

THIRD AMENDMENT TO VIDEO LOTTERY SERVICES AGREEMENT
BETWEEN THE GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS AND
SGVI, INC. (f/k/a Southland Gaming of the Virgin Islands, Inc.).

This Third Amendment to the Video Lottery Services Agreement ("**Third Amendment**") is entered into as of _____, 2026, 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 SGVI, Inc. (f/k/a Southland Gaming of the Virgin Islands, Inc.) ("**Contractor**"), (collectively 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 and the Second Amendment to Video Lottery Services Agreement dated April 5, 2022 (collectively, the "**VLS Agreement**").

WHEREAS, the Parties have entered into Franchise Agreements and Lease Agreements with respect to the Clinton E. Phipps Racetrack and the Randall "Doc" James Racetrack; and

WHEREAS, in consideration of the Leases and Franchise Agreements, the Parties have agreed to provide for an extension and other amendments to the VLS Agreement;

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

- I. Paragraph 2 "**TERM**" of the VLS Agreement is deleted and 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 three (3) additional five (5) year period and two (2) three (3) year periods (each such period referred to as a "Renewal Period"). 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 end of the Term or 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."

- II. Paragraph 3 "**COMPENSATION**" of the VLS Agreement is amended as follows:

- A. In subparagraph (a), by redesignating the existing text and pricing table as paragraph (1), and adding a new paragraph (2) to read as follows:
"(2) GEC Limitation. Beginning after the Effective Date of the Franchise Agreement for The Development and Operation of The Randall "Doc" James Racetrack, the beginning of construction at The Randall "Doc" James Racetrack, and when the first new Entertainment Center (proposed for the Havensight and Red Hook locations) begins operations, the

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percentages set forth in the Entertainment Centers column for compensation to the Contractor under subsection (a)(1) shall be increased as applicable to at least sixty-six percent (66.00%) of the revenue derived from (i) the existing entertainment centers as of March 2026, and (ii) the proposed new entertainment centers for the Havensight and Red Hook locations. However, should the Contractor, without cause, fail to meet the Project Timeline for Final Completion of the Randall "Doc" James Racetrack as set forth in that Franchise Agreement then the above changes to the Pricing Table shall be suspended, unless and until the Project is turned over to the Government after Final Completion."

B. Two new subparagraphs (d) and (e) are added as follows:

"(d) The Contractor shall retain as compensation 75% of net revenue from the operation of video lottery terminals at the Clinton E. Phipps Racetrack on St. Thomas and at the Randall "Doc" James Racetrack on St. Croix. In the event the Government and SGVI agree to a replacement Franchise Holder at either racetrack, the compensation to the Franchisee shall be paid from the Contractor's 75% revenue share, not less than 22%.

(e) So long as Contractor continues to operate VLTs at the St. Croix Racetrack, and so long as the Lottery transfers 50% of its revenue from VLTs at the St. Croix Racetrack to the Franchise Holder for the St. Croix Racetrack for purses, if needed after that Lottery contribution, Contractor will add any additional funds necessary to ensure a purse of up to \$800,000 annually, not to exceed \$100,000 per race day, beginning the first full calendar year of operation after the Turnover Date.

- i. In addition, after the first full calendar year of operation, assuming the above conditions are met, and so long as the minimum number of Race Days are held at the St. Croix Racetrack, Contractor will provide additional funds over the Lottery's contribution for purses, so that the purses for the St. Croix Racetrack for a calendar year will reflect 20% of total Video Lottery revenues from the St. Croix Racetrack from the previous calendar year, based on increments as follows:

<u>Prior Year Video Lottery Revenues</u>	<u>Annual Purses</u>
\$5,000,000 - \$5,999,999	\$1,000,000
\$6,000,000 - \$6,999,999	\$1,200,000
\$7,000,000 - \$7,999,999	\$1,400,000
\$8,000,000 - \$8,999,999	\$1,600,000"

III. Paragraph 5 "EXCLUSIVE CONTRACT" of the VLS Agreement is amended by adding the following paragraph:

"Within the District of St. Thomas and St. John, the Government shall not contract, license, or authorize any other party to operate electronic gaming devices of any kind at any location. In the event casinos or other electronic gaming device venues are authorized on St. Thomas or St. John other than Contractor's VLT locations, all electronic gaming devices in those venues will be provided by Contractor, and Contractor will be compensated for the

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provision of those electronic gaming devices according to the "Retail Location" column in the Pricing Table above."

IV. Under "ADDENDUM I (SCOPE OF WORK) OVERVIEW" two sentences are added to the first paragraph as follows:

"The Contractor may operate Video Lottery games at the Clinton E. Phipps Racetrack on St. Thomas, and, for a term of 20 years from the Turnover Date of the Franchise Agreement for The Development and Operation of The Randall "Doc" James Racetrack, it may operate Video Lottery games at the Randall "Doc" James Racetrack on St. Croix. In a further effort to enhance its tourism product, Contractor will endeavor to open an Entertainment Center at Havensight or Red Hook, or both."

V. EFFECT OF AMENDMENT. This Third Amendment modifies and amends the portions of the VLS Agreement as stated above and will be effective upon (a) full execution by the Parties and (b) ratification by the Legislature of this Third Amendment, the Franchise Agreements, and the Lease Agreements relating to the operation of the Clinton E. Phipps Racetrack on St. Thomas and at the Randall "Doc" James Racetrack on St. Croix, through legislation in accordance with Exhibit A hereto. Additionally:

- (i) Should the Contractor, without cause, terminate the Franchise Agreement for the Randall "Doc" James Racetrack prior to Final Completion of the St. Croix Racetrack facility, then the changes to the Pricing Table in Section II of this Third Amendment, and Section IV of this Third Amendment as it relates to Video Lottery games at the St. Croix Racetrack, shall be null and void and of no further effect.
- (ii) Should the Contractor, without cause, terminate the Franchise Agreement for the Operation of the Clinton E. Phipps Racetrack other than at the end of a Term or a renewal period, then the total amended term, including renewals, as stated in Section I of this Third Amendment, shall be reduced by the number of years remaining in the then current term of the Clinton E. Phipps Racetrack Franchise Agreement at the time of its termination by Contractor.

Except as expressly modified by the First Amendment, the Second Amendment, and this Third Amendment, all terms and conditions of the VLS Agreement shall remain in full force and effect.

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

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

WITNESSES:

Shane Gaspard

SGVI, INC.

E. Huckabee, III
President and CEO
SGVI, Inc.

Robert

4-25-26
Date

**GOVERNMENT OF THE
UNITED STATES VIRGIN ISLANDS**

Regulation of Finance

William A. Haines

Marlene Elliott
Ch. M. J.

Cyrene Williams

Raymond J. Williams

Lisa Alejandro

Lisa Alejandro, Commissioner
Department of Property & Procurement

Kevin McCurdy
Kevin McCurdy, Chairman
Virgin Islands Lottery Commission

Raymond J. Williams, Executive Director
Virgin Islands Lottery

4/27/2026
Date

4/27/2026
Date

4/27/26
Date

APPROVED:

Albert Bryan Jr.

Albert Bryan Jr.
Governor, United States Virgin Islands

4/26/24
Date

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

Gordon C. Rhea

By: Gordon C. Rhea, Esq.
Title: Attorney General, United States Virgin Islands

4/27/2026
Date