



Sixteenth Northern Marianas Commonwealth Legislature  
P.O. Box 500586, Saipan, MP 96950

HOUSE COMMITTEE  
ON NATURAL RESOURCES  
Representative Ramon A. Tebuteb  
Chairman

SENATE COMMITTEE ON RESOURCES,  
ECONOMIC DEVELOPMENT & PROGRAMS  
Senator Jude U. Hofschneider  
Chairman

JOINT STANDING COMMITTEES REPORT NO. 16-2

Date: March 06, 2009

RE: Transmittal of Neo Gold Wings Paradise Saipan  
Corporation, Lease Agreement for Legislative  
Approval

The Honorable Arnold I. Palacios  
Speaker of the House of Representatives  
Sixteenth Northern Marianas  
Commonwealth Legislature  
Capitol Hill  
Saipan, MP 96950

and

The Honorable Pete P. Reyes  
President of the Senate  
Sixteenth Northern Marianas  
Commonwealth Legislature  
Capitol Hill  
Saipan, MP 96950

Dear Mr. Speaker and Mr. President:

Your House Committee on Natural Resources and Senate Committee on  
Resources, Economic Development and Programs to which was referred

A Public Land Lease Agreement between Neo Gold Wings Paradise Saipan  
Corporation, doing business as NGP Casino and Hotel and the Department of  
Public Lands

begs leave to report as follows:

## I. RECOMMENDATION

Your House Committee on Natural Resources and Senate Committee on Resources, Economic Development and Programs recommend that the Public Land Lease Agreement between Neo Gold Wings Paradise Saipan Corporation and the Department of Public Lands (Attachment A) be approved by the Legislature.

## II. FINDINGS

Your Committees find, based on a representation from the Department of Public Lands, that pursuant to Public Law 15-2, Section 106(b), the Department of Public Lands published in the Saipan Tribune a "Notice of Proposed Lease of Public Land" for the Neo Gold Wings Paradise Saipan Corporation land lease proposal on November 8, 10, 12, 13, 14, 17, 19 and 21, 2008 (Attachment B)

On December 30, pursuant to Article XI, Sections 5(c) and (d) of the Northern Marianas Islands Constitution and Public Law 15-2, Section s105(c) and (d), the Department of Public Lands transmitted a Neo Gold Wings Paradise Saipan Corporation land lease proposal to the Commonwealth Legislature for review and consideration. Furthermore, on or about January 30, 2009, the Legislature was given a copy of a signed lease agreement between DPL and Neo Gold Wings Paradise Saipan Corporation. After a great deal of discussion, debate, negotiation and consideration, the parties to the lease agreement submitted a final signed lease on March 04, 2009.

The lease proposal, totaling approximately 3,000,000 square meters, encompasses a parcel of public land, located in Piña, Tinian, Commonwealth of the Northern Mariana Islands. The Premises contains approximately 300 hectares, as shown on Attachment C. The land areas subject to this Lease will be surveyed, and Neo Gold Wings Paradise Saipan Corporation shall solely be responsible for the cost of the ground, perimeter, and topographic surveys. The CNMI shall not reimburse any amount of money to Neo Gold Wings Paradise Saipan Corporation to cover costs incurred to complete the ground, perimeter, and topographic surveys.

Neo Gold Wings Paradise Saipan Corporation shall immediately work on completing the surveys within a reasonable time after the Commencement Date of this Lease, but in no event shall the ground and topographic surveys exceed twelve months to complete. The Lease Agreement shall be amended accordingly to incorporate the exact

Joint Standing Committee Report No. **16-2**  
 March 06, 2009  
 RE: Transmittal of Neo Gold Wings Paradise  
 Saipan Corporation Lease Agreement for  
 Legislative Approval  
 Page 3 of 7

description of the area of the Premises no later than thirty (30) days after the perimeter ground and topographic surveys have been completed.

The purpose of the proposed land lease is for the construction, development and operation of a casino and hotel resort with an international conference hall, theme/amusement park, water park, outdoor concert hall, zoological garden, golf courses and other hotel associated amenities.

The term of the land lease proposal is twenty-five years with the option of an additional term of fifteen years subject to the approval of the Commonwealth Legislature. Neo Gold Wings Paradise Saipan Corporation has decided to exercise the option to extend the lease, and has submitted the Lease for approval by the Commonwealth Legislature concurrently with the Legislature's consideration of the hectacreage.

While not the usual course of events, Your Committees find concurrent consideration to be proper. Your Committees find that the Commonwealth Constitution requires Legislative approval of large and/or lengthy leases, but does not require any particular form therefore. Further, the Analysis of the Constitution of the Commonwealth of the Northern Mariana Islands provides that concurrent the Constitution seems proper:

A person or legal entity that believes that twenty-five years is not sufficiently long may request an extension of not more than fifteen years on a lease. **The person or legal entity may make this request before signing a lease** or at any time during the term of an already granted lease.

ANALYSIS OF THE CONSTITUTION OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, p.156 (emphasis added).

Rental schedule for this proposed land lease is as follows:

PERIOD	GUARANTEED ANNUAL MINIMUM	ALTERNATIVE PERCENT OF GROSS RECEIPTS
1 <sup>st</sup> Five-Year Period		
Year One	\$72,000.00 (2%)	Not Applicable
Year Two	\$72,000.00 (2%)	Not Applicable
Year Three	\$72,000.00 (2%)	or 3%, whichever is greater
Year Four	\$108,000.00 (3%)	or 3%, whichever is greater
Year Five	\$108,000.00 (3%)	or 3%, whichever is greater
2 <sup>nd</sup> Five-Year Period		
Year One	4% of Fair Market Value	or 3%, whichever is greater

Joint Standing Committee Report No. 162  
March 06, 2009  
RE: Transmittal of Neo Gold Wings Paradise  
Saipan Corporation Lease Agreement for  
Legislative Approval  
Page 4 of 7

Year Two	4% of Fair Market Value	or 3%, whichever is greater
Year Three	5% of Fair Market Value	or 3%, whichever is greater
Year Four	6% of Fair Market Value	or 3%, whichever is greater
Year Five	6% of Fair Market Value	or 3%, whichever is greater
3 <sup>rd</sup> Five-Year Period	7% of Fair Market Value	or 3%, whichever is greater
4 <sup>th</sup> Five-Year Period	8% of Fair Market Value	or 3%, whichever is greater
5 <sup>th</sup> Five-Year Period	8% of Fair Market Value	or 3%, whichever is greater

The percent of gross receipts listed above shall be assessed against the gross receipts. Should the Guaranteed Annual Minimum rental be less than the Alternative Percent of Gross Receipts in any quarter, Neo Gold Wings Paradise Saipan Corporation shall pay to the DPL the difference within forty-five (45) days from the end of the quarter in which the difference occurs, with adjustments, if any, to be made at the end of every calendar year upon the submission of the annual certified financial statements. A copy of the CNMI Business Gross Revenue Tax Quarterly Return must be submitted quarterly, together with the computation of the quarterly gross receipts rental to substantiate the additional payment or non-payment.

Members of both Committees concurred as to the necessity of a public hearing for this land lease proposal. As a result, a public hearing was held on February 12, 2009, at the courthouse in San Jose, Tinian. (Attachment D) Said hearing was attended by a sufficient number of Senators and Representatives to constitute a quorum for the conduct of business. The President of NGP Saipan was afforded an opportunity to speak, as were every resident in attendance. Testimony received during the public hearings is uniformly in support of this new development. Representatives of the local government from the Second Senatorial District spoke in favor of the proposal. Said representatives included a member of the Mayor's staff as well as the Chairman of the Municipal Council. At the close of the receipt of testimony, Senator Paul A. Manglona requested that the record reflect that there was no opposition expressed by anyone in attendance.

Your Committees also received a letter of support from the 12<sup>th</sup> Tinian Municipal Council dated February 12, 2009, urging approval of an agreement after careful consideration of the protections provided to the people of Northern Marianas descent who own the land to be leased (Attachment E) as well as a petition dated February 14, 2009, which was signed by numerous residents, urging the Legislature to call a Joint Session at the earliest possible time to favorably consider the development. (Attachment F)

Your Committees therefore find that the public is generally in support of this proposal.

Joint Standing Committee Report No. 162  
March 06, 2009  
RE: Transmittal of Neo Gold Wings Paradise  
Saipan Corporation Lease Agreement for  
Legislative Approval  
Page 5 of 7

After further review by the Committees, several concerns and questions were raised regarding the proposed land lease. For this reason, Your Committees have been meeting directly and formally with DPL and Neo Gold Wings Paradise Saipan Corporation and their legal representatives. During one such meeting the Secretary of the Department of Public Lands adequately addressed the concerns and questions raised. One final meeting was held on Monday, March 02, 2009 to finalize the lease agreement.

Your Committees find that the Term of the lease shall commence (hereinafter the "**Commencement Date**") fifteen (15) calendar days from the date of approval of the Lease by the Northern Mariana Islands Commonwealth Legislature. This should occur in mid to late March, assuming the approval of the lease in Joint Session on or about Friday, March 06, 2009.

Your Committees find that the **first rental payment** of \$72,000.00 is therefore due and payable on or about April 01, 2009. Your Committees are not aware of any prepayment of rent made by Neo Gold Wings Paradise Saipan Corporation.

Your Committees find that, within six (6) months from the Commencement Date of this Lease, Neo Gold Wings Paradise Saipan Corporation it will at its own expense and risk secure all required CNMI Government and applicable Federal **permits for the development and construction** to be completed on the Premises. This should occur on or about September 21, 2009. This date is also the deadline<sup>1</sup> to proffer **proof of sufficient financing** as well as **complete construction plans and specifications**.

If Neo Gold Wings Paradise Saipan Corporation fails to secure financing for the construction of the casino, hotel resort, international conference hall, theme/amusement park, golf courses and all other associated resort facilities within six (6) months of the Commencement Date, the Lease shall automatically be terminated and Neo Gold Wings Paradise Saipan Corporation shall vacate the premises.

Your Committees find that these dates seem difficult to comply with, but note that these are the result of negotiation between the parties, who appear highly motivated.

The new lease agreement is a major investment which has the potential to dramatically impact the economies of the Second Senatorial District and the CNMI as a whole. Job opportunities will be available both during the construction and post construction periods of the project and the lessee is willing to provide training opportunities for residents. The Committees further find that this new development is greatly beneficial to the entire Commonwealth as it stimulates direct and indirect economic activity during times of economic decline.

---

<sup>1</sup> This deadline assumes a Commencement Date of March 21, 2009.

Your Committees note that this proposal incorporates an initial term of 25 years as well as the Constitutionally permitted extension of not more than 15 years. Your Committees find that both parties stress that the current economic climate dictates that the additional time is necessary for financing to be secured. Your Committees agree with this position.

Finally, and of utmost importance, Your Committees find that this lease and the extended term adequately protect and benefit the interests of the owners of the land, persons of Northern Marianas descent as defined by the Commonwealth Constitution.

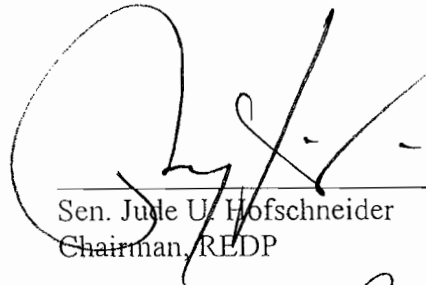
### III. CONCLUSION

Your House Committee on Natural Resources and Senate Committee on Resources, Economic Development and Programs recommend that the Public Land Lease Agreement between Neo Gold Wings Paradise Saipan Corporation and the Department of Public Lands be approved by the Legislature.

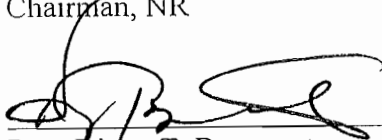
Respectfully Submitted,



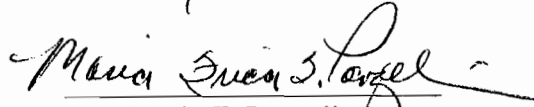
Rep. Ramon A. Tebuteb  
Chairman, NR



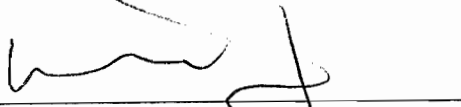
Sen. Jude U. Hofschneider  
Chairman, REDP



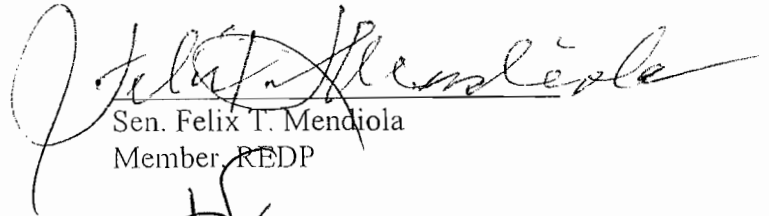
Rep. Diego T. Benavente  
Vice Chairman, NR



Sen. Maria T. Pangelinan  
Vice Chairperson, REDP



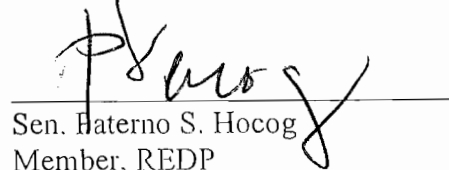
Rep. David M. Apatang  
Member, NR



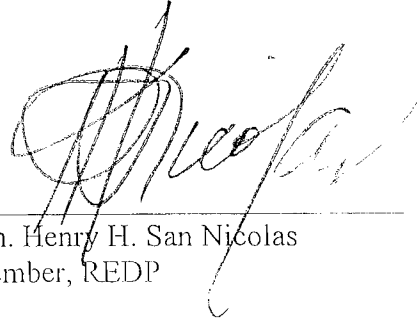
Sen. Felix T. Mendiola  
Member, REDP



Rep. Oscar M. Babauta  
Member, NR

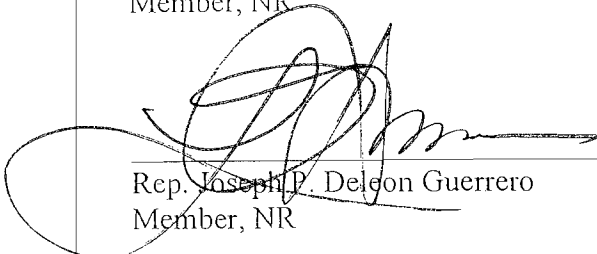


Sen. Haterno S. Hocog  
Member, REDP



Sen. Henry H. San Nicolas  
Member, REDP

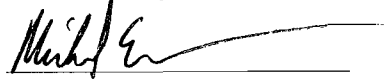
Rep. Joseph N. Camacho  
Member, NR



Rep. Joseph P. Deleon Guerrero  
Member, NR

Rep. Raymond D. Palacios  
Member, NR

Reviewed By



Legal Counsel

Attachments:

- A. Public Land Lease Agreement between Neo Gold Wings Paradise Saipan Corporation and the Department of Public Lands
- B. Notice of Proposed Lease of Public Land
- C. Map identifying the land lease area
- D. Notice of Public Hearing issued by the House Committee on Natural Resources and Senate Committee on Resources, Economic Development and Programs
- E. Letter of support from the 12<sup>th</sup> Tinian Municipal Council to Senator Jude U. Hofschneider dated February 12, 2009
- F. Petition

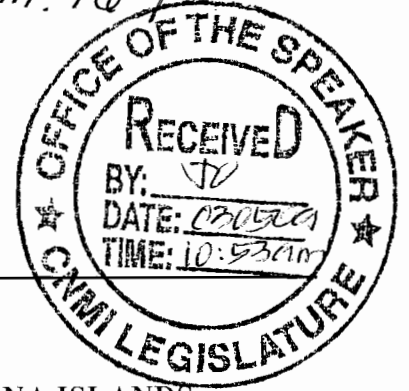


# ATTACHMENT

## A

Public Land Lease Agreement between Neo Gold Wings  
Paradise Saipan Corp. and the Department of Public Lands





(Space Above for Recording Purposes Only)

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN, MARIANA ISLANDS

LEASE AGREEMENT  
(LA 09-03T)

THIS Lease Agreement (hereinafter the "Lease") is made and entered into this 4th day of March 2009, by and between the **DEPARTMENT OF PUBLIC LANDS**, (hereinafter the "DPL"), established under Public Law 15-2, having authority and responsibility over the management, use and disposition of public lands in the Commonwealth, whose offices are located in Dandan, Saipan, Northern Mariana Islands, and **NEO GOLD WINGS PARADISE SAIPAN CORPORATION d.b.a. NGP CASINO AND HOTEL, a CNMI Corporation** (hereinafter the "Lessee"), its successors and assigns.

WITNESSETH THAT:

**WHEREAS**, The Lessee desires to lease public land in Tinian, Commonwealth of the Northern Mariana Islands, for the purpose of constructing, developing, and operating a casino and hotel resort with golf courses, an international conference hall, theme/amusement park and associated facilities; and

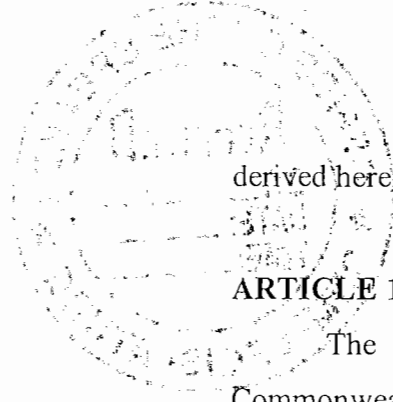
**WHEREAS**, The public land consists of more than five (5) hectares and therefore requires Legislative approval; and

**WHEREAS**, the DPL, being responsible for the management, use and disposition of public lands in the Commonwealth finds it desirable, beneficial and in the interest of the Commonwealth and public land beneficiaries to permit the Lessee to use public land for such purpose.

**NOW THEREFORE**, in consideration of the mutual covenants and benefits to be

1:30 pm 3/5/09  
[Signature]

DEPARTMENT OF PUBLIC LANDS  
P.O. Box 500380, Saipan, MP 96950



derived herein, the parties agree as follows:

**ARTICLE 1: GRANT OF LEASE**

The DPL leases to the Lessee unsurveyed public land located in Piña, Tinian, Commonwealth of the Northern Mariana Islands (hereinafter the "Premises"). The Premises contains approximately 300 hectares, as shown on Exhibit "A".

**ARTICLE 2: PURPOSE**

The Lessee shall use the Premises to construct, develop and operate a casino and hotel resort with an international conference hall, theme/amusement park, water park, outdoor concert hall, zoological garden, golf courses and other hotel associated amenities.

**ARTICLE 3: TERM**

The term (hereinafter the "Term") of this Lease shall be for a period of twenty-five (25) years, unless otherwise terminated or cancelled pursuant to applicable provisions of this Lease. The Term shall commence (hereinafter the "Commencement Date") fifteen (15) calendar days from the date of approval of the Lease by the Northern Mariana Islands Commonwealth Legislature.

**ARTICLE 4: OPTION TO EXTEND TERM**

DPL grants the Lessee an option to extend this Lease for one (1) additional term of fifteen (15) years, subject to the approval of the Northern Mariana Islands Commonwealth Legislature in accordance with the mandate set out in Article XI, § 5(c) of the Constitution of the Northern Mariana Islands. Lessee has decided to exercise the option to extend this Lease, and submits the Lease for approval by the Commonwealth Legislature.

**ARTICLE 5. LEGISLATIVE REVIEW AND APPROVAL PERIOD**

The Lessee shall have three (3) months to secure legislative approval of this Lease after submission to the Legislature. If the Lessee requires additional time, it must notify the DPL in writing stating the reason for delay in securing the necessary approval.

**ARTICLE 6. RENTAL**

The Lessee, in consideration of the foregoing, shall pay to the DPL, in the manner prescribed herein, in lawful money of the United States, annual rental for the Premises in the amounts set out in the schedule below:

**A. Rental Schedule**

**1. Casino, Golf Courses and Hotel Resort Development, Related Amenities, Improvements and Infrastructure, on an area containing approximately 3,000,000 square meters.**

PERIOD	GUARANTEED ANNUAL MINIMUM	ALTERNATIVE PERCENT OF GROSS RECEIPTS
1 <sup>st</sup> Five-Year Period		
Year One	\$72,000.00 (2%)	Not Applicable
Year Two	\$72,000.00 (2%)	Not Applicable
Year Three	\$72,000.00 (2%)	or 3%, whichever is greater
Year Four	\$108,000.00 (3%)	or 3%, whichever is greater
Year Five	\$108,000.00 (3%)	or 3%, whichever is greater
2 <sup>nd</sup> Five-Year Period		
Year One	4% of Fair Market Value	or 3%, whichever is greater
Year Two	4% of Fair Market Value	or 3%, whichever is greater
Year Three	5% of Fair Market Value	or 3%, whichever is greater
Year Four	6% of Fair Market Value	or 3%, whichever is greater
Year Five	6% of Fair Market Value	or 3%, whichever is greater
3 <sup>rd</sup> Five-Year Period	7% of Fair Market Value	or 3%, whichever is greater
4 <sup>th</sup> Five-Year Period	8% of Fair Market Value	or 3%, whichever is greater
5 <sup>th</sup> Five-Year Period	8% of Fair Market Value	or 3%, whichever is greater

The percent of gross receipts listed above shall be assessed against the gross receipts, as defined in Article 43G. Should the Guaranteed Annual Minimum rental be less than the Alternative Percent of Gross Receipts in any quarter, the Lessee shall pay to the DPL the difference within forty-five (45) days from the end of the quarter in which the difference occurs, with adjustments, if any, to be made at the end of every calendar year

upon the submission of the annual certified financial statements as provided in Article 8 hereof. A copy of the CNMI Business Gross Revenue Tax Quarterly Return must be submitted quarterly, together with the computation of the quarterly gross receipts rental to substantiate the additional payment or non-payment.

**B. Manner of Payment.** The Lessee shall discharge its obligation of payment by depositing the payments required under this Article with the Department of Public Lands office, located in Dandan, Saipan, Northern Mariana Islands, or at a location as the DPL may from time to time designate in writing.

**C. Time and Payment; Interest; Amortization.** All rents payable pursuant to the terms of this Lease shall be deemed to have commenced on the first day of the month after the Commencement Date of this Lease, and shall be paid without prior notice or demand. Past due rental payments shall bear interest at one percent (1%) per month compounded monthly, from the date it becomes due until paid. This provision shall not be construed to relieve the Lessee from any default in making any rental payment at the time and in the manner herein specified, but is subject to the amortization provisions set forth herein.

#### **ARTICLE 7. APPRAISAL AND DETERMINATION OF RENTAL AFTER EACH FIVE YEARS**

At the end of the initial five (5) year period of this Lease and each succeeding five (5) year period, the Guaranteed Minimum Annual Rental payable by the Lessee to the DPL shall be based upon the percentage of the appraised fair market value of the unimproved land as of the commencement of each five-year period, or the percent of gross receipts pursuant to Article 6A and as defined in Article 43G, whichever is greater. An independent appraiser who must be a member of a nationally accepted appraisal society, to be selected by agreement between the DPL and the Lessee, will determine the appraised market value. In the event that the DPL and the Lessee cannot reach an agreement on the selection of the appraiser, a committee of three (3) arbitrators being selected by the other two will select the appraiser. The cost of appraisal will be borne by the Lessee.

## ARTICLE 8. ANNUAL REPORTS AND AUDIT

The Lessee shall, not later than forty-five (45) days after the end of each calendar year of this Lease, submit to DPL financial statements audited by public accountants certified in the United States, which shall include a schedule of gross receipts indicating sources and deductions in support of the gross receipts rental requirement under Article 6A. Any duly authorized representative of the DPL shall have access to and the right to examine and audit any or all pertinent books, documents, papers and records of the Lessee and its sublessees and concessionaires relating to this Lease during the normal business hours of any working day. Lessee shall insert a similar provision in all subleases pertaining to this right of access, examination, and audit, and shall make available to said representative(s) or agent(s) all books and records of the Lessee or its sublessees and concessionaires which may be requested or may be necessary for completion of a special audit of any or all activities or enterprises conducted on the Premises.

The Lessee shall keep and maintain its accounting and bookkeeping system in accordance with generally accepted accounting principles applicable to the industry. The Lessee shall keep its accounting books and records at all times in the English language.

## ARTICLE 9. PERMITS, CONSTRUCTION PLANS, SPECIFICATIONS AND SURVEYS

**A. Permits.** The Lessee agrees and covenants that within six (6) months from the Commencement Date of this Lease, it will at its own expense and risk secure all required CNMI Government and applicable Federal permits for the development and construction to be completed on the Premises. Copies of such permits must be delivered to the DPL within five (5) days of their issuance. If the Lessee requires additional time to secure the permits, it must notify the DPL in writing of the reason for the delay in securing the necessary approval and its request for extension. The DPL shall review the Lessee's request for extension and provide for additional time if the extension is necessary.

**B. Financing of Project.** The Lessee agrees and covenants that within six (6) months from the Commencement Date of this Lease, it shall submit to DPL evidence of its sources of financing for the proposed construction and development of the hotel with villas and associated resort facilities. The document listing the sources of financing must be

drafted with sufficient specificity to be verifiable and acceptable to the DPL.

**C. Construction Plans and Specifications.** The Lessee agrees and covenants that within six (6) months from the Commencement Date of this Lease, it will at its own cost, risk and expense, submit to the DPL its complete construction plans and specifications, which must include a conceptual design of the development of the Premises. Upon submittal by the Lessee, the DPL shall have thirty (30) working days to review the submitted construction plans and specifications and to notify the Lessee of approval or disapproval of the plans. In the event that changes are necessary, the DPL shall give the Lessee reasonable time to make the necessary changes to the plans for re-submittal. If the DPL does not notify the Lessee in writing of the status of the submitted plan within the thirty (30) working day review period, then the plans and specifications are deemed approved.

**D. Compliance with Financing of Project.** The Lessee agrees and covenants to adhere to the financing and construction deadlines set forth in Sections B and C of this Article. Lessee covenants and agrees that if it fails to secure financing for the construction of the casino, hotel resort, international conference hall, theme/amusement park, golf courses and all other associated resort facilities within six (6) months of the Commencement Date, the Lease shall automatically be terminated and the Lessee shall vacate the premises in accordance with the terms of ARTICLE 29: Default. Lessee agrees and covenants to provide verifiable evidence of such financing by submitting bank statements, letters of credit, or other such financing evidence.

**E. Surveys and Easement.** The land areas subject to this Lease will be surveyed in accordance with Article 2 hereof, and Lessee shall solely be responsible for the cost of the ground, perimeter, and topographic surveys. Lessor shall not reimburse any amount of money to Lessee to cover cost incurred to complete the ground, perimeter, and topographic surveys.

Lessor and Lessee shall immediately work on completing the surveys within a reasonable time after the Commencement Date of this Lease, but in no event shall the ground and topographic surveys exceed twelve months to complete. Lessor and Lessee

shall amend Article 1 accordingly to incorporate the exact description of the area of the Premises no later than thirty (30) days after the perimeter ground and topographic surveys have been completed.

This Lease is subject to Lessee completing the survey of the Premises, which at the time of making this Lease has not been surveyed. This Lease is also subject to existing easements and rights-of-ways, which easements and rights-of-ways are reserved to Lessor and the Commonwealth of the Northern Mariana Islands government. Surveys shall be coordinated with and reviewed by the Lessor and submitted to the Division of Lands and Surveys for approval.

The Lessee shall and will at its own cost and expense, survey or cause to be surveyed, the Premises. The Premises is estimated to contain a land area of approximately 300 hectares; however, this land area may be less or more than 300 hectares. The Premises shall not include any existing rights-of-way or easements.

Lessor gives Lessee non-exclusive easement and right-of-way for the purpose of using, maintaining and, with the prior consent of the Lessor (which consent Lessor shall not unreasonably withhold), improving the approximately twenty-six foot wide roadway or forty-foot after said existing twenty-six foot roadway has been improved (asphalted or concreted), which presently provides access to Piña. The easement will be valid throughout the term of the Lease.

#### **ARTICLE 10. CONSTRUCTION SCHEDULE**

The Lessee agrees and covenants that within the time hereinafter stipulated, it will at its own cost, risk and expense, build, construct, fully equip and furnish, structures and associated facilities according to the following schedule:

The construction of the entire casino, hotel resort, international conference hall, theme/amusement park, golf courses and other related amenities shall commence within six (6) months after the review and approval of the plans and specifications by the Lessor and other CNMI government regulatory agencies (including but not limited to the Department

of Public Works and Division of Environmental Quality) and shall be complete no later than thirty (30) months from start of construction. Because of the size of the lease, approximately 300 hectares, it is important to the People of the Northern Marianas that the entire Premises be used and not lay vacant and unimproved but leased. Thus, it is a condition of the Lease that failure to finish construction on, or failure to utilize the entire Premises, within the thirty (30) month time limit after approval of the plans and specification, will require the Lessee to return to Lessor all areas not developed by Lessee.

#### **ARTICLE 11. EXCUSED DELAY OF PERFORMANCE**

Whenever under this Lease a time is stated within which or by which original construction, repairs, reconstruction or other performance by the Lessee shall be commenced or be completed, and a failure or delay in such performance is due, in whole or in part, to fire, explosion, earthquake, storm, flood, drought or other unusually severe weather conditions, accident, breakdown of machinery or facilities, strike, lockout, combination of workmen, war, insurrection, riot, act of God or the public enemy, or any contingency or delay or failure or cause of any nature beyond the reasonable control of either party, whether or not of the kind hereinbefore specified and whether or not any such contingency is presently occurring or occurs in the future, including but not limited to, the discovery of human remains, fossils, bones, and relics considered to be of historical importance or value, and such failure or delay does not result from the fault or negligence of the Lessee, the period of delay so caused shall be added to the period allowed herein for the completion of such work provided, however, that the Lessee shall notify the DPL in writing within thirty (30) days after the occurrence of any of the above events.

#### **ARTICLE 12. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION**

All improvements, renovations, and repairs placed on the Premises shall be constructed in good and workmanlike manner and in compliance with applicable laws, regulations, ordinances, and building codes. All portions of buildings located upon the Premises exposed to perimeter properties or to the public view shall present a pleasant appearance, and all service areas shall be screened from public view. The Lessee shall, at

all times during the Term of this Lease and at the Lessee's sole cost and expense, maintain the Premises and all improvements thereon in good order and repair and in a neat, sanitary and attractive condition.

Unless the same are to be promptly replaced with improvements having at least an equal value, no removal or demolition of improvements which has a value in excess of \$25,000.00 shall take place without the prior written consent of the DPL. No additions having a value in excess of \$100,000.00 shall be constructed on the Premises without the prior written consent of the DPL. The Lessee shall indemnify and hold harmless the DPL and the CNMI Government against liability for all claims arising from the Lessee's failure to maintain the Premises and the improvements situated thereon as hereinabove provided, or from the Lessee's violation of any law, ordinance, or regulation applicable thereto.

#### ARTICLE 13. GUARANTEE OF LOCAL EMPLOYMENT AND MANAGEMENT TRAINING PROGRAM

The Lessee, in consideration for the granting of this Lease, covenants and agrees to the following:

**A. Local Employment.** Lessee shall ensure that no less than twenty (20%) of the leased Premises employees shall be CNMI residents. Lessee shall comply with 3 CMC §§ 4413 and 4436(a).

**B. Job Training.** The Lessee shall develop and implement a job training program with such government agencies as WIA, Office of Personnel Management, and NMC, with the approval of the Secretary of Commerce and the Director of Labor, to train CNMI residents in the type of jobs required by the Lessee in the operation and maintenance of the leased Premises.

**C. Management Opportunities.** The Lessee shall undertake all reasonable efforts to encourage, induce and promote qualified CNMI residents to positions of increasing responsibility and management levels in the operation and maintenance of the leased Premises. The Lessee shall make an annual report to the Secretary of Commerce and the Director of Labor on the status of the Lessee's effort to place CNMI residents in management level positions.

## ARTICLE 14. PUBLIC BENEFIT OBLIGATIONS

The Lessee, in consideration for the granting of this Lease, covenants and agrees to provide the following for the benefit of the general public and residents of the CNMI.

**A. Public Stock Ownership.** The Lessee shall reserve and sell ten (10%) of its corporate shares to the people of the CNMI through a public offering within the CNMI.

**B. Protection, Maintenance and Public Access to Major Archaeological and Historic Sites.** The Lessee, at its own cost and risk, shall protect and maintain for the benefit of the general public those sites, objects and features possessing historic and/or archaeological significance which have been identified through appropriate professional archaeological surveys conducted in advance of the leased Premises development. These archaeological surveys, which shall be conducted at Lessee's expense, shall be developed and implemented in consultation with the Division of Historic Preservation, Department of Community and Cultural Affairs. The Lessee shall also provide adequate corridors for reasonable public access to these sites.

**C. Shoreline Access.** The Lessee, at its own cost and risk, shall provide and construct reasonable public shoreline access through and along its leased Premises. The shoreline access plan must be coordinated with and be reasonably agreed upon by the Lessee and the Office of Coastal Resources Management and/or other agency responsible for such activity. In addition, Lessee, at its own cost and risk, shall provide and construct beach pavilions and restroom facilities at beach areas.

**D. Local Rate and Accessibility of Hotel, International Conference Hall, Theme/Amusement Park, Water Park, and Golf Courses Related Facilities.** The Lessee shall provide for local rates and for accessibility to the hotel, conference hall, theme/amusement park, water park, golf courses and related amenities for CNMI residents. In the event that specified rates and accessibility cannot be mutually agreed upon, the Chief Justice or an Associate Justice of the Commonwealth Supreme Court may appoint an arbitrator or arbitrators or the parties shall appoint an arbitrator or arbitrators who shall resolve any dispute between the parties. In the event that either of the above local rates are provided for by law, then that part of this section pertaining to that particular local rate shall be null and void.

## ARTICLE 15. SUBLEASE, ASSIGNMENT, TRANSFER, CONCESSIONS

**A. Consent Required.** Except with the prior consent in writing of the DPL in each instance, Lessee shall not, with respect to development on the public land leased hereby:

(1) Assign, lease, sublease, sell, convey, mortgage, encumber, transfer or dispose of all or any part of Lessee's interest in or to the Premises, or permit the Premises to be used or occupied by others; or

(2) Enter into a management contract or other arrangement by which the activities engaged in on the Premises shall be managed and operated by anyone other than Lessee; or

(3) Grant concessions, permits, or otherwise contract for or permit any business or commercial enterprise or activities to be constructed or performed on the Premises by any person other than the Lessee, unless the following conditions are met:

(i) The availability of such concession, permit or enterprise shall be advertised in a newspaper of general circulation in the Northern Mariana Islands;

(ii) First priority in granting the concession, permit or enterprise shall be given to bona fide residents of the Northern Mariana Islands;

(iii) The granting of such concession, permit or enterprise shall be subject to the approval of DPL or its successor.

For the purposes of this condition, "concession, permit or enterprise" shall mean a privilege or right to sell products or perform services, which are peripheral to Lessee's proprietary use of the Premises.

Provided, however, Lessee may transfer, assign or sublease this Lease to any affiliate or subsidiary of the Lessee in existence at the time of execution of this Lease, without the consent of the DPL. Provided further that such assignment or sublease does not result in a change of control as defined in Article 15(B).

The consent by the DPL to an assignment, transfer, management contract, or subletting may be granted, denied or made subject to such conditions as the DPL finds it in the best interest of its beneficiaries. Any purported assignment, lease, sublease, sale, conveyance, transfer, mortgage or encumbrance of this Lease, whether written or oral, or any other action for which DPL consent is needed as outlined above, to which the DPL has not given its prior consent is null and void and is of no force or effect and is a violation of

this Lease. No sublease, assignment, transfer, or contract shall be valid without the approval of the DPL, and then only if the respective sublessee, assignee, transferee, or other contracting party agrees in writing that the provisions of this Lease bind such sublessee, assignee, transferee, or contracting party.

Once given, the DPL's consent shall not relieve Lessee, or any subsequent sublessees, assignees or transferees, in any way from obtaining the prior consent in writing of the DPL to any further assignment, transfer, management contract, or subletting.

For purposes of this section, "Premises" includes any portion of the leased premises or any improvement on the leased premises, and "Lessee" includes Lessee's employees, successors and assigns.

**B. Change in Control of Lessee.** If the sale, assignment, transfer, use, or other disposition of any of the issued and outstanding capital stock of Lessee (or of any successor or assignee of Lessee which is a corporation), or of the interest of any general partner in a partnership owning the leasehold estate created hereby, or of the interest of any member of a joint venture, syndicate, or other group which may collectively own such leasehold estate, shall result in changing the control of Lessee or such other corporation, partnership, joint venture, syndicate, or other group, then such sale, assignment, transfer, use, or other disposition shall be deemed an assignment of this Lease and shall be subject to all the provisions of this Lease with respect to assignments.

For purposes of this Article, if Lessee is a corporation or a limited liability company, "change of control" shall mean any dissolution, merger, consolidation, or other reorganization of Lessee, or the sale or other transfer of a controlling percentage of the capital stock of the Lessee, or the sale of greater than fifty percent (50%) least of the value of the assets of the Lessee. The term "controlling percentage" means the ownership of, and the right to vote, stock possessing at least fifty percent (50%) of the combined total voting power of all classes of Lessee's capital stock issued, outstanding and entitled to vote for the election of directors.

For purposes of this Article, if Lessee is a partnership, joint venture, syndicate or other group which collectively holds this Lease, "change of control" means a withdrawal or change, voluntary or involuntary or by operation of law, of any partner, individual or entity owning greater than fifty percent (50%) of the beneficial interest in the partnership,

joint venture, syndicate or other group.

For the purposes of this Article, "control" of any corporation shall be deemed to be vested in the person or persons owning more than fifty percent (50%) of the voting power for the election of the Board of Directors of such corporation, and "control" of a partnership, joint venture, syndicate, or other group shall be deemed to be vested in the person or persons owning more than fifty percent (50%) of the general partner's interest in such partnership or of the total interest in such joint venture, syndicate, or other group. For purposes of determining control by a person, members of the family of any assignor or transferor shall be included. For purposes of this section, "members of the family" include a person's spouse, grandparents, parents, brothers and sisters, nephews and nieces, and children by adoption and by blood. Lessee shall furnish an annual statement to the DPL that includes the names and addresses of all stockholders in any corporation or general partners in any partnership holding this Lease, showing the number of shares of stock owned by each stockholder of such corporation, or the respective interest of the partners in such partnership, as the case may be. Such statement shall be signed under oath by an officer of each corporation and by a general partner of each partnership holding this Lease.

**C. Reorganization of Lessee.** Notwithstanding Article 15B above in connection with any reorganization of Lessee, Lessee may, subject to the DPL's prior written consent, assign this Lease to a corporation, company, general partnership or limited partnership if 1) Lessee, or any parent subsidiary or other affiliate of Lessee, is a general partner, in the case of a partnership, or is the owner of a controlling percentage of the corporate or company assignee, and 2) the assignee executes an agreement assuming Lessee's obligations hereunder and 3) the DPL is given sixty (60) days prior written notice of such assignment.

**D. Notice to DPL.** Lessee shall furnish a statement of ownership/control to the DPL prior to the Commencement Date of this Lease, and on the same date annually thereafter. If Lessee is a corporation, such statement shall include the names and addresses of all principal stockholders and officers in any corporation acting as Lessee, which stockholder(s) own more than ten percent (10%) of the total combined voting power of all classes of Lessee's capital stock issued, outstanding and entitled to vote for the election of directors. If the Lessee is a partnership, joint venture, syndicate or other group, such statement shall include the name, address and respective interest of each person or entity

with an interest in the partnership, joint venture, syndicate or other group.

**E. Assignee's Duties.** No assignment, sublease or transfer made with DPL's consent shall be effective until there shall have been delivered to DPL an executed counterpart of such assignment, sublease or transfer containing an agreement, in recordable form, executed by the assignor, sublessor or transferor and the proposed assignee, sublessee or transferee in which the latter assumes due performance of the obligations on the former's part to be performed under this Lease to the end of the leasehold term.

**F. Assignment Fee.** If the DPL consents to an assignment, it shall assess a fee of twenty-five percent (25%) of the capital gain attributable to the leased land. The term "capital gain" is defined as the sale amount less the book value of all the improvements and fixtures. Lessee shall pay the fee at closing of the assignment.

**G. Transfer Fee.** If the DPL consents to an assignment, or other transfer of the leased Premises, as particularly described in Article 1 of this Lease, it shall assess a capital gain fee of 25% of profits from the Lease transfer. The transfer fee shall be assessed and Lessee shall pay the fee at closing of the transfer.

#### ARTICLE 16. STATUS OF SUBLEASES

Termination of this Lease, in whole or in part, by cancellation or otherwise, shall not serve to terminate subleases, concessions, or sub-tenancies, but shall operate as an assignment to the DPL of any and all such subleases, concessions, and sub-tenancies.

#### ARTICLE 17. AGREEMENTS FOR UTILITY LINES

The Lessee shall have the right to enter into agreements with public utility companies or with the Government of the Commonwealth of the Northern Mariana Islands and/or any of its agencies to provide utility services, including water, electricity, telephone, television, and sewer lines necessary to the full enjoyment of the Premises and the development thereof in accordance with the provisions of this Lease. Subject to prior consultation with Lessee, the DPL reserves the authority to grant utility rights-of-way across the Premises. The Lessee shall furnish to the DPL executed copies thereof together with a plat or diagram showing the true location of the utility lines to be constructed

in accordance therewith. Nothing herein contained shall be deemed to imply an obligation on the part of DPL to furnish Lessee with any water services or other utilities whatsoever. It is expressly understood that the Lessee shall obtain such services at its sole cost and expense.

#### ARTICLE 18. RIGHTS-OF-WAY FOR UTILITY LINES

The DPL hereby agrees to grant rights-of-way on or across public lands for utility lines necessary to the full enjoyment of the Premises and the full development thereof. Such rights-of-way are to be granted by the DPL in accordance with the approved general development and construction plans.

#### ARTICLE 19. RIGHT OF MORTGAGE

The Lessee, its successors and assigns may, subject to the express prior written approval of the DPL, mortgage this Lease and the Lessee's interest hereunder, provided that no holder of any mortgage of this Lease or the Lessee's interest hereunder, or any one claiming by, through or under any such mortgage shall, by virtue thereof, except as provided in Article 19 hereof, acquire any greater rights hereunder than the Lessee, and no mortgage of this Lease or the Lessee's interest hereunder, in whole or in part, by the Lessee or the Lessee's successors or assigns shall be valid, unless: (i) at the time of the making of such mortgage, there shall be no default under any of the agreements, terms, covenants and conditions to be performed by the Lessee under this Lease; (ii) such mortgage shall be subject to all the agreements, terms, covenants and conditions of this Lease, (iii) any such mortgage shall reserve to the DPL prior right, in the event of Lessee's default under the same and after notice of the same character and duration as required to be given to Lessee, to correct the default or to purchase the same and terminate this Lease; and (iv) such mortgage shall contain the following provisions:

This instrument is executed upon condition that (unless this condition be released or waived by the DPL or its successors in interest by an instrument in writing), no purchaser or transferee of said Lease at any foreclosure sale hereunder, or other transfer authorized by law by reason of a default hereunder where no foreclosure sale is required, shall, as a result of such sale or transfer, acquire any right, title or interest in or to said Lease or the leasehold estate hereby mortgaged unless (i) the DPL shall receive written notice of such sale or

transfer of said Lease within fifteen (15) days after the effective date of such sale or transfer and (ii) a duplicate original copy of the instrument or instruments used to effect such sale or transfer shall be delivered to the DPL within thirty (30) days after the execution and delivery thereof.

Any mortgage entered into shall be in strict compliance with all applicable laws and regulations, including mortgage security instrument laws, or applicable constitutional provisions, in order to be valid and enforceable.

All funds received pursuant to any mortgage of the leasehold property shall be expended only for leasehold improvements within the Northern Mariana Islands.

#### **ARTICLE 20. RIGHTS OF LEASEHOLD MORTGAGEES**

If the Lessee or the Lessee's successors or assigns shall mortgage this Lease or its interest in the Premises, in accordance with the provisions of this Lease, then so long as any such leasehold mortgage, as hereinafter defined, shall remain unsatisfied of record, the following provisions shall apply:

**A. Notice to Mortgagee.** The DPL shall serve upon the Lessee or the Lessee's successors or assigns any notice of default pursuant to the provisions of Article 29 or any other notice under the provisions of or with respect to this Lease. The Lessee or the Lessee's successors or assigns shall thereafter serve a copy of such notice upon the holder of the then existing mortgage of this Lease of the Premises. Service of such notice of default upon the Lessee or the Lessee's successors or assigns shall be deemed as service on the mortgagee who shall thereafter have the same period as the Lessee or the Lessee's successors or assigns for remedying the default or causing the same to be remedied, as is given the Lessee or the Lessee's successors or assigns after service of such notice upon it.

**B. Remedy.** Such leasehold mortgagee of this Lease or the Premises, in case the Lessee or the Lessee's successors or assigns shall be in default hereunder, shall, within the period and otherwise as herein provided have the right to remedy such default, or cause the same to be remedied, and the DPL shall accept such performance by or at the instigation of such leasehold mortgagee as if the same had been performed by the Lessee or the Lessee's successors or assigns.

**C. Diligent Prosecution.** No default on the part of Lessee or the Lessee's successors or assigns in the performance of work required to be performed, or acts to be done, or conditions to be remedied, shall be deemed to exist, if steps shall, in good faith, have been commenced promptly to rectify the same and shall be prosecuted to completion with diligence and continuity in accordance with Article 29 hereof, on "Default", unless otherwise specified in this Lease.

**D. Termination.** Notwithstanding while the leasehold mortgage remains unsatisfied of record, if any event or events shall occur which shall entitle the DPL to terminate this Lease, and if before the expiration of thirty (30) days after the date of service of notice of termination by the DPL all rent and other payments herein provided for then in default is fully paid, and the Lessee or the Lessee's successors or assigns shall have complied or shall be engaged in the work of complying with all the other requirements of this Lease, if any, then in default, then in such event the DPL shall not be entitled to terminate this Lease, and any notice of termination theretofore given shall be void and of no force or effect, provided, however, nothing herein contained shall in any way affect, diminish or impair the right of DPL to terminate this Lease or to enforce any other subsequent default in the performance of any of the obligations of the Lessee or the Lessee's successors or assigns hereunder.

**E. Notice of Termination.** In the event of the termination of this Lease prior to the natural expiration of the term hereof, whether by summary proceedings to dispossess, service of notice to terminate or otherwise, due to default of the Lessee or the Lessee's successors or assigns as provided in Article 29 hereof, or any other default of the Lessee or the Lessee's successors or assigns, the DPL shall serve upon the holder of the then existing mortgage on this Lease or the Premises written notice of such termination. Nothing herein contained shall release the Lessee or the Lessee's successors or assigns from any of its obligations under this Lease, which may not have been discharged or fully performed by any mortgagee of this Lease or the Premises, or its designee.

**F. First Mortgage Only.** Whenever reference is made herein to the holder of the mortgage on this Lease or the Premises, the same shall be deemed to refer only to the holder of the first record mortgage on this Lease or the Premises, if any, as shown by the records of the Commonwealth Recorder's office. Notice of such mortgage shall be sent to

the DPL by certified or registered mail, and include a copy of the recorded mortgage certified by the Commonwealth Recorder's office as to the date and time of recordation. Any notice or other communication to any such mortgagee by the DPL shall be in writing and shall be served either personally or by certified or registered airmail address to such holder or mortgagee at his/her address appearing on such records or at such other address as may have been designated by notice in writing from such holder or mortgagee to the party serving such notice of communications. Nothing contained in this Article shall be construed so as to require the DPL to serve notices upon or recognize any leasehold mortgagees other than the holder of such first mortgage on this Lease or the Premises, as aforesaid.

#### **ARTICLE 21. FIRE AND DAMAGE INSURANCE**

The Lessee shall procure upon the start of construction of the hotel, villas, water park and all other related facilities, and maintain in force during the entire Term of this Lease or any extension thereof, fire and damage insurance for the Premises in a company or companies authorized to do business in the Northern Mariana Islands, with extended coverage endorsements jointly in the names of the Lessee and the DPL, covering the full insurable value of all permanent improvements on the Premises, subject to appropriate co-insurance provisions. The policy shall contain a clause requiring that the DPL be given thirty (30) days notice prior to any cancellation or termination of the policy. A copy of such policy or policies or an acceptable certificate shall be deposited with the DPL within thirty (30) days of the same obtained by the Lessee. The Lessee shall pay all premiums and other charges payable in connection with insurance carried by the Lessee. In the event of damage to any permanent improvement on the premises, the Lessee shall reconstruct such improvement in compliance with applicable laws, ordinances, and regulations and in accordance with the applicable provisions of this Lease. Such reconstruction shall commence within six (6) months after the damage occurs and shall be pursued diligently and completed within one (1) year of the occurrence. In the event of damage to the extent of seventy-five percent (75%) or more of the total value of all permanent improvements on the Premises during the last five (5) years of the term of this Lease, the Lessee for ninety (90) days shall have the option to agree to reconstruct the

damaged improvements. Should the Lessee fail to notify the DPL in writing of the exercise of its option to reconstruct within ninety (90) days of the occurrence of damage, the Premises shall be cleared at the Lessee's expense and upon completion of such clearing this Lease shall terminate. In the event Lessee shall elect not to rebuild damaged improvements during the last five-year term of the Lease, all insurance proceeds accruing as a result of the fire or damage, shall be for the sole benefit of and made payable to the DPL, or its lawful successors and assigns. DPL agrees to allow the use a portion of the insurance proceeds to reimburse Lessee for clearing expenses. Before undertaking said expenses, Lessee shall present DPL with a proposed plan and cost estimate. DPL shall retain final approval for the expenditure of the insurance proceeds. Any damages incurred or suffered by any sublessee, assignee, mortgagee or otherwise as a result of such termination shall be borne solely by the Lessee.

#### **ARTICLE 22. LIABILITY INSURANCE**

The Lessee shall procure upon the start of construction of the casino, hotel resort, theme/amusement park, water park, golf courses and all other related facilities, and maintain in force during the entire Term of this Lease or any extension thereof, at its sole expense, commercial general liability insurance for the Premises and Operation defined herein, with the DPL and the CNMI Government as named co-insured, in a company or companies authorized to do business in the Northern Mariana Islands, in a minimum coverage of \$1,000,000 for each occurrence, \$300,000 in bodily injury per person, and \$300,000 in property damage for each occurrence, or such higher amounts as the DPL may reasonably require. Copies of such policies shall be delivered to the DPL within thirty (30) days of their issuance, and shall contain a clause stating that at least thirty (30) days' written notice shall be given to the DPL prior to cancellation or refusal to renew any such policies. Lessee agrees that if such insurance policies are not kept in force during the entire term of this Lease, the DPL may procure the necessary insurance, pay the premium therefore, and such premium shall be repaid to the DPL immediately upon the DPL's demand.

All insurance obtained by the Lessee in compliance with this Lease shall be obtained from reputable companies acceptable to the DPL.

### ARTICLE 23. NOTICES

Except as otherwise specified herein, all notices required or permitted under this Lease shall be in writing and shall be delivered in person or deposited in the United States mail in an envelope addressed to the proper party, certified or registered mail, postage prepaid as follows:

DPL: Department of Public Lands  
P.O. Box 500380  
Saipan, MP 96950

LESSEE: Neo Gold Wings Paradise Saipan  
Corporation  
P.O. Box 10001, PMB 353  
Saipan, MP 96950

or at such other address as the DPL or Lessee may from time to time specify in writing. All notices shall be deemed delivered (1) on the date personal delivery is made, or (2) on the date falling three (3) days after the date of the post mark by the U.S. Post Office of any mail or notice properly addressed and containing sufficient postage.

### ARTICLE 24. RESERVATION OF EASEMENTS/MINERAL RIGHTS

This Lease shall be subject to all existing easements, roadways, and rights-of-way across or through the Premises. The DPL and the CNMI Government retain the right at all times to cause the construction, maintenance, operation or repair of public utilities or parts thereof on the premises, including, but not necessarily limited to, electric power transmission, telegraph, telephone and pipelines, and for roads and other community projects. Lessee shall be entitled to no compensation from the DPL or the CNMI government for such uses of the Premises. The DPL hereby reserves all rights to minerals and resources on the Premises, including the right of access to and use of such parts of the surface of the Premises as may be necessary for the mining and saving of said minerals. The right of ingress to and egress from the Premises upon which public utilities and other improvements have been constructed, and for the purposes of inspection by the DPL, as well as for the performance of official duties in the maintenance, operation and repair of such utilities and other improvements is hereby reserved.

**ARTICLE 25: RIGHT OF INSPECTION; INGRESS/EGRESS**

A. The DPL and its agents shall have, upon reasonable notice, the right to enter the Premises at any time for inspection purposes in order to determine whether the provisions of the Lease are being complied with by the Lessee, to serve notices required under this Lease or for any other purpose deemed necessary by the DPL. In addition, DPL shall have the right to inspect and examine all the books, records, documents, and accounts of the Lessee or its sublessees, from time to time.

B. The DPL reserves to the CNMI Government the right to order cessation of part or all operations on the Premises until further notice should the CNMI Government, any agency thereof, or the DPL determine the Lessee is not exercising a high degree of care in protecting the safety of persons and property in the conduct of its activities on the Premises.

Regardless of the above provisions, it always remains the sole responsibility and duty of the Lessee to ensure that the operation is operated in a safe and healthful manner.

**ARTICLE 26. CONDEMNATION**

The DPL and Lessee covenant and agree that in the event the whole property hereby leased shall be taken in condemnation proceedings or by any right of eminent domain, or otherwise, for public purposes, then and on the happening of any such event, the DPL or Lessee, may terminate this Lease and the Term hereby granted and all the rights of the Lessee hereunder, and the rent shall be paid up to the date of such condemnation or termination and any unearned rent paid in advance by the Lessee shall be refunded pro rata. In the event any portion of the property hereby leased is condemned or taken by right of eminent domain or otherwise for public purposes, thereby rendering the leased property unsuitable for the purpose of Lessee as stated in Article 2 above, then and on the happening of such event Lessee may terminate this Lease and the Term hereby granted, and all the rights of the Lessee hereunder and the rent shall be paid up to the date of such termination or condemnation and any unearned rent paid in advance by the Lessee shall be refunded pro rata. If Lessee does not terminate this Lease upon such event, then the rent shall be reduced in proportion to the land taken as such bears to the total area of land leased. The DPL and the Lessee may each independently file separate claims in such

proceedings for the purpose of having the value of their respective interests determined, and the award shall be paid accordingly; but if the public or governmental authorities shall object or refuse to permit separate claims to be proved and/or distributed in such manner, the DPL will prosecute all claims for damages to the Premises on behalf of both the DPL and the Lessee (and authority to do so is hereby granted), and after deducting all reasonable expenses incurred by the DPL incident thereto, the balance of said award shall be divided between the DPL and the Lessee as established in that proceeding. In the event the DPL prosecutes the claim on behalf of both parties hereto, all such awards shall be paid to the DPL for the account of the DPL and Lessee as hereinbefore provided.

#### **ARTICLE 27: COVENANT AGAINST DISCRIMINATION**

The use and enjoyment of the Premises shall not be in support of any policy which discriminates against anyone based upon race, creed, sex, color, national origin, or a physical handicap, or as provided by Commonwealth or Federal laws.

#### **ARTICLE 28. ABANDONMENT OF PREMISES**

Should the Lessee fail to use the Premises for the purpose set forth in this Lease for a consecutive period of ninety (90) days without securing the written consent of the DPL, the Lessee shall be deemed to have abandoned the Premises, so that in such event this Lease may, at the option of the DPL, be terminated pursuant to the provisions of Article 29 hereof without further notice to the Lessee.

#### **ARTICLE 29. DEFAULT**

Time is of the essence and Lessee shall automatically be in default of this Lease if:

**A. Failure to pay.** Upon notice, Lessee shall fail to pay any installment or rent hereby reserved or shall fail to pay any taxes or other charges required to be paid by Lessee within sixty (60) days after the due date under the terms of this Lease.

**B. Other breach of Lease.** Lessee shall breach any term, provision or covenant of this Lease, other than the payment of rent, taxes, or other charges, and fails to cure such breach within sixty (60) days from and after written notice from the DPL.

**C. Insolvency or Bankruptcy.** Lessee, its successors and assigns, becomes insolvent or file for relief under the United States Bankruptcy Code.

**D. Abandonment.** Lessee abandons the Premises as provided in Article 28.

**E. Failure to comply with Financing Deadlines.** Lessee shall fail to comply with the financing deadlines as provided by Article 9 of this Lease.

Upon the occurrence of Lessee's default of this Lease as described above, all Lessee's rights under this Lease are terminated, including, but not necessarily limited to Lessee's right to use the Premises.

Any notices, as may be required by law or this Lease, shall be delivered as provided by Article 23 of this Lease.

#### **ARTICLE 30. REMEDIES**

Upon termination of Lessee's rights under this Lease pursuant to Articles 28 or 29, the DPL may terminate this Lease and may, upon fifteen (15) days written notice, enter in, into and upon the leased premises and take possession of all buildings, fixtures and improvements, and evict Lessee without liability of trespass. The remedies herein shall not prejudice the DPL's other rights and remedies at law or equity.

#### **ARTICLE 31. OPTION TO TERMINATE**

In the event that the Lessee shall at any time be prevented from utilizing the property for the purpose herein stated for any reason beyond the reasonable control of Lessee, such as but not limited to, the failure of Lessee to receive the necessary government licenses and permits required for earth clearing and construction or by action by any government agency or judicial decree preventing Lessee from utilizing the property for the intended purpose, then and in such event, Lessee shall have the option to terminate this Lease upon ninety (90) days written notice to the DPL.

#### **ARTICLE 32. ACCORD AND SATISFACTION**

No payment by Lessee or receipt by the DPL of a lesser amount than the annual rent herein stipulated shall be deemed to be other than on account of rents due, nor shall any endorsement or statement on any check or any letter accompanying any check or

payment of rent be deemed an accord and satisfaction, and the DPL may accept such check or payment without prejudice to the DPL's right to recover the balance of such rent or pursue any other remedy provided in this Lease. In the event that the rent or any other monies which are due hereunder by Lessee are delinquent, the DPL may, upon the receipt of any payments, apply them to any account or period it shall determine in its discretion.

### **ARTICLE 33. WAIVER OF BREACH**

Waiver by the DPL of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition herein contained. The acceptance of rent by the DPL shall not be deemed to be a waiver of any of the terms or conditions including the remedies of DPL hereof. No covenant herein shall be deemed waived by the DPL unless such waiver is in writing by the DPL.

### **ARTICLE 34. EXPENSE OF ENFORCEMENT**

If an action is brought by the DPL for rent or any other sums of money due under this Lease, or if any action is brought by either the DPL or Lessee to enforce performance of any of the covenants and/or conditions of this Lease, the losing and defaulting party shall pay reasonable attorney's fees to be fixed by the Court as a part of the costs in any action.

### **ARTICLE 35: INDEMNIFY, DEFEND AND HOLD HARMLESS**

As a part of the consideration hereof, the Lessee hereby releases and forever discharges and agrees to indemnify and hold harmless the DPL, the CNMI Government, their successors, employees and assigns, from any and all injury or loss and all liability for injury or loss to persons or property which occur on the Premises or which arise out of or in connection with any activities under this Lease during the Term of this Lease, any extension thereto or during any holdover by Lessee.

As part of the consideration hereof, the Lessee also agrees to defend the DPL, the CNMI Government, their successors, employees and assigns, from and against any claim, demand or lawsuit with respect to the subject of the indemnity contained herein, whether or not such claims, demands or actions are rightfully or wrongfully brought or filed and

against all costs incurred by the DPL, the CNMI Government, their successors, employees and assigns therein. In case a claim should be brought or an action filed with respect to the subject of indemnity herein, Lessee agrees the DPL, the CNMI Government, their successors, employees and assigns may employ attorneys of their own selection to appear and defend the claim or action on their behalf, at the expense of the Lessee. The DPL, the CNMI Government, their successors, employees and assigns, at their own option, shall have the sole authority for the direction of the defense, and shall be the sole judge of the acceptability of any compromise or settlement of any claims or actions against them.

**ARTICLE 36. COVENANT OF QUIET AND ENJOYMENT**

The DPL covenants that the Lessee, upon paying the rent required herein and upon fulfilling all the conditions and agreements required of the Lessee, shall and may lawfully, peacefully and quietly have, hold, use, occupy and possess and enjoy the property during the Term agreed upon without any suit, hindrance, eviction, ejection, molestation, or interruption whatsoever of or by the DPL, or by any other person lawfully claiming by, from, under or against the DPL.

**ARTICLE 37: GOVERNMENT REQUIREMENT**

Lessee shall procure all licenses, certificates, permits, and other required authorizations from any other governmental authorities having jurisdiction over the Operation of the Lessee under this Lease. Lessee shall provide the DPL with copies of all such licenses, certificates, permits and other required authorizations from other governmental authorities pursuant to Article 9A.

**ARTICLE 38. UNLAWFUL USE AND COMPLIANCE WITH LAWS**

Lessee covenants and agrees not to use or cause or permit to be used any part of the Premises for any unlawful conduct or purpose. Lessee agrees to comply with all property, building, health, sanitation, safety and other laws and regulations of the Commonwealth of the Northern Mariana Islands, which are in effect or which may hereafter become effective.

**ARTICLE 39. HOLDOVER CLAUSE**

If the Lessee fails to vacate the Premises upon the expiration, termination or cancellation of this Lease, Lessee shall be deemed a holdover Lessee. Such holdover Lessee shall be obligated to pay the DPL a holdover fee during the holdover period of not less than 110% of the monthly-prorated Guaranteed Annual Minimum Rental for the Five Year Period immediately preceding the holdover period, or the alternative percentage of gross receipts as provided in Article 6A. Payment of such liquidated damages shall in no way constitute a limitation upon any other rights or remedies the DPL may be entitled to pursue for violation of the Lease, for trespass or illegal possession or for any other cause of action arising out of holdover Lessee's failure to vacate the Premises including the right to evict the Lessee without court action, and the cost thereof to be paid by the Lessee.

**ARTICLE 40. CONDITION OF PREMISES**

The Lessee acknowledges that it has examined the Premises prior to the making of this Lease and knows the conditions thereof, and that no representation other than those expressed herein have been made by the DPL, and the Lessee hereby accepts the Premises in its present condition at the Commencement Date of this Lease.

**ARTICLE 41: VACATING THE PREMISES**

Upon the expiration or earlier termination or cancellation of the Lease, the Lessee shall quietly and peacefully vacate the Premises and surrender the possession thereof. The DPL may, at its option, require the removal of all improvements and property on the Premises, or it may require all improvements, except removable personal property, trade fixtures and equipment, remain on the Premises and become the property of the DPL after termination of this Lease. Upon the failure or neglect of the Lessee to remove its property from the Premises or restore the Premises, the DPL, its officers or agents, may enter the Premises and remove all persons and property therefrom without recourse to any action or proceeding at law or in equity. Such removal and/or restoration shall be at the cost and expense of the Lessee, and no claim for damages of any nature whatsoever against the DPL, the CNMI Government or any officer or agent thereof shall be created by or made on account of such removal.

## ARTICLE 42: PUBLIC AUDITOR

This Lease is subject to 1 CMC § 7845. The Lessee shall provide, upon request of the Public Auditor of the Commonwealth all records and reports, and shall allow audit, inspection, access and the right to copy its books, records, documents, correspondence, and any other data and material relating to this Lease, to the Public Auditor, and do any other acts required under 1 CMC § 7845. This right of access, inspections, and copying shall continue until the expiration of three (3) years after the final payment under the Lease is made, or such other time as set forth in 1 CMC § 7845.

## ARTICLE 43. GENERAL PROVISIONS AND DEFINITIONS

**A. Waiver.** No waiver of any default of the Lessee hereunder shall be implied from any omission by the DPL to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect the default other than the default specified in the express waiver, and that only for the time and to the extent therein stated. One or more waivers of any covenant, term or condition of this Lease by the DPL shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by the DPL to or of any act by the Lessee requiring the DPL's consent or approval shall not be deemed to waive or render unnecessary the DPL's consent or approval to or of any subsequent or similar acts by the Lessee. The acceptance of Lease fees by the DPL shall not be deemed to be a waiver of any of the terms or conditions, including the remedies of the DPL. No covenant of this Lease shall be deemed waived by either party unless such waiver is in writing and signed by the party waiving the covenant.

**B. Agreement Complete.** It is hereby expressly agreed that this Lease, together with the exhibits attached hereto, contains all of the terms, covenants, conditions and agreements between the parties hereto relating in any manner to the use and occupancy of the Premises, and that the execution hereof has not been induced by either of the parties by representations, promises or understandings not expressed herein and that there are no collateral agreements, stipulations, promises or understandings of any nature whatsoever between the parties hereto relating in any manner to the use and occupancy of the Premises, and none shall be valid or of any force or effect, and that the

terms, covenants, conditions and provisions of this Lease cannot be altered, changed, modified or added to except in writing signed by the parties hereto.

**C. Interpretation.** The language in all parts of this Lease shall be in all cases construed simply, according to its fair meaning, and not strictly for or against the DPL or the Lessee. Captions and paragraph headings contained herein are for convenience and reference only, and shall not be deemed to limit or in any manner restrict the contents of the paragraph to which they relate.

**D. DPL's Representative.** The authorized representative of the DPL for purposes of this Lease shall be the Secretary of the Department of Public Lands or his/her designee.

**E. Lessee's Representative.** The authorized representative of the Lessee for purposes of this Lease shall be Hyun Myung In and Kwidong Woo, President and Treasurer, Vice President and Secretary, respectively, of the corporation.

**F. Law Governing.** This Lease shall be governed by the laws of the Commonwealth of the Northern Mariana Islands, both as to performance and interpretation therein. If any provision of this Lease shall be held invalid under the laws of the Commonwealth of the Northern Mariana Islands for any reason, the same shall in no way impair the validity of the remaining provisions of this Lease, and the remaining provisions of the Lease shall otherwise remain in full force and effect.

**G. Gross Receipts.** "Gross Receipts", as that term is used herein, means all income or revenue whatsoever, including money and any other thing of value, received by or paid to the Lessee, its sublessees or concessionaires, or received by or paid to others for the use and benefit of any of the aforementioned, derived from business done, sales made or services rendered directly from or on the leased Premises, or derived from the subleasing, sub-renting, permitting, contracting, or other use of the same. The Lessee shall not directly or indirectly divert from inclusion in Gross Receipts any income or revenue whatsoever derived from the leased Premises to any other business or enterprise located elsewhere.

The following items may be deducted from the gross receipts:

1) credits for the exchange of goods or merchandise from the premises to another store or stores owned or operated by the Lessee, its parent or affiliate, where such

exchange is made solely for the convenience of business and not for the purpose of consummating a sale previously made directly or indirectly from or upon the Premises;

2) to the extent the same shall have been included in "Gross Receipts", there shall be deducted credits to customers for returned merchandise, merchandise trade-ins, exchanges, merchandise cancellations, allowances and discounts, and any and all credits to customers of a similar nature;

3) the amount derived from the sale or other disposition of fixtures, goodwill, improvements, furnishings, equipment, accessory, appliance, utensils or any other item of property: (i) which is either sold outside the ordinary course of the Lessee's business; or (ii) which is not acquired or held by the Lessee as a stock-in-trade or inventory for resale in the ordinary course of the Lessee's business;

4) to the extent the same has been counted in the "Gross Receipts", there shall be deducted an amount equal to all income or revenue accruing or paid to the Lessee or for its benefit which is derived from the rental, leasing, or grant of facilities on the Premises to any sublessee or concessionaire primarily for the purpose of operating on the Premises a retail or wholesale sales or service facility whose income or revenue is counted as apart of the "Gross Receipts" of this Lease.

#### **ARTICLE 44. LEASE AGREEMENT BINDING**

This Lease and the covenants, conditions and restrictions hereof shall extend to and be binding upon the parties hereto, their heirs, successors and assigns and to any other person claiming to hold or to exercise any interest by, under or through any of the parties hereto.

#### **ARTICLE 45. PERSONAL GUARANTEE**

In further consideration of entering into this Lease, the undersigned Lessee guarantees full performance of all terms and conditions to be performed under this Lease, including but not limited to, prompt payment of any and all obligations that may arise under this Lease. If the Lessee is a corporation, the undersigned principal of the corporation hereby personally guarantees full performance of all terms and conditions to be performed under this Lease, including but not limited to, prompt payment of any and all obligations

exchange is made solely for the convenience of business and not for the purpose of consummating a sale previously made directly or indirectly from or upon the Premises;

2) to the extent the same shall have been included in "Gross Receipts", there shall be deducted credits to customers for returned merchandise, merchandise trade-ins, exchanges, merchandise cancellations, allowances and discounts, and any and all credits to customers of a similar nature;

3) the amount derived from the sale or other disposition of fixtures, goodwill, improvements, furnishings, equipment, accessory, appliance, utensils or any other item of property: (i) which is either sold outside the ordinary course of the Lessee's business; or (ii) which is not acquired or held by the Lessee as a stock-in-trade or inventory for resale in the ordinary course of the Lessee's business;

4) to the extent the same has been counted in the "Gross Receipts", there shall be deducted an amount equal to all income or revenue accruing or paid to the Lessee or for its benefit which is derived from the rental, leasing, or grant of facilities on the Premises to any sublessee or concessionaire primarily for the purpose of operating on the Premises a retail or wholesale sales or service facility whose income or revenue is counted as apart of the "Gross Receipts" of this Lease.

#### **ARTICLE 44. LEASE AGREEMENT BINDING**

This Lease and the covenants, conditions and restrictions hereof shall extend to and be binding upon the parties hereto, their heirs, successors and assigns and to any other person claiming to hold or to exercise any interest by, under or through any of the parties hereto.

#### **ARTICLE 45. PERSONAL GUARANTEE**

In further consideration of entering into this Lease, the undersigned Lessee guarantees full performance of all terms and conditions to be performed under this Lease, including but not limited to, prompt payment of any and all obligations that may arise under this Lease. If the Lessee is a corporation, the undersigned principal of the corporation hereby personally guarantees full performance of all terms and conditions to be performed under this Lease, including but not limited to, prompt payment of any and all obligations that may arise under this Lease. If the Lessee is a corporation, the undersigned principal of

DEPARTMENT OF PUBLIC LANDS  
P.O. Box 500380, Saipan, MP 96950

the corporation agrees to waive any corporate protection under the law pertaining to such personal guarantee of full performance of all terms and conditions to be performed by the corporation under this Lease. This personal guarantee by the Principal of a corporation Lessee may be waived in writing by the DPL at its sole discretion.

IN WITNESS WHEREOF, the parties hereunto set their respective hands, the date and year first written above.

LESSOR  
DEPARTMENT OF PUBLIC LANDS

By: *John S. DelRosario, Jr.*  
JOHN S. DELROSARIO, JR.  
Secretary

Date: *03/04/09*

COMMONWEALTH OF THE )  
NORTHERN MARIANA ISLANDS )  
SAIPAN, MARIANA ISLAND )

ACKNOWLEDGMENT

On this *04<sup>th</sup>* day of *March*, 2009, before me, a Notary Public in and for the Commonwealth of the Northern Mariana Islands, personally appeared **John S. DelRosario, Jr., Secretary of the Department of Public Lands**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the purpose set forth therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



*Theresa M. Guerrero*  
THERESA M. GUERRERO  
NOTARY PUBLIC  
Commonwealth of the Northern Mariana Islands  
My Commission expires: *March 28, 2011*  
P.O. Box 500380 CK  
Saipan, MP 96950

APPROVED AS TO FORM AND LEGAL CAPACITY:

By: *Braddock Huesman*  
BRADDOCK HUESMAN  
Assistant Attorney General  
Legal Counsel, DPL

LESSEE  
NEO GOLD WINGS PARADISE SAIPAN CORPORATION

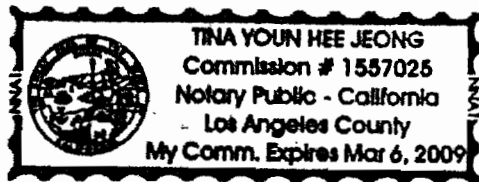
By: [Signature]  
Hyun Myung In  
President/Treasurer

Date: 02/MAR/2009

COMMONWEALTH OF THE )  
NORTHERN MARIANA ISLANDS ) ACKNOWLEDGEMENT  
)  
SAIPAN, MARIANA ISLAND )

On this 2 day of March, 2008, before me, a Notary Public in and for the Commonwealth of the Northern Mariana Islands, personally appeared **Hyun Myung In**, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the purpose set forth therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]  
Notary Public

LESSEE  
NEO GOLD WINGS PARADISE SAIPAN CORPORATION

By: [Signature]  
Kwidong Woo  
Vice President/Secretary

Date: 3-MAR-09

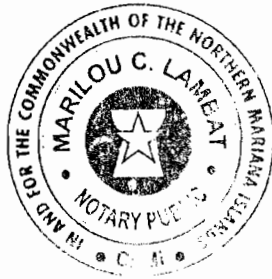
COMMONWEALTH OF THE )  
NORTHERN MARIANA ISLANDS ) ACKNOWLEDGEMENT  
)  
SAIPAN, MARIANA ISLAND )

DEPARTMENT OF PUBLIC LANDS  
P.O. Box 500380, Saipan, MP 96950

DEPARTMENT OF PUBLIC LANDS  
P.O. Box 500380, Saipan, MP 96950

On this 31<sup>st</sup> day of March, ~~2008~~, <sup>2009</sup>, before me, a Notary Public in and for the Commonwealth of the Northern Mariana Islands, personally appeared **Kwidong Woo** known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the purpose set forth therein.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



A handwritten signature in black ink, appearing to read "Marilou C. Lambat", written over a horizontal line.

Notary Public

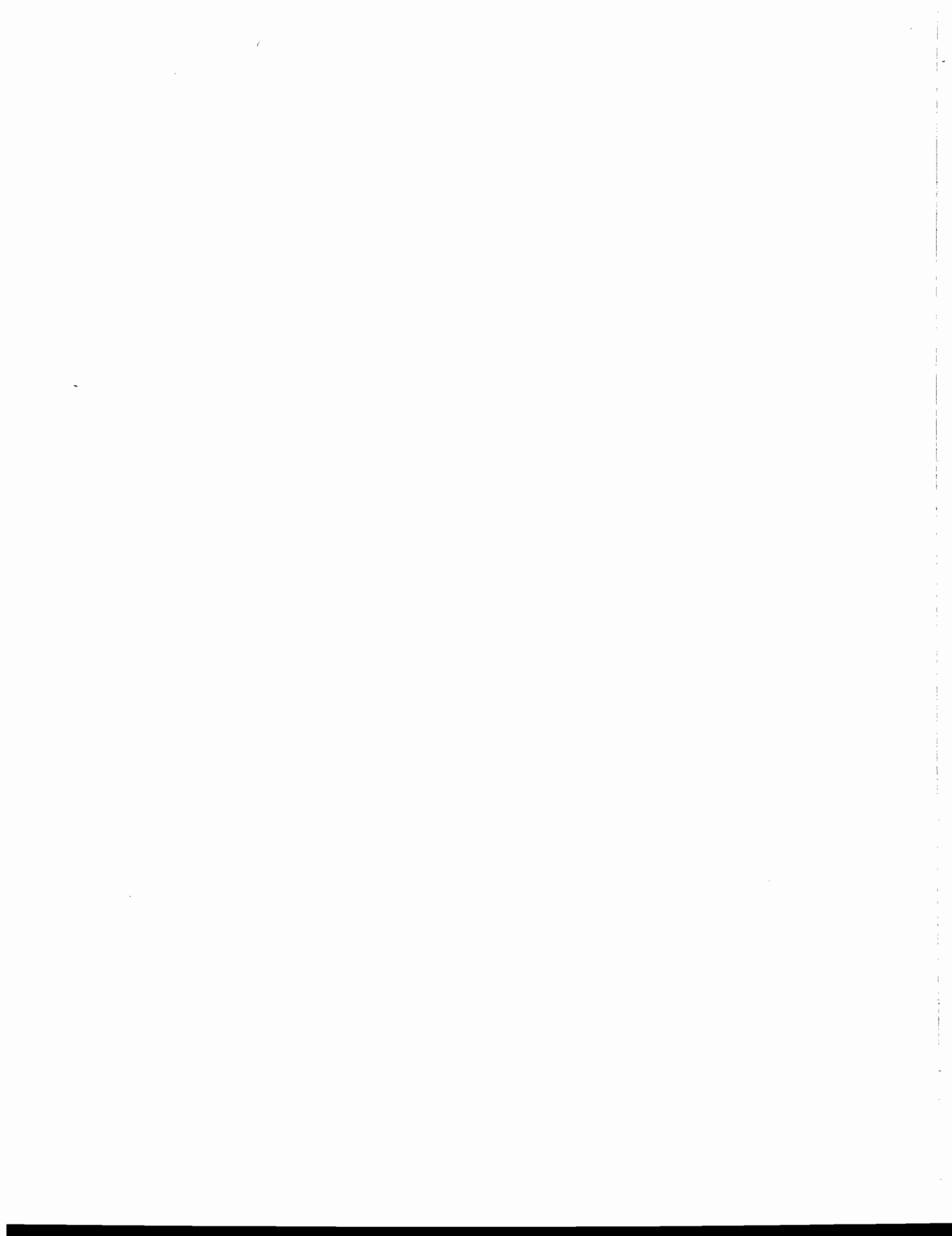
**MARILOU C. LAMBAT**

Notary Public- Reg. No. 483A

Commonwealth of the Northern Mariana Islands

My Commission expires: 2/2009

P.O. Box 505697 CK, Saipan, MP 96950



# ATTACHMENT

# B

Notice of Proposed Lease of Public Land

Email #1

from Rachel Roque <rachel@dpl.gov.mp>  
to Mike Ernest <[redacted]>  
date Mon, Mar 2, 2009 at 1:48 PM hide details Mar 2 (3 days ago) Reply  
subject RE:

Mike,

The proposed lease was announced in the Tribune. I'll scan and email documents on that for you since they were not included with the documents sent in December.

Thanks,  
Rach

---

Email #2

from Rachel Roque <rachel@dpl.gov.mp>  
to Mike Ernest <[redacted]>  
cc Braddock Huesman <[redacted]>  
date Mon, Mar 2, 2009 at 2:41 PM hide details Mar 2 (3 days ago) Reply  
subject RE:

Mike,

Attached is what was published on 1/2 page in the Saipan Tribune on the following dates:

November 8, 10, 12, 13, 14, 17, 19 and 21, 2008 (eight days total)

The public notice for Neo Goldwings in English, Chamorro and Carolinian versions....

Thank you,  
Rachel

## NOTICE OF PROPOSED LEASE OF PUBLIC LAND

The Department of Public Lands hereby gives notice of its intent, under Section 106 (b) of Public Law 15-2, to lease certain public lands on Tinian, Commonwealth of the Northern Mariana Islands. Any interested parties of the general public may submit comments, data, views, or arguments of alternative proposals for the lease of the public land. As further provided by Public Law 15-2, the following pertinent information is required to be published.

- i. The proposed lease of public land is about 300 hectares that has yet to be surveyed to which investor plans to lease for purposes of building a casino hotel and golf resort situated in the Piña Area on Tinian. A copy of the location of the parcel is available at the Department of Public Lands for review.
- ii. The prospective lessee is Neo Goldwings Paradise, Co. Ltd. a CNMI corporation. The Board of Directors of the corporation are Hyun Myung In, president/treasurer and Woo Kwi Dong, vice president/secretary.
- iii. The proposed lease was negotiated by Mr. Woo Kwi Dong.
- iv. The lessee shall use the premises solely for the purpose of developing and operating a casino hotel and golf resort and related facilities.

The term of the proposed lease agreement is 25 years, with an option to extend the lease for an additional 15 years.

The proposed annual rental during the term is based on a percentage of the appraised fair market value of the property.

- v. A copy of the proposed lease agreement may be obtained at the office of the Department of Public Lands, located on the 2<sup>nd</sup> floor of the Joeten Dandan Commercial Building in Dandan, Saipan; the 2<sup>nd</sup> floor of the Bank of Saipan Commercial Building, Rota; or the 1<sup>st</sup> floor of the Kings Commercial Building, Tinian.
- vi. The Department of Public Lands has received no alternative proposals to lease the subject public land at Piña, Tinian.
- vii. The Secretary of the Department of Public Lands shall accept written comments, views, arguments or alternative proposals from interested parties on or before November 24, 2008 at the Department of Public Lands offices located in Saipan, Rota or Tinian.

## Notisia Pot Priniponen AtkilonTano Publiko

Segun gi lai 15-2, I Depattamenton Tano, segun i LaiPubliko 15-2, ha anununsia planon atkilon tano publiko giya Tinian, Commonwealth i Sankattan siha na Islas. Todo man-interesao libre munahalom opinion `sino infotmasion pot i mapropopone na planonuson tano publiko. Maprebeniye lokue isigiente siha na infotmasion para benefision publiko tat komo:

1. I tineteka na tano publiko inembrarasa 300 hegtarias. Trabiha ti mamimide este na lugat lao i uminteres umadelanta este na tano publiko pot para u hatsaye casino hotel yan primera na golf course giya Piña, Tinian.. Kopian lugat este na situ gaige gi Depattamenton Tano ni libre maina nu i publiku.
2. I para u inatkilai era i Neo Goldwings Paradise, un kotporasion guine giya Marianas. I membron direktot siha i sigiente: Hyun Myung In, presidente/tresurario yan Woo Kwi Dong, segundo presidente yan sekretario.
3. I mapropopone na atkilon tano publiko manegosio as Señor Woo Kwi Dong.
4. I para u atkila i lugat para u usa gimahatsan fasilidat hotel casino, golf course yan otro siha na fasilidat.  
  
I tetminonestena kontrata para 25 años ya siña ma-ekstende talo 15 años.
5. Libre hao mamaisen kopianestena plano gi Depattamenton Tano ni gaige gi segundo bibienda gi Joeten Dandan, Saipan; offisinanTano Publiko giya Luta yan Tinian.
6. I Depattamenton Tano taya otro plano ha resibe gi uson este siha na propiadat publiko giya Piña, Tinian.
7. I Sekretarion Depattamenton Tano Publiko siña ha resibe todo ninahalom opinion yan materiat pot este na proposito uttimo gi Novembre 24, 2008 gi todo Offisinan Tano Publiku giya Saipan, Tinian yan Luta.

## ARONGORONG REEL POMWOL AKKILONUL FALÚWEER TOULAP

Sáangi Tálil 106 (b) mellól Alléghúl Toulap ye 15-2, Bwulasiyool Ammwelil Falúweer Toulap ekke atotoowow ammataf igha ebwe akkilaaló eghús falúw mellól Seipél, Commonwealth Téél Falúwasch Marianas. Schóókka eyoor máfiycer rebwe isisilong ischil mángámangiir, aweewe, aingiingil reel pomwol akkilonul ammwelil falúweer toulap. Me bwal Alléghúl Toulap ye 15-2, e ayoora, lamal aweewe kka rebwe mweiti ngali milikka ebwe akkatééló.

- i. Pomwol akkilonul falúweer toulap ye ebwe elebwughuw toria (300 hectares), iye rebwe tilifischi ghatchuw bwelle investors rebwe ayuuw leliyel casino me golf resort iye e ghil ngali bwuleyi! Pina mewool Tchuluyol elapeló me ngáre eghús. Tilighial bwuley yeel nge eyoor mereel Bwulasiyool Falúweer Toulap (Public Lands) ye Tchuluyol ngare óubwe ghuley fischiy.
- ii. Schéschéél schóól akkilon nge Neo Gold Wings Paradise Saipan Corporation d.b.a. NGP Casino and Hotel. Schóól Assamwoolul mwiisch (board of directors) mellól corporation nge Myung In Hyun, Kwidong Woo me Juan B. Cepeda.  
  
Samwoolul (President/Treasurer) corporation nge Myung In Hyun. Vice President me Sekkretório nge Kwidong Woo.
- iii. Schóól aweweel akkilon nge Kwi Dong Woo.
- iv. Bwulasiyool Ammwelil Falúweer Toulap nge esáál bweibwogh mwo pomwol akkilon ye elo Piña, Tchúlúyól.  
  
Tool aighúghúl pomwol akkilon ebwe ruweigh me limwoow ráágh (25 years), emmwel rebwe sóbweey ngáli bwal seigh me limwoow ráágh (15 years).  
  
Pomwol akkilon ebwe mwir sáangi llapal méél falúw (value of the property).
- v. Emmwel óubwe bwughil tilighial akkilon mellól bwulasiyool ammwelil falúweer toulap, elo aruwowal pwó(2<sup>nd</sup> floor) me Joeten Dandan Commercial Building llól Dandan, Seipél; aruwowal pwó (2<sup>nd</sup> floor) mellól Bank of Saipan Commercial Buiding, Luuta; me ngáre mmwal pwó (1<sup>st</sup> floor) mellól Kings Commercial Building, Tchúlúyól.
- vi. Bwulasiyool Ammwelil Falúweer Toulap nge esáál bweibwogh mwo akkáaw pomwol akkilon yeel me Máschepi, Seipél.

- vii. Samwoolul Bwulasiyool Ammwelil Falúweer Toulap ebwe bwughil aweewe kkaal, aingiingil, mereer amweyút aramas mmwal schagh Ariyamoy (November) 24, 2008 mellól Depattamentool Bwulasiyool Ammwelil Falúweer Toulap iye elo Seipél, Luuta me Tchúlúyóí..

# ATTACHMENT

## C

Map identifying the land lease area

PUNTAN MASALOK

271 T 60

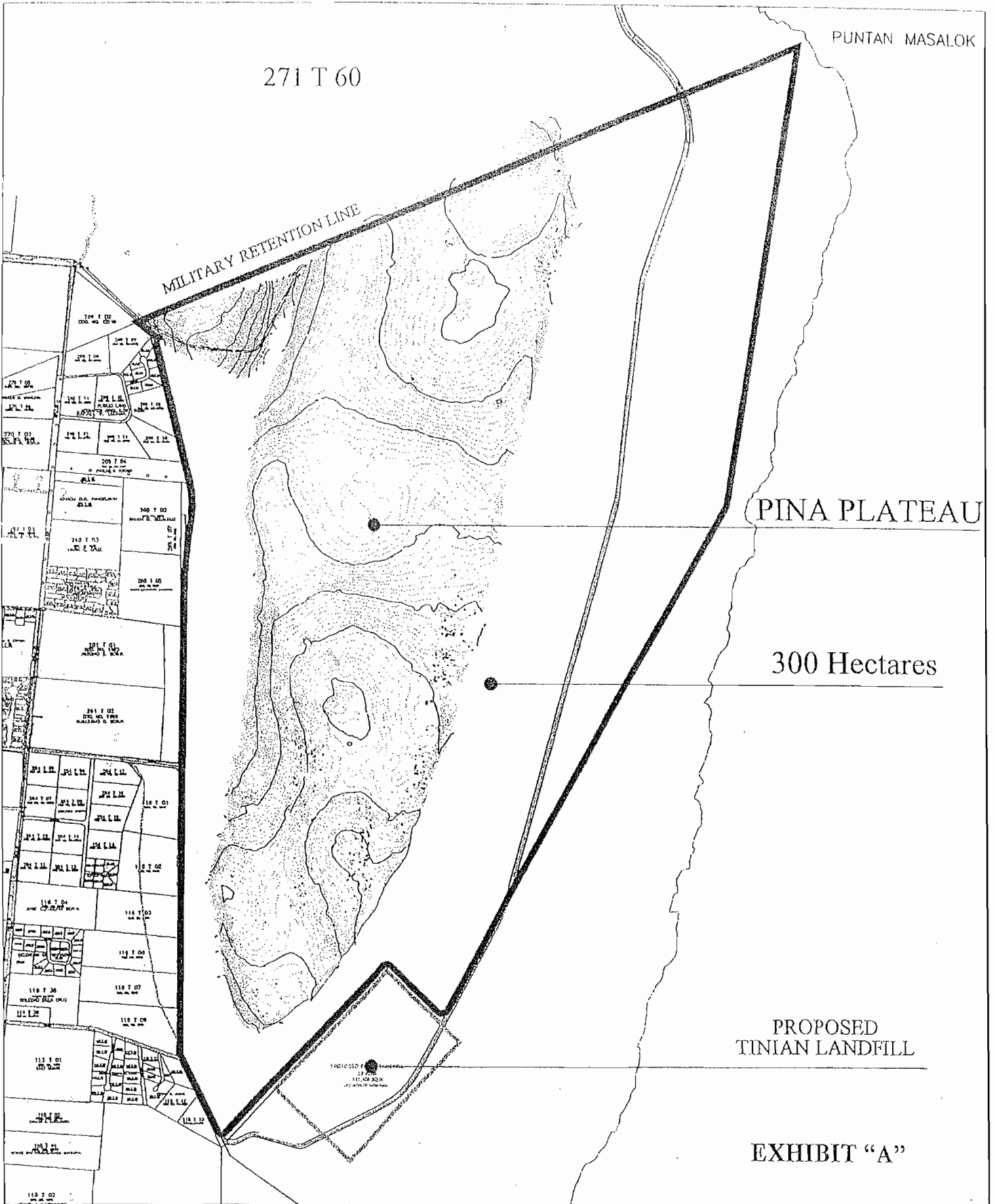
MILITARY RETENTION LINE

PINA PLATEAU

300 Hectares

PROPOSED  
TINIAN LANDFILL

EXHIBIT "A"



# ATTACHMENT

## D

Notice of Public Hearing issued by the House Committee  
on Natural Resources and Senate Committee on Resources,  
Economic Development and Programs



# Sixteenth Northern Marianas Commonwealth Legislature

Chairman, REDP

Chairman, NR

## NOTICE OF PUBLIC HEARING

DATE: February 4, 2009  
TO: SPECIAL ASSISTANT FOR PROGRAMS AND LEGISLATIVE REVIEW  
FROM: Chairman, Resources, Economic Development & Programs  
Chairman, Natural Resources  
SUBJECT: Neo Goldwings Paradise Land Lease Proposal

The Committees on Resources, Economic Development & Programs and Natural Resources will conduct a public hearing on Thursday, February 12, 2009, at 6:00 p.m. in the Superior Court; San Jose, Tinian.

The purpose of the hearing is to discuss the Neo Goldwings Paradise Land Lease Proposal.

The following witnesses are requested to be present:

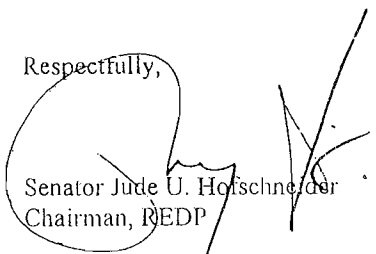
Mr. John S. Del Rosario, Secretary, Department of Public Lands  
Neo Goldwings Paradise, Representatives  
Honorable Jose P. San Nicolas, Mayor of Tinian & Aguiguan  
Mr. Antonio H. Borja, Chairman, Tinian Municipal Council  
Mr. Francisco M. Borja, Chairman, Gaming Commission

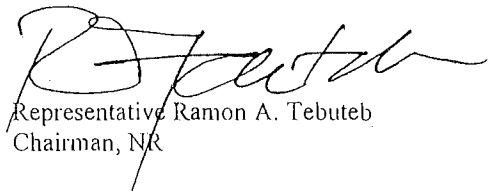
Witnesses are requested to submit written testimony to the Committee on or before **Tuesday, February 10, 2009**.

Members of the general public are encouraged to submit written testimony before the public hearing. Oral testimony will be received during the public hearing. To submit written testimony prior to the public hearing, please drop-off or fax to the Office of Senator Jude U. Hofschneider or the Office of Representative Ramon A. Tebuteb at the Legislative Building.

For additional information, you may contact Senator Jude U. Hofschneider or Representative Ramon A. Tebuteb.

Respectfully,

  
Senator Jude U. Hofschneider  
Chairman, REDP

  
Representative Ramon A. Tebuteb  
Chairman, NR

cc: Senate Members  
House Members  
Legislative Bureau, Director  
Media  
File

# ATTACHMENT

## E

Letter of support from the 12<sup>th</sup> Tinian Municipal Council to  
Senator Jude U. Hofschneider dated February 12, 2009



Commonwealth of the Northern Mariana Islands  
**TWELFTH TINIAN MUNICIPAL COUNCIL**

Municipality of Tinian and Aguiguan  
San Jose Village, Tinian MP 96952 CNMI USA  
Tel. (670) 433-3470 Facsimile: (670) 433-0814



ANTONIO H. BORJA  
Chairman  
Committee on Natural Resources  
Infrastructure & CIP Funds

CHARLENE M. LIZAMA  
Vice Chairwoman  
Committee on EAGI, Tourism &  
Community Affairs

EUGENIO L. VILLAGOMEZ  
Secretary  
Committee on Ways & Means, Health,  
Education, & Welfare

JOSEPH T. SAN NICOLAS  
Executive Director

February 12, 2009

Honorable Jude Hofschneider  
Senator  
The Senate  
Sixteen Northern Marianas Commonwealth Legislator  
Capitol Hill  
Saipan, MP 96952

Re: Neo Goldwings Paradise Land Lease Proposal.

Dear Senator Hofschneider:

Thank you for the opportunity to present the recommendation of the 12<sup>th</sup> Tinian Municipal Council regarding Neo Goldwings Paradise public land lease proposal.

The 12<sup>th</sup> Tinian Municipal Council supports the proposed public land lease between the Department of Public Lands and Neo Goldwings Paradise, subject to a thorough review of the provisional lease by the legislative legal counsels, to ensure that we, the owners of the public lands, are protected, while at the same time, we ensure that positive economic boost is forthcoming.

As you know, public lands under Article XI of the CNMI Constitution belong exclusively to people of the Northern Marianas descent. It is important, therefore, that review of the provisional lease be looked at from that perspective.

By the same token, we admit that Tinian's economy must be stimulated. This public land lease proposal may just be that stimulus. As you may know, Neo Goldwings Paradise is proposing to build 800-1000 rooms, with tourist amenities, which is exactly what we need to continue to promote and sell Tinian as a fun destination and a playground in paradise.

Once Neo Goldwings begins construction on the public land, it will have a positive trickling effect on Tinian's economy. It is no secret that if we continue to nurture our

# ATTACHMENT

# F

Petition



February 14, 2009

The Honorable Senator  
Pete P. Reyes  
President

And

The Honorable Representative  
Arnold I. Palacios  
Speaker

16<sup>th</sup> CNMI Legislature  
Saipan, MP 96950

Re: Letter of Support for NGP Lease Proposal

Dear Gentlemen:

Hafa Adai,

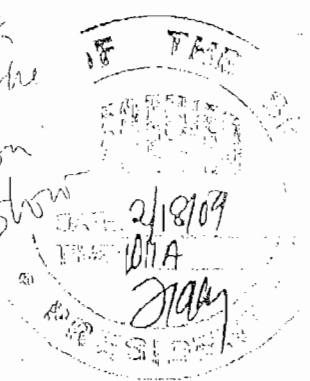
We, the following residents of Tinian, Northern Mariana Islands (Taotao Tinian) wish to express our support of the NGP proposed Hotel/Casino Resort development at Piña area in Tinian.

We have to agree that they have presented the Joint Legislative Committee during the Public Hearing on Tinian the other night with a very precise coverage of concerns and had displayed their willingness to participate in the economic development of Tinian and the Commonwealth. NGP had made it very clear that it will be a difficult task, but working in partnership with the community and the CNMI leadership is imperative to realize progress. Under our current economic situation, we must all rally and support by giving NGP the opportunity to help us restore our economy. Additionally, the Secretary of the Department of Public Lands has done a due diligence with his staff in providing for a well structured and worded Lease Agreement, including a schedule in securing financing and actual construction time frame.

Therefore, we ask and urge for you to jointly call for a Joint Legislative Session at the earliest possible, perhaps mid next week to give ample time for the Joint Legislative Committee to complete their committee report and favorable recommendation.

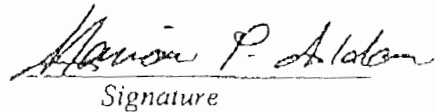
Si Yu'us Ma'ase'.

TIC  
PIs give to Senator  
Judge Hofschneider  
to incorporate on the  
Approving Resolution &  
Committee Report for the  
Joint session



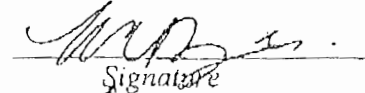
MARIA NA P. ALDAN  
Name

433-1800  
Telephone No.

  
Signature

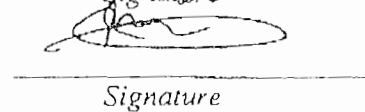
Mekelyn C. Reyes  
Name

433-0853  
Telephone No.

  
Signature

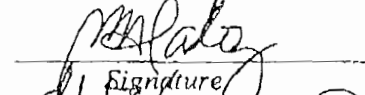
Carlo P. Aldan  
Name

433-8868  
Telephone No.

  
Signature

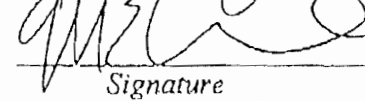
MAGGIE RIT ATALIG  
Name

433-8489  
Telephone No.

  
Signature

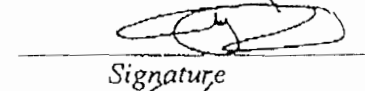
Matthew B. Blanco  
Name

483-7279  
Telephone No.

  
Signature

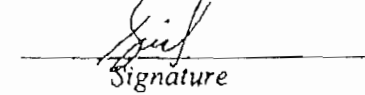
Marcelino M. Borji  
Name

433-6292  
Telephone No.

  
Signature

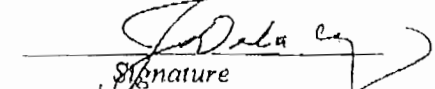
Isidro K. Cabrera  
Name

433-1176  
Telephone No.

  
Signature

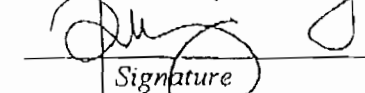
JOEY S. DISACRUZ  
Name

433-9530  
Telephone No.

  
Signature

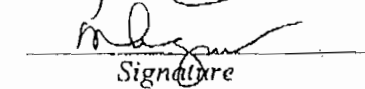
RITA B. BORTA  
Name

433-9330  
Telephone No.

  
Signature

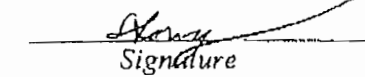
Maria H. Aguon  
Name

670-433-6842  
Telephone No.

  
Signature

Lualhati M. Sanchez  
Name

433-1995  
Telephone No.

  
Signature

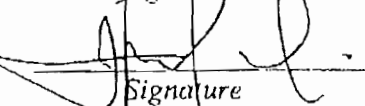
Name

Telephone No.

Signature

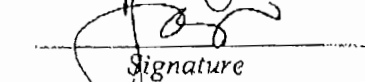
~~THOMAS M. MERCADO~~  
Name

~~433-0917~~  
Telephone No.

~~~~  
Signature

JOSEUN C. VENTURA  
Name

433-7968  
Telephone No.

  
Signature

CARMALITO JOSEPH  
Name

433-3662  
Telephone No.

  
Signature

Bricia C. Reyes  
Name

433-0035  
Telephone No.

Bricia C. Reyes  
Signature

JERRICA H. PANSELINA  
Name

433-2329  
Telephone No.

Jerrica H. Panselina  
Signature

Vivian V. Hopschneider  
Name

433-9333/63  
Telephone No.

Vivian V. Hopschneider  
Signature

Gene L. Palacios  
Name

433-9333/63  
Telephone No.

Gene L. Palacios  
Signature

Vincent C. Anniola  
Name

N/A  
Telephone No.

Vincent C. Anniola  
Signature

Keith Narnus  
Name

N/A  
Telephone No.

Keith Narnus  
Signature

Hilbert San Nicolas  
Name

N/A  
Telephone No.

Hilbert San Nicolas  
Signature

Jack Semblos  
Name

433 3434  
Telephone No.

Jack Semblos  
Signature

Jose M Panselina  
Name

433-2339  
Telephone No.

Jose M Panselina  
Signature

Victor S.H. Sha  
Name

435-1400  
Telephone No.

Victor S.H. Sha  
Signature

Biceba M. Arriola  
Name

435-0153  
Telephone No.

Biceba M. Arriola  
Signature

Joseline L. Urbina  
Name

433-0505  
Telephone No.

Joseline L. Urbina  
Signature

Florida A. Dean  
Name

433-0044  
Telephone No.

Florida A. Dean  
Signature

CAROL Samicoff  
Name

433-1800/02  
Telephone No.

CAROL Samicoff  
Signature

Annie H. King  
Name

433-1800/02  
Telephone No.

Annie H. King  
Signature

Antonio B. Evangelista  
Name

(670) 433-1125  
Telephone No.

Antonio B. Evangelista  
Signature

Palacios Bernadette

Name

788-4876

Telephone No.

Signature

Melisa Liefo

Name

433-0998

Telephone No.

Signature

Baubina A. Narul

Name

433-2472

Telephone No.

Signature

Raymond B. Lopez

Name

433-0237

Telephone No.

Signature

Alvin Tol

Name

433-0476

Telephone No.

Signature

Jesse Pongouan

Name

437-3313

Telephone No.

Signature

Reyes Bernadita C.

Name

433-2388

Telephone No.

Signature

Emiliana A. Bugarin

Name

433-0554

Telephone No.

Signature

Magdalena B. Juntuan

Name

433-2404

Telephone No.

Signature

DEBORAH CABATON

Name

433-8281

Telephone No.

Signature

Jamie S. Omengkar

Name

437-3434

Telephone No.

Signature

William M. CING

Name

433-2733

Telephone No.

Signature

Marie Santos

Name

433-6922

Telephone No.

Signature

Elizabeth Linan

Name

437-1201

Telephone No.

Signature

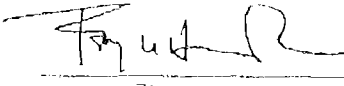

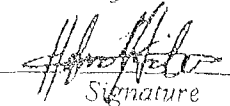

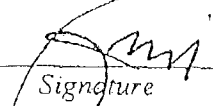
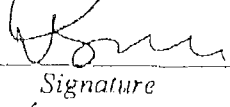
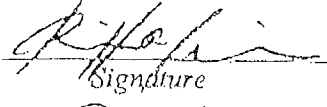
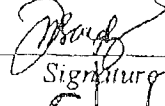

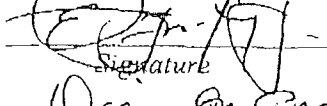
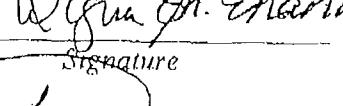
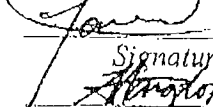

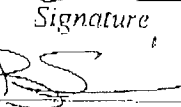
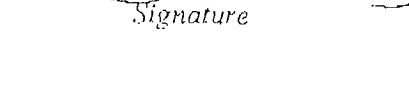
GUILLEMINA C. CEPEDA

Name

NONE

Telephone No.

Signature

<u>FREDDY U. HOPSCHEIDER</u> Name	<u>433-2468</u> Telephone No.	<u></u> Signature
<u>Donald J. Power</u> Name	<u>433-0422</u> Telephone No.	<u></u> Signature
<u>Heinz Hofschneider</u> Name	<u>433-2520</u> Telephone No.	<u></u> Signature
<u>Anthony P. Borja</u> Name	<u>433-9222</u> Telephone No.	<u></u> Signature
<u>Jeanette M. Borja</u> Name	<u>433-2950</u> Telephone No.	<u></u> Signature
<u>Vicenta P. San Nicolas</u> Name	<u>433-2814</u> Telephone No.	<u></u> Signature
<u>Rosita M. Hofschneider</u> Name	<u>286-2403</u> Telephone No.	<u></u> Signature
<u>FRANCES H. SANDS</u> Name	<u>433-0430</u> Telephone No.	<u></u> Signature
<u>TERESITA O. SANCHEZ</u> Name	<u>433-8377</u> Telephone No.	<u></u> Signature
<u>ESTEBAN SN. KING, JR.</u> Name	<u>433-3720</u> Telephone No.	<u></u> Signature
<u>Digna SN. ENANO</u> Name	<u>433-2950</u> Telephone No.	<u></u> Signature
<u>Joyce Catalig</u> Name	<u>433-2950</u> Telephone No.	<u></u> Signature
<u>Ronentina Manglona</u> Name	<u>433-2950</u> Telephone No.	<u></u> Signature
<u>Trenton B. Conner</u> Name	<u>237-0617</u> Telephone No.	<u></u> Signature
<u>Bernadita S. San Nicolas</u> Name	<u>287-7226</u> Telephone No.	<u></u> Signature

Felipe A. Aquino  
Name

433-3288  
Telephone No.

Felipe Aquino  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Telephone No.

\_\_\_\_\_  
Signature