



Commonwealth of the Northern Mariana Islands
Office of the Governor
DEPARTMENT OF PUBLIC LANDS

October 15, 2009

AD 09-0795

Honorable Ramon Tebuteb
Chairman
House Committee on Natural Resources
16th CNMI Legislature
Saipan, MP 96950

Dear Chairman:

Re: Your query on Flame Sako and Neo Goldwings Paradise

Recently, the two companies, namely: Flame Sako and NGP have requested for extensions on their lease in order to secure, through additional negotiations, the final financial commitment from investors or financing institutions or both. The Department of Public Land has granted both requests with the firm message that when nothing pans out by way of demonstrating fund deposits at local banks here for the projects, revocation of the lease automatically occurs on 31st December. The time frame given to the two projects was granted in view of the difficulty of shoring-up investment funds for these ambitious plans.

Flame Sako has commissioned and paid for studies, i.e., a survey map containing the perimeter of the area and topography, and an environmental and archaeological assessments. Some of these studies are being finalized while some have been submitted to regulatory agencies for review and hopefully, approval and issuance of requisite permits. The completion of this end of the requirement would enable Flame Sako to commence with land clearing and actual construction around December. Principals have conveyed the message that initial funds of \$2 million should be at a local bank on the 22nd of this month. We will verify this matter to ascertain that it is fulfilled.

NGP hopes to make a down payment in mid-October for the survey of the Piña Area (perimeter and topographical maps), environmental and archaeological studies or assessments. We have informed principals of the company that the only way they can move forward is through the completion of these studies and pertinent permits secured. I look forward to the commencement and completion of studies in these areas to ensure compliance. I will also monitor the deposit requirement under the lease agreement to ascertain that it is fulfilled.

DPL is also reviewing the lease agreement with Marianas Resort Development Corporation (MRDC) to find out what seems to be the delay in the commencement of this project. The requisite studies have been submitted and approved by regulatory agencies. We hope to hear from its CEO hopefully soon to gather information on the status of construction of this project.

We hope the proceeding meets the explanation you seek from the DPL and please let us know how else could we be of assistance to you in the near term. We would also appreciate some semblance of protocol on information being requested. It saves time, energy and money while still accomplishing our goal.

Sincerely,



JOHN S. DELROSARIO, JR.
Secretary

cc: Rep. Tina Sablan
Brad Huesman, DPL Legal Counsel
Rachel Roque, Director, Real Estate Division