confer") within ten working days of Presentation of Dispute in an attempt to clarify and resolve issue.
- d. If Parties fail to resolve dispute after meeting and conference, then the Responding Party must provide brief written response to Initiating Party identify its basis for rejection of Dispute ("Response to Dispute").
- e. Within ten working days of provision of Response to Dispute, Parties must again Meet-and-Confer and attempt to resolve Dispute.
- f. If Parties fail to resolve dispute, Parties may submit the dispute to the American Arbitration Association for non-binding arbitration in accordance with applicable rules and limited by terms of this License.
- g. Parties shall equally share all costs associated with Arbitration.
- h. Decisions of the Arbitrator are not binding and within 30 days of issuance of decision of the arbitrator a Party may submit the issue to the Commonwealth Superior Court.
- i. This process shall not be applicable to License suspension and revocation proceedings as shown in section 31 below.

The Commonwealth Casino Commission may establish separate dispute resolution procedures for issues relating to gaming operations which shall supersede this process.


31. License Suspension or Revocation

Licensee is bound to comply with all terms and conditions of this Casino License and a violation of these requirements shall be considered a breach thereof. A material breach thereof may be grounds for Casino License suspension or revocation. Unless otherwise indicated in this License Agreement, the procedures established by the Commonwealth Administrative Procedure Act shall apply to proceedings for suspension or revocation of this License authority.

Parties agree that the occurrence of any one or more of the following events shall constitute a material breach of this License Agreement ("Material Breach") and grounds for Casino License revocation or suspension in accordance with the terms of this section 31:

- a. Failure to pay any amount due and payable hereunder upon the date when such payment is due;

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- b. Failure to materially comply with Licensee Development Proposal Requirements or the associated Implementation Schedules.
- c. Material violation of the laws of the Commonwealth or the United States;
- d. Failure to observe or perform any material obligation or covenant under this Agreement;
- e. Violation of material elements of gaming rules or requirements established by the Commonwealth Casino Commission;
- f. Unauthorized Transfer of the License;
- g. The appointment of a receiver to take possession of all or substantially all of the Licensee's assets, or the filing of a voluntary or involuntary petition in bankruptcy by the Licensee or its creditors, if such appointment, assignment, or petition remains undischarged for a period of thirty (30) days.

Upon the occurrence of a Material Breach, the Commonwealth may, but shall not be required to: (i) suspend or revoke this License Agreement and or cancel all associated duties and obligations; or (ii) pursue any other remedy available at law or in equity. Notwithstanding the foregoing, the Commonwealth may not revoke or suspend this License Agreement unless they have provided written notice to the Licensee of their intention and provided an adequate and reasonable period to Licensee to cure the issue identified. In the event of Casino License revocation, any prepayment of the annual License Fee shall be forfeited to the Commonwealth. For the avoidance of doubt, in the event of License revocation, the Commonwealth is free to institute any and all legal proceedings it deems appropriate in courts of its choosing to assert any and all claims against the former Licensee and other parties.

For avoidance of doubt, the Casino Commission shall establish separate rules and regulations as to gaming operations which shall have additional procedures for license suspension or revocation.

32. Incorporation of Recitals

Recitals are to be considered as material elements in construing the terms and conditions of this Agreement.

33. Controlling Law and Jurisdiction

This License Agreement is to be interpreted under the laws of the Commonwealth of the Northern Mariana Islands and the exclusive jurisdiction of the courts thereof.

By Signature Below, Parties Assert That They Have Carefully Reviewed This License Agreement And Agree To All Terms and Conditions Contained Therein.

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TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

Best Sunshine Casino License
CNMI 18 *Carlingi*

For the Commonwealth:

[Signature] 08/12/14
Date
~~SEPTO K. IGISOMAR, CHAIRMAN~~
Lottery Commission

For the Licensee:

[Signature] 12 August 2014
Date
Signature
Cai Limoli Director
Print Name Title

Approval of Attorney General as to Form and Content of License Agreement

[Signature] 8/12/14
Date
Gilbert Birnrich, Acting Attorney General

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**Casino License Agreement between the Commonwealth of the Northern
Mariana Islands Lottery Commission and Best Sunshine International
Limited**

34. Incorporated Attachments

- a. P.L. 18-56
- b. AAA Lodging Criteria
- c. 4-5 Star Guest Service Requirements
- d. Integrated Resort Development Matrix
- e. Casino License Application of Best Sunshine International Limited
- f. Business Plan of Best Sunshine International Limited
- g. Implementation Schedule template

**Casino License Agreement between the Commonwealth of the Northern Mariana Islands
Lottery Commission and Best Sunshine International Limited**

Attachments

a. P.L. 18-56

Amendment #1

CASINO LICENSE AGREEMENT AMENDMENT No. 1

This CASINO LICENSE AGREEMENT AMENDMENT No. 1 is entered into between IMPERIAL PACIFIC INTERNATIONAL (CNMI) LLC, a Commonwealth of the Northern Mariana Islands ("CNMI") limited liability company, the HONORABLE ELOY S. INOS, Governor of the CNMI and the CNMI LOTTERY COMMISSION;

WHEREAS, Imperial Pacific has requested an amendment to the Casino License Agreement between the Commonwealth of the Northern Mariana Islands Lottery Commission and Imperial Pacific International (CNMI) LLC (the "CLA");

WHEREAS, Imperial Pacific's request to amend the CLA is due to the rejection by the Hong Kong Stock Exchange of Imperial Pacific's request to amend its By-laws for the purpose of satisfying the Threshold Restriction noted below;

WHEREAS, Clause 18 of the CLA states in part that,

"Any attempted transfer or assignment without such consent or approval shall be void. Any such proposed License Transfer shall be subject to thorough review to determine that it is not inconsistent with the intent of the Act. Any change in ownership of the Casino Licensee shall be considered a License Transfer except where the change of ownership or common control is that of a publicly held corporation that is traded on an established exchange, provided the increase in ownership or common control of an individual or entity is less than or does not provide, ten (10) percent of total equity, control, or shares of the corporation" (the "Threshold Restriction");

WHEREAS, the Parties have agreed to insert in place of the Threshold Restriction the following language:

"Any attempted transfer or assignment without such consent or approval shall be void. Any such proposed License Transfer shall be subject to thorough review to determine that it is not inconsistent with the intent of the Act. Any change in ownership of the Casino Licensee shall be considered a License Transfer except where the change of ownership or common control is that of Imperial Pacific International Holdings Limited ("IPIHL") if publically traded on a top 20 stock exchange (by market capitalization), provided the current controlling shareholder, Inventive Star Limited, shall not reduce its shareholding in the issued share capital of IPIHL to below fifty one percent (51%) (The "Minimum Shareholding Restriction"). Nothing in the License Agreement gives rise to restriction on Inventive Star to dispose of or acquire further equity security interest in IPIHL. Further, nothing in the License Agreement restricts Inventive Star's ability to exercise any rights over equity securities IPIHL, so long as Inventive Star does not break the Minimum Shareholding Restriction.

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

IPIHL shall disclose, upon demand to the CNMI Casino Commission, its most recent statement showing the interests in shares of every person as recorded in the company's register.

Nothing in this Agreement shall be construed to limit the Commonwealth Casino Commission's ability to investigate, penalize or remediate violations pursuant to Commonwealth law or regulation including but not limited to 4 CMC §2318. This ability to investigate, penalize, or remediate is a material provision of this Agreement and Commonwealth Law."

WHEREAS the Parties have agreed to amend the terms of the CLA in the manner noted above as such amendment is beneficial to the Parties;

THEREFORE BE IT RESOLVED

1. That Clause 18 of the CLA shall now read:

"The License of the duties entailed may not be transferred, encumbered, assigned, pledged, or otherwise alienated without the express written authorization of the Casino Commission (collectively "License Transfer"), except in the case of encumbrances related to Licensee financing by financing parties, agencies and institutions. In instances where the License is to be encumbered in relation to financing, confidential notice shall be provided to the Commonwealth Casino Commission. Encumbrance of this License for purposes of financing shall have no effect on authority of the Commonwealth to suspend or revoke this License nor shall it provide an encumbering party the right to operate the associated facilities without specific Commonwealth approval.

Any attempted transfer or assignment without such consent or approval shall be void. Any such proposed License Transfer shall be subject to thorough review to determine that it is not inconsistent with the intent of the Act. Any change in ownership of the Casino Licensee shall be considered a License Transfer except where the change of ownership or common control is that of Imperial Pacific International Holdings Limited ("IPIHL") if publically traded on a top 20 stock exchange (by market capitalization), provided the current controlling shareholder, Inventive Star Limited, shall not reduce its shareholding in the issued share capital of IPIHL to below fifty one percent (51%) (The "Minimum Shareholding Restriction"). Nothing in the License Agreement gives rise to restriction on Inventive Star to dispose of or acquire further equity security interest in IPIHL. Further, nothing in the License Agreement restricts Inventive Star's ability to exercise any rights over equity securities IPIHL, so long as Inventive Star does not break the Minimum Shareholding Restriction.

Subject to the preceding requirements, any transfer of this License shall bind the transferees to all terms and conditions of the transferor. For avoidance of doubt, nothing in this section shall prevent the Licensee from contracting with independent agencies to perform designated functions subject to any required review and licensing requirements if necessary.

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

IPIHL shall disclose, upon demand to the CNMI Casino Commission, its most recent statement showing the interests in shares of every person as recorded in the company's register.

Nothing in this Agreement shall be construed to limit the Commonwealth Casino Commission's ability to investigate, penalize or remediate violations pursuant to Commonwealth law or regulation including but not limited to 4 CMC §2318. This ability to investigate, penalize, or remediate is a material provision of this Agreement and Commonwealth Law."

2. This Agreement 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.

RESOLVED this 19th day of November, 2014.

For the Commonwealth:

Gilbert Birnbrich
Attorney General for the CNMI

Honorable Eloy S. Inos
Governor of the CNMI

Mark Rabauliman
Chairman of the CNMI Lottery Commission

For the Licensee:

Imperial Pacific International (CNMI) LLC

Lingli Cai
Authorized Representative

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

IPIHL shall disclose, upon demand to the CNMI Casino Commission, its most recent statement showing the interests in shares of every person as recorded in the company's register.

Nothing in this Agreement shall be construed to limit the Commonwealth Casino Commission's ability to investigate, penalize or remediate violations pursuant to Commonwealth law or regulation including but not limited to 4 CMC §2318. This ability to investigate, penalize, or remediate is a material provision of this Agreement and Commonwealth Law."

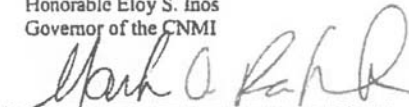
2. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement.

RESOLVED this 19th day of November, 2014.

For the Commonwealth:

Gilbert Birnrich
Attorney General for the CNMI

Honorable Eloy S. Inos
Governor of the CNMI



Mark Rabauliman
Chairman of the CNMI Lottery Commission

For the Licensee:

Imperial Pacific International (CNMI) LLC

Lingli Cai
Authorized Representative

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

IPIHL shall disclose, upon demand to the CNMI Casino Commission, its most recent statement showing the interests in shares of every person as recorded in the company's register.

Nothing in this Agreement shall be construed to limit the Commonwealth Casino Commission's ability to investigate, penalize or remediate violations pursuant to Commonwealth law or regulation including but not limited to 4 CMC §2318. This ability to investigate, penalize, or remediate is a material provision of this Agreement and Commonwealth Law."

2. This Agreement 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.

RESOLVED this 19th day of November, 2014.

For the Commonwealth:

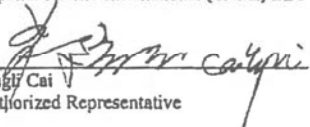
Gilbert Birnbrich
Attorney General for the CNMI

Honorable Eloy S. Inos
Governor of the CNMI

Mark Rabauliman
Chairman of the CNMI Lottery Commission

For the Licensees:

Imperial Pacific International (CNMI) LLC



Lingji Cai
Authorized Representative

Amendment #2

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;

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

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:

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS

"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."

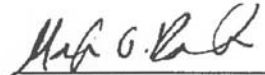
"The Temporary Live Training Facility shall not be considered in evaluating the Licensee's efforts towards meeting the Licensee Development Proposal Requirements or as one of the allowed Development Sites as identified in section 8. The Licensee is not required to submit the plan for the Temporary Live 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:

TITLE 175: COMMONWEALTH CASINO COMMISSION REGULATIONS



Mark Rabauliman
Chairman CNMI Lottery Commission

3-5-15 effective as of
Date 3-4-15

For the Licensee:

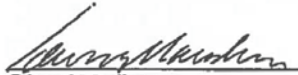
Imperial Pacific International (CNMI) LLC



Mark A. Brown
Chief Executive Officer

3-4-15
Date

Approved as to form and legal sufficiency:



Edward Manibusan
Attorney General

3-5-15 effective as of
Date 3-4-15