

Amendment No. 2

SECOND AMENDMENT TO VIDEO LOTTERY SERVICES AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS AND
SOUTHLAND GAMING OF THE VIRGIN ISLANDS, INC.

This Second Amendment to the Video Lottery Agreement ("Second Amendment") is entered into as of _____, 2022, by and between the Government of the United States Virgin Islands, through its Department of Property and Procurement, on behalf of the Virgin Islands Lottery Commission (collectively, "Government") and Southland Gaming of the Virgin Islands, Inc. ("Contractor"), pursuant to a Settlement Agreement between the parties and amends the Video Lottery Agreement dated July 29, 2003, as amended by the First Amendment to Video Lottery Services Agreement dated November 6, 2013 (the "VLS Agreement").

WHEREAS, the parties encountered a dispute regarding slot machines to be placed at the Clinton E. Phipps Racetrack on St. Thomas ("St. Thomas Racetrack") pursuant to that certain Franchise Agreement dated October 27, 2016, between the Government and VIGL Operations, LLC ("VIGL"), which led to the litigation, *Southland Gaming of the Virgin Islands, Inc. v. Government of the Virgin Islands et al.*, Civil Action No. 3:18-cv-00107-CVG, in the United States District Court for the District of the Virgin Islands, and which is resolved pursuant to a Settlement Agreement; and

WHEREAS, the parties have agreed to provide for an extension of the VLS Agreement and authorize Contractor to undertake development of certain aspects of improvements to the St. Thomas Racetrack pursuant to that certain Development Agreement between Government and Contractor, with VIGL to serve as racing promoter and VLT retailer at the St. Thomas Racetrack; and

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree to the following amendments to the aforesaid VLS Agreement:

- I. The Parties agree, represent, and warrant that the contents of the "WHEREAS" clauses above and those set forth in the VLS Agreement remain true and correct and incorporated herein.
- II. Government and Contractor agree to extend the existing Term of the VLS Agreement by the amendment to Paragraph 2. Paragraph 2 of the VLS Agreement is replaced with the following:

"2. TERM

This Contract shall be effective for a Term commencing July 29, 2003, and extending through July 29, 2028, and thereafter shall be automatically renewed for two (2) additional five (5)

year periods and one (1) three (3) year period (each such period referred to as a "Renewal Period"). Upon the signature of the Governor of the United States Virgin Islands, this Contract shall be effective for the term set out herein. The term of this VLS Agreement shall automatically renew as set forth above unless (i) the term of this VLS Agreement is amended in writing signed by the parties hereto, or (ii) the Contractor, at its option, provides the Government written notice of its intent not to renew at least six (6) months prior to the expiration of each Renewal Period, or (iii) the Government has cause to terminate this Contract and provides the Contractor written notice of its intent to terminate pursuant to Section 22 and the Contractor fails to cure as provided therein."

III. The VLS Agreement is revised by adding a new Paragraph 32 to read as follows:

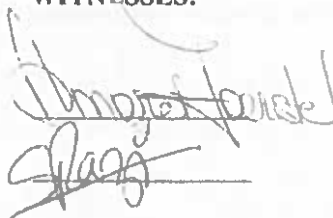
"32. Contractor Southland will contribute \$600,000.00 annually, not to exceed \$100,000 per race day, to fund purses for races conducted at the St. Thomas Racetrack during the term of this VLS Agreement, including any Renewal Period or extension thereto, provided that each race is actually run at the St. Thomas Racetrack."

IV. **EFFECT OF AMENDMENT.** This Second Amendment modifies and amends the portions of the VLS Agreement as stated above and is contingent upon (a) full execution by the Parties, (b) ratification of the Development Agreement by the Legislature and (c) dismissal with prejudice of the lawsuit. Additionally, in the event that the Project that is the subject of the Development Agreement Regarding the Clinton E. Phipps Racetrack between the Government and Contractor (the "Development Agreement") does not achieve Substantial Completion in accordance with, and as defined in, the Development Agreement due to breach or default by the Contractor or mutual agreement of the parties, this Second Amendment may be terminated upon 120 days' notice by the Government to Contractor and failure to cure. In the event that Contractor has commenced efforts to cure and notifies the Government that it cannot cure the violation within the 120-day cure period, Contractor shall be given reasonable time to complete and cure the default, but not more than 240 days, unless agreed to in writing by the parties, not to be unreasonably withheld. Except as expressly modified by the First Amendment and this Second Amendment, all terms and conditions of the VLS Agreement shall remain in full force and effect.

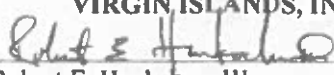
V. **FACSIMILE, ELECTRONIC & DIGITAL SIGNATURES.** A facsimile, electronic or digital signature on this Contract shall be deemed an original and binding upon the Parties hereto.

IN WITNESS WHEREOF, the parties have hereunto set their hands on this day and year first indicated above.

WITNESSES:



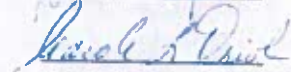
**SOUTHLAND GAMING OF THE
VIRGIN ISLANDS, INC.**


Robert E. Huckabee, III
President and CEO
Southland Gaming of the Virgin Islands, Inc.

4-5-22

Date

GOVERNMENT OF THE
UNITED STATES VIRGIN ISLANDS


Anthony D. Thomas, Commissioner
Department of Property & Procurement

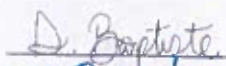
4/5/2022
Date





Jennifer C. O'Neal, Chairman
Virgin Islands Lottery Commission

4/5/2022
Date





Raymond J. Williams
Executive Director
Virgin Islands Lottery

4/5/22
Date

APPROVED:


Albert Bryan Jr.
Governor, United States Virgin Islands

Date

***APPROVED AS TO LEGAL SUFFICIENCY
VIRGIN ISLANDS DEPARTMENT OF JUSTICE**


By: Denise George, Esq.
Title: Attorney General, United States Virgin Islands

***Subject to: (1) VIGL's waiver of its rights and obligations under the VIGL Franchise Agreement and First Amendment to the Franchise Agreement for the STT Racetrack and facilities and (2) Legislative approval and ratification.**