



COMMONWEALTH PORTS AUTHORITY

Main Office: FRANCISCO C. ADA/SAIPAN INTERNATIONAL AIRPORT

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A RESOLUTION CONFIRMING THE COMMONWEALTH PORTS AUTHORITY BOARD OF DIRECTOR'S SEPTEMBER 28, 2015, DECISION TO PROCEED WITH A REQUEST FOR PROPOSALS FOR A CONCESSION PRIVILEGE AT THE FRANCISCO C. ADA/SAIPAN INTERNATIONAL AIRPORT

CPA BOARD RESOLUTION NO. 2019-03

RECITALS

WHEREAS, the Commonwealth Ports Authority (CPA) and Duty Free Shoppers Limited entered into a "Master Concession Agreement" on November 13, 1985, for a term of twenty years;

WHEREAS, on August 8, 1997, the Commonwealth Ports Authority and DFS Saipan Limited, which was formerly known as Duty Free Shoppers Limited, entered into a "Successive Master Concession Agreement" for a term of ten years to begin on November 13, 2005;

WHEREAS, on November 13, 2015, the Successive Master Concession Agreement expired and DFS Saipan Limited (DFS) began holding over under the terms of that agreement;

WHEREAS, at the September 28, 2015, CPA Board of Directors Regular Meeting, the CPA Board of Directors discussed whether it would be in CPA's best interest to negotiate with the incumbent concessionaire or to issue a request for proposals for a future concession privilege;

WHEREAS, in determining whether it was in CPA's best interest to negotiate with the incumbent concessionaire or to issue a request for proposals for a future concession privilege, the Board of Directors considered the current terms of the Successive Master Concession Agreement, DFS's willingness to negotiate the terms of the Successive Master Concession Agreement, DFS's compliance with that agreement, testimony regarding DFS, the desire to separate concession privileges in Saipan from concession privileges in Tinian and Rota, the benefits of increasing competition for the concession privilege through the issuance of a request for proposals, and the fact that the incumbent concessionaire could participate in a request for proposals;

WHEREAS, on October 13, 2015, CPA notified DFS that the CPA Board of Directors decided to proceed with a request for proposals for a future concession privilege and that DFS could continue to operate on a monthly basis until the future concession privilege is awarded;

NOW, THEREFORE, in consideration for the foregoing recitals, the Commonwealth Ports Authority, through its Board of Directors, resolves as follows:

RESOLUTION

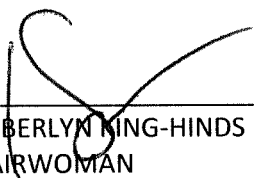
BE IT RESOLVED that the Commonwealth Ports Authority Board of Directors hereby confirms its September 28, 2015, determination that although DFS is in compliance with its current concession

agreement, renewal of DFS's concession privilege by negotiation is not in the best interests of the Commonwealth Ports Authority; and

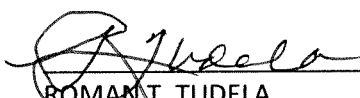
BE IT FURTHER RESOLVED that the Commonwealth Ports Authority Board of Directors hereby confirms its September 28, 2015, determination that the best interests of the Authority are served by awarding a new concession via request for proposal;

SO ADOPTED this 16TH day of JULY 2019 on the island of Saipan, CNMI, by the majority vote of members present and constituting a quorum.


CERTIFIED TRUE AND CORRECT:



KIMBERLYN KING-HINDS
CHAIRWOMAN
CPA BOARD OF DIRECTORS



ROMAN T. TUDELA
VICE CHAIRMAN
CPA BOARD OF DIRECTORS



PETE P. REYES
SECRETARY
CPA BOARD OF DIRECTORS