



32-13-142

Office of the Speaker
Judith T. Won Pat, Ed. D.

Date 2/25/13
Time 1:56 PM
Received by [Signature]

Speaker Won Pat <speaker@judiwonpat.com>

Transmittal of CLTC Board mtg. pkg of February 21, 2013

2 messages

Teresa Topasna <teresa.topasna@cltc.guam.gov>

Mon, Feb 25, 2013 at 9:29 AM

To: governor@guam.gov

Cc: Speaker Won Pat <speaker@judiwonpat.com>

Hafa Adai, attached pursuant to Public Law 31-233 is the Chamorro Land Trust Commission Board meeting package of February 21, 2013.

Thank you.

Teresa T. Topasna

Chamorro Land Trust Commission

Tel: 649-5263 ext 631



CLTC Board mtg pkg - Feb21.13.pdf

10865K

Speaker Won Pat <speaker@judiwonpat.com>

Mon, Feb 25, 2013 at 1:52 PM

To: Guam Legislature Clerks Office <clerks@guamlegislature.org>

2/25/2013 2/25/2013

Chamorro Land Trust
Commission

Pursuant to P.L. 31-233, The CLTC
Board Meeting Packet of Feb. 21,
2013**E-mailed**

32-13-142

[Quoted text hidden]

Ufisinan I Etmàs Ge'helo'Gi Liheslaturan Guåhan

Office of Speaker Judith T. Won Pat Ed.D.

Kumiten Idukasion yan Laibirihan Publeko

Committee on Education and Public Libraries & Women's Affairs

155 Hesler Place, Suite 201, Hagatna, Guam 96910

Tel: (671) 472-3586 Fax: (671) 472-3589

www.guamlegislature.com / speaker@judiwonpat.com



CLTC Board mtg pkg - Feb21.13.pdf

10865K

2013 FEB 25 PM 1:55

0142



Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932

Phone: 649-5263 ext. 651 Fax: 649-5383

Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

Michael J.B. Borja
Acting Chairman

David J. Matanane
Vice-Chairman

Amanda L.G. Santos
Commissioner

(Vacant)
Commissioner

(Vacant)
Commissioner

Monte Mafnas
Administrative Director

February 25, 2013

TO: Honorable Eddie Baza Calvo
Governor of Guam

FR: David Camacho
Acting Director

RE: CLTC Board meeting of February 21, 2013

Pursuant to Public Law 31-233, transmitted herewith is the Chamorro Land Trust Commission Board meeting package of February 21, 2013.

Please do not hesitate to contact 649-5263 ext. 651 if you have any questions.

DAVID CAMACHO
Acting Director

cc: Honorable Judith T. Won Pat, Ed.D.
Speaker, 32nd Guam Legislature



Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932

Phone: 649-5263 ext. 651 Fax: 649-5383

REGULAR BOARD MEETING AGENDA

Department of Land Management Conference Room
3rd Flr. ITC Building, Tamuning
Thursday, February 21, 2013; 1pm

Commission Members

Michael J.B. Borja
Acting Chairman

David J. Matanane
Vice-Chairman

Amanda L.G. Santos
Commissioner

(Vacant)
Commissioner

(Vacant)
Commissioner

Monte Mafnas
Administrative Director

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF MINUTES
 1. January 17, 2013
- IV. PUBLIC COMMENTS
- V. OLD BUSINESS
 1. JMD Global Micronesia Corporation – Submittal of corporation documents
- VI. NEW BUSINESS
 1. Ignacio Guerrero, Jr. – Submittal of farm plan; request to process application submitted on January 25, 2001
- VII. DIRECTOR'S REPORT
- VIII. EXECUTIVE SESSION
- IX. ADJOURNMENT



Eddie Baza Calvo
Governor of Guåhan

Ray Tenorio
Lieutenant Governor of Guåhan

Commission Members

Michael J.B. Borja
Acting Chairman

David J. Matanane
Vice-Chairman

Amanda L.G. Santos
Commissioner

(Vacant)
Commissioner

(Vacant)
Commissioner

Monte Mafnas
Administrative Director

Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

P.O. Box 2950 Hagåtña, Guåhan 96932

Phone: 649-5263 ext. 651 Fax: 649-5383

COMMISSION MEETING MINUTES

Department of Land Management Conference Room

3rd Flr., ITC Building, Tamuning

Thursday, January 17, 2013; 1:05pm – 3:06pm

I. CALL TO ORDER

Meeting was called to order at 1:05pm by Acting Chairman Michael Borja.

II. ROLL CALL

Present were Acting Chairman Michael Borja, Vice-Chairman David Matanane, Commissioner Amanda Santos and Administrative Director Monte Mafnas. Not present was Acting Commissioner Oscar Calvo.

III. APPROVAL OF MINUTES – December 20, 2012

Vice-Chairman David Matanane moved to approve the minutes of December 20, 2012. Commissioner Amanda Santos seconded the motion. There were no objections, MOTION PASSED.

IV. PUBLIC COMMENTS – None.

V. OLD BUSINESS

1. Bert Jacosalem status

Administrative Director Monte Mafnas – Mr. Jacosalem has been given an alternate site, a half acre property and he doesn't have enough money to pay for a surveyor. He had been given a survey authorization and we cannot move forward until he pays for the surveyor then we enter into a lease agreement so he can occupy the property. He likes the alternate site and has moved back with his mother to try and save some money. But physically that's what he told me he's at his mother's and Mrs. Tainatongo can quantify that if it's true or not.

Acting Chairman Michael Borja – Okay so he has been given notice to vacate the land he is currently occupying because he did not go through the proper procedures for getting it surveyed in order to occupy the land he's been allotted and as a result he's encroached onto other people's properties and become a disturbance to his neighbors. So we gave him notice to vacate..(interrupted).

Administrative Director Monte Mafnas – Three months notice.

Acting Chairman Michael Borja – The three months are now here and we're offering him something else. He understands that he's getting an offer and he also understands he needs to vacate the land?

Administrative Director Monte Mafnas – Correct.

Rev. 09/21/2012

Acting Chairman Michael Borja – And we don't know what he has done with that yet right?

Administrative Director Monte Mafnas – And in the event he fails to do so then we have no other choice but to use the Guam Police Department and the Court to litigate against him. Legal Counsel will be coming in on the first week of February.

Virginia Tainatongo – I'm here because knowing that today is the day for him to vacate and so far he's still there.

Administrative Director Monte Mafnas – As of today?

Virginia Tainatongo – I saw him today. What happens is remember I called two weeks ago or last week I think they heard me when I said that there was before Christmas break there were students that instead of getting on the bus they stay in that shack. I don't know if he's there because his job site is not far from where he is and he just drives a scooter back and forth. So he's there and there's music at night. I don't know how he gets his power but there's lights and then when they see me outside.

Acting Chairman Michael Borja – Who's they? These students?

Virginia Tainatongo – He has teenagers or I don't know.

Acting Chairman Michael Borja – That are living there?

Virginia Tainatongo – They go in there.

Acting Chairman Michael Borja – At night?

Virginia Tainatongo – At night but we can't see because what they do it's only like a DJ light inside you know that blinking light. And when they see me outside they stop but the music continues and I don't know whether they're watching TV but sometimes they're kind our rowdy and I was asking Mr. Santos I said you know it's just that I'm scared to look over because what if somebody just shoots something or what. Because I told Mr. Mafnas after the Christmas break and I see kids so I think somebody heard me because like I said the shack is I think this table here is longer than the shack to my place.

Acting Chairman Michael Borja – So you know that he has been given notice we are providing him something else. Does the Commission have an agent assigned to this specific case who can go in and follow up specifically to determine whether or not he's still there after today?

Administrative Director Monte Mafnas – First of all I want to thank Mrs. Tainatongo for diligently and tenaciously calling and letting us know what's happening. Number two the Deputy Director David Camacho is on his way out there to inspect the site and he will be in charge of this eviction. Number three, I've contacted three of the top four police officers to try and assist us to vacate the premises, to assist us in getting Mr. Jacosalem to vacate the

premises. Number four, what we can do though is also and I apologize for not doing it is request that GPA and GWA cut off, shut off the utilities so that will make it more difficult for them.

Virginia Tainatongo – There's no utilities because before remember I said the resident that was staying there stayed there for more than 5 years. I feel sorry because they were teenagers, small kids so I gave them water and then Mrs. Duenas came and asked me if I can just give them an extension for their light. So I gave that and then after that it started to prolong that long and then after this incident with my great grand that passed away and there's a pending case from the Duenas that stayed there.

Acting Chairman Michael Borja – Okay well we've done what we can Mrs. Tainatongo and we're still pursuing this actively. The Deputy Director of Department of Land Management is going to be on top of this personally he's been assigned this case. So we're going to work in making sure he's no longer there, nobody is there alright. If we have to use the court and the police we'll be doing that. But we've gone through and done everything within our legal powers to this date giving him the opportunity and time to vacate. He's also told Mr. Mafnas that he has moved back in with his mother in order to save money. So you know we're going to hold him to that word and make sure he is there. Now if there is any other issues that come up specifically about this I think what we need to do is the contacts we have with the police department and then they go and make sure he's out there that there is someone specifically that you can call to register the complaint about this so that we can make sure that there's no other disturbance.

Virginia Tainatongo – Can I have some kind of a document so that if anything and he's not supposed to be there so that if I can because if he comes there at the night because you know I don't want to remove the because what we did was we kind of fenced it with the pallet.

Acting Chairman Michael Borja – Right so what we can do is probably even have the Deputy Director contact Mrs. Tainatongo so you can have a person to specifically contact when you have an issue okay.

Administrative Director Monte Mafnas – And she knows Mr. Camacho right?

Virginia Tainatongo – Yeah thank you.

Administrative Director Monte Mafnas – Mrs. Tainatongo we're seeking all legal remedies in evicting Mr. Jacosalem.

Virginia Tainatongo – I just want to give you guys a heads up because he's close to Mr. Santos actually it's not him because Mr. Santos wants to get rid of him too because of all the things that's happening there.

Acting Chairman Michael Borja – Who's Mr. Santos?

Administrative Director Monte Mafnas – A neighbor.

Virginia Tainatongo – Mr. Mike Santos. His kids go there and he doesn't know when he's not there his kids go in that shack. I don't smoke marijuana but I can detect, I smell the marijuana. So that's the reason why I guess to be on the safe side because I've got grandkids that my daughter just moved in with me.

Acting Chairman Michael Borja – Well thanks for your personal concern and diligence like what Mr. Mafnas we appreciate it but we are working on this okay.

Virginia Tainatongo – Thank you so much. So he'll be getting a hold of me in regards to the document?

Administrative Director Monte Mafnas – Yes.

Acting Chairman Michael Borja – You have all her information right?

Administrative Director Monte Mafnas – Yes we do.

Administrative Director Monte Mafnas - Mr. Camacho can you give us a report about Mr. Jacosalem you did make a physical inspection right?

Deputy Director Dave Camacho – I'm having land agent Sean and Jeff Aguon follow up for him to remove himself from the area. As a matter of fact we're were about to leave to make sure that he's out by today the 17th.

Administrative Director Monte Mafnas – So for the record Mr. Camacho the Deputy Director of Land Management and Mr. Jeffrey Aguon our Land Agent III.

Deputy Director Dave Camacho – What's happening is we identified a certain lot for him already and the thing is that he hasn't moved to the area yet because he doesn't have the funds to pay for a surveyor. So we relocated to another lot and he's in the verge of relocating to that area.

Acting Chairman Michael Borja – So you'll be checking to see if he's vacated?

Deputy Director Dave Camacho – Yes. As a matter of fact today we were just about to leave to make sure that he's out.

Acting Chairman Michael Borja – Okay thank you.

2. Layao status – utilities terminated; awaiting filing of motion to finalize eviction

Administrative Director Monte Mafnas – This is the same scenario they both Mr. Layao and Mr. Quintanilla refuse to vacate the premises. The law will take care of this in due time they will be out. In the meantime I've been calling the future recipients, future CLTC lessees to please be patient because when we evict them at least there will be a couple of

houses that they can occupy while they work on their own house, while they start farming so that at least they have a residence to occupy at this point in time.

Acting Chairman Michael Borja – So the utilities to the land has been cut?

Administrative Director Monte Mafnas – They have been cut. The same goes with Mr. Layao, Mr. Jeffrey Aguon has been there back and forth right informing Mr. Quintanilla and Mr. Layao to vacate and we will use the full extent of the law to have them vacate the premises.

Acting Chairman Michael Borja – So we're waiting to file a motion to finalize the eviction is that what's going on?

Administrative Director Monte Mafnas - Correct and our attorney he comes on board on the first week of February.

Acting Chairman Michael Borja – So we're waiting for that.

Administrative Director Monte Mafnas – Right.

3. International Bridge & Construction Marianas – In-kind consideration using concrete panels for schools

Administrative Director Monte Mafnas – Mr. Toelkes has agreed to price out 48 cubicles using pre-stress panels, I apologize I didn't bring the pictures here. We need to relocate Mr. Thomas Taitano from the existing site where we're going to commence our subdivision and his structure is semi-concrete so it's only fair that when we relocate him we give him a concrete in exchange for that unit.

Acting Chairman Michael Borja – So they're going to build something for him?

Administrative Director Monte Mafnas – Yeah we're going to just foundation and walls and roof so it'll be protected from the elements. In all fairness he's agreed to relocate so we're just finalizing the survey and the cost. I'm trying to identify the cost to let the Board know. But in addition to that I'm exploring the exercise with the Governor's Office and DOE to use the same panels and erect cubicles in 6 of the schools out of the 32 schools who have been burglarized consistently. We want to erect the cubicles within the proper of the school or CLTC property. To number one, bring in homeless that are Chamorro ethnicity. Number two, that they will provide security for the schools. Number three, they will sign a waiver holding the Government not liable for any nuisance or any liability suit. Number four, that it will be a zero tolerance in the event they occupy the units this will be a sworn affidavit that will be recorded so if they fail to comply then they will be evicted. I'm finalizing that as we speak. Also we will be rezoning CLTC property right across Guam Raceway Federation to M-1. Land Management is doing this exercise so we can relocate IBC out of that prime property so we can build more units in the future. Yes that's the plan. They will be out of that area and he's agreed to it. So we're working on the numbers to be fair. I told him if you charge me high I'll charge you high there's no ifs or buts. You be fair and I'll be fair.

VI. NEW BUSINESS

1. John Rios – Request to lease portion of Lot 7150, Yigo for an antennae site

Administrative Director Monte Mafnas – Mr. Del Most is his partner who is supposed to present us their request to build a monopole for communication purposes. As you know Barrigada Heights Tract No. 9 belongs to us and we have all the phone companies erecting their antennas so we have like an obligation to entertain communication companies provided they pay rent to let them do business.

Vice-Chairman David Matanane – Lot 7150 is that the whole lot?

Administrative Director Monte Mafnas – All they're looking for is 50 feet by 100 feet. It's adjacent and contiguous to the Yigo water tank. As you go north it's on the western side of Tract 9210. There's two water tanks there. All they're asking for is a sliver of land to be behind an acre of property fronting Marine Corp Drive. If and when they make the presentation the map will be presented at that point in time.

Acting Chairman Michael Borja – He's erecting an antenna site for who?

Administrative Director Monte Mafnas – Just one for themselves to sublease it I guess.

Acting Chairman Michael Borja – That's kind of interesting the communications are subcontracting out their antenna sites.

Administrative Director Monte Mafnas – Their antenna site yes that's why we'll be charging them rent. Mr. Del Most is a partner of Mr. Rios.

Del Most (Pacific Micronesia Tower) – Right now GWA they got a water tank out there that's holding all the antennas shooting in that area and that's in terrible shape.

Acting Chairman Michael Borja – The water towers right there by the entrance to Andersen's front gate?

Del Most – Yes. It's a tower and all the antennas are located on that on the water tower. There's about maybe 20 antennas on it.

Acting Chairman Michael Borja – And you have something to do with those antennas?

Del Most – We install them and everything and take them down. We do most of the work for like IT&E and GTA.

Acting Chairman Michael Borja – Okay and so you're looking to have a natural tower built nearby to continue to support the customers that you're working with.

Del Most – Right because nobody will go up there.

Acting Chairman Michael Borja – It's too dangerous to climb the tower.

Del Most – You got to get something that will raise you up a hundred feet to the antennas and it'll cost thousands of dollars to do that.

Acting Chairman Michael Borja – Oh okay so there is an existing tower of antennas that's on top of the water tower and you're just looking to build, you need a piece of property because you're actually leasing from Waterworks the use of the tower or something?

Del Most – I'm not but the customers are.

Acting Chairman Michael Borja – But you're servicing their tower needs their antenna needs.

Administrative Director Monte Mafnas – The lot in front of them 7150 I gave the map, do you have the map sir?

Del Most – No I made a diagram.

Acting Chairman Michael Borja – Do you have to go through any other clearances to re-erect a tower in that vicinity because of the proximity to an airfield? Does the Air Force have any input on the erection of the towers?

Del Most – We never checked with the Air Force but the tower has been the same elevation of existing towers and only a couple hundred feet away.

Acting Chairman Michael Borja – Yes but you know how it is you want to build a new parking lot or resurface your parking lot and then all of a sudden EPA says you need to dig a deep hole and make it into a water drainage area. So the same kind of thing might apply somehow or FAA says oh the existing towers I don't care but you want to put another one right next to it even if its replacing they might have new restrictions. I just wanted to make sure that you're not spinning your wheels on something that is going to cause some delay.

Administrative Director Monte Mafnas – That's an excellent question Mr. Chairman. A couple of points Mr. Most, number one, what Mr. Chairman is trying to identify here is a flight zone area and that necessitates federal approval FAA. Number two, your tower is over 30 feet so that necessitates a height variance approval from Guam Land Use Commission. This is just the way it is. If you can provide us those permits it's all good. If you don't then you have to go get it. In conformance and spirit of abiding to the law those are the things that has to be in place.

Acting Chairman Michael Borja – First of all this Lot 7150 which is Chamorro Land Trust property but is there something in use in that area? Are there other properties in that area that are in use that belongs to Chamorro Land Trust or private citizens or government?

Administrative Director Monte Mafnas – Its Chamorro Land Trust, there's a water tank there

that has been dedicated to GWA. There are some farmers in the back but there's a request from a National Car Rental for an acre on the front lot. Pacific Marianas Towers only needs 50x100 feet correct?

Del Most – 100x100.

Administrative Director Monte Mafnas – I stand corrected, 100 feet by 100 feet to build their antennas.

Acting Chairman Michael Borja – It's a free standing antenna, no guywires.

Del Most – It will have guywires.

Acting Chairman Michael Borja – So you can fit it within 100x100?

Del Most – Yes.

Administrative Director Monte Mafnas – A new technology but it's not going to be higher than the existing water tank.

Acting Chairman Michael Borja – Well what I think we could do is if we can identify this specific lot not by survey but by on a map just draw up what you're looking for in 100x100 so you know what your working area is. So that when you go forward to let's say to determine whether or not you need FAA approval, height variance approval from the Guam Land Use Commission..(interrupted).

Administrative Director Monte Mafnas – Mr. Chairman I did provide them with the map. But that's a very good point if we approve it then it will only help them quantify their application request to get height variance because we got the Board's approval.

Acting Chairman Michael Borja – Okay yes because you can't do anything unless you get those other people's so if we approve you the ability to use the land it's just a matter now of knowing what we're going to be charging for that piece of property for what terms.

Administrative Director Monte Mafnas – I just want to let Mr. Most know, your partner knows about this, the law requires two appraisals before we enter into a lease agreement okay.

Acting Chairman Michael Borja – Two appraisals of what?

Administrative Director Monte Mafnas – Of the subject lot before we can ascertain the rental amount.

Acting Chairman Michael Borja – Okay. So that's my only concern is you know you don't get into trouble as well because all of a sudden the tower is being erected in a place where the Air Force is going to come screaming at us and everyone because of that and you're

not wasting your money on doing something like this. I don't have any objections on the piece of property being used. It's going to be maintained all the time right? Do you guys have other antenna sites that you service and maintain on the island?

Del Most – Well we maintain but we don't ourselves we don't this will be the first one that we did plan up.

Acting Chairman Michael Borja – So is it going to be fenced off?

Del Most – The tower and the communications building will be fenced in.

Acting Chairman Michael Borja – Oh there's going to be a little building on there too.

Del Most – Yes just like a container.

Acting Chairman Michael Borja – I just want to make sure that it's not you know a tower which I mean if those kids are able to climb a nasty water tower they're not climbing the top of your tower and sky diving off.

Del Most – They can't get up there anymore because the ladder's gone.

Acting Chairman Michael Borja – I know but on your tower that you're going to build its kept secured from trespassing by folks who are just looking to have fun.

Del Most – Yes the tower and the building area will be fenced in.

Vice-Chairman David Matanane – We will have disclaimer on that in case anything happens up there.

Administrative Director Monte Mafnas – I do want to suggest to you Mr. Most you know those permits let's say from IT&E your clientele so to speak you can ask them if they have permits and if they do then we can utilize the same one okay.

Del Most – I'm sure they do if they're microwave antennas because they got some licensed microwave stations up there that are of course approved by FAA. That might be a good point to add at least.

Acting Chairman Michael Borja – Yes and I don't know who you're supposed to go see but like I said the Air Force and anybody operating an FAA license facility like the airports are pretty strict about height and things being built around the runways especially on approach.

Administrative Director Monte Mafnas – But the existing antennas will not be as tall as your antennas?

Del Most – It'll be the same height. The water tower is 120 to the top.

Acting Chairman Michael Borja – You’re talking about cellular antennas right?

Del Most – With also microwave shots like IT&E they don’t have cables so they just connect by microwave. They got three microwave antennas on it. They do cover the Air Force space also with GTA and IT&E right now. Like I said nobody don’t go up there no more because it’s just too dangerous.

Acting Chairman Michael Borja – Okay well you’ve been on the agenda for the last several months so we wanted to make sure we get this thing cleared off. Do we have a motion on the floor to approve a portion of Lot 7150 in Yigo for the use of an antenna site by Pacific Micronesia Tower?

Vice-Chairman David Matanane – With the exception that Mr. Most has to get his clearance first before we even come into a lease agreement.

Acting Chairman Michael Borja – So moved. Do we have a second?

Commissioner Amanda Santos – I second the motion.

Del Most – With Commission variance and FAA permit.

Acting Chairman Michael Borja – Right.

Administrative Director Monte Mafnas – We’ll work together okay.

Acting Chairman Michael Borja – So the motion has been approved to allow Pacific Micronesia Tower the use of a portion of Lot 7150 in Yigo for an antenna site with the provision that they also obtain the proper permits by the appropriate agencies such as FAA and the Land Use Commission.

Vice-Chairman David Matanane – So moved Mr. Chair.

Acting Chairman Michael Borja – Seconded and approved.

Del Most – I went out and looked to see what would be the best location and I had drawn it the area where we prefer that we’re at. Should I submit that to you?

Acting Chairman Michael Borja – Yes talk with Monte on that because you’re talking about 100x100 within this specific lot. We didn’t identify where that square is that you want but it’s in that lot somewhere I’m thinking because this lot is probably a pretty sizeable lot. So you’re talking about a 100 foot square in this lot somewhere. So we identified that specifically for the tentative purpose of you getting your permits so that when you identify this geographical location to these agencies and they give approval then we do the lease on and survey and also get the appraisal on that specific block of land so that we can move forward to determine the specific area of your lease and the amount of the lease.

Administrative Director Monte Mafnas – Just check your partner because I did give him a map for your perusal so you can commence negotiations okay.

Del Most – Okay thank you very much.

2. Guam Auto Sports – Request to lease facilities at Guam International Raceway Park for auto sport

(Representatives present: Henry Simpson with Guam Racing Federation; Rizk Saad with the Guam Auto Sports)

Henry Simpson – He's been doing surveys with the tourists that show a really high rate of interest in this type of activity for Guam. So it will be a great attraction for some of our higher spending tourists, our upscale Japanese, the Russians and a lot of our local guys would be excited about having a chance to do this, it's not something you get to do every time. We're asking permission to have him use the track and share the revenue with Chamorro Land Trust and help him be successful with this experience.

Acting Chairman Michael Borja – Well it sounds like he gives the racetrack more use.

Henry Simpson – It does.

Acting Chairman Michael Borja – Because you're using it during times when it's not in use. This is a night time thing or day time?

Henry Simpson – Day time.

Acting Chairman Michael Borja – So you're occupying the idle time which is great.

Henry Simpson – Yes.

Rizk Saad – Hafa Adai and Buenas, my name is Rizk Saad, Mr. Chairman and members of the Board. I've been living on this beautiful island for the past 21 years. 19 of them has been in the tourism business. I've been involved with the local communities, I've been a board member of GVB recently and Guam Hotel & Restaurant Association. I know Guam always needs optional tourists and if you look at GEDA part of their promotion is to attract business to Guam is sport tourism. I've been for the past three years thinking about this idea. This idea is not possible without the Guam International Raceway. It's a super facility and to be honest with you without the raceway it will not be possible. It will not be feasibly possible to do it. Recently I've been to Singapore and they have similar attractions there however they have two cars and they do it on the public streets and basically you follow the speed limit, you drive it for 15 minutes and there's a line in there to do it to experience it. Recently we spoke to Blard Outfit out of Las Vegas called the Exotic Car Racing and they were a little bit hesitant to talk to us because Guam they never heard of Guam. So we prepared a package for them about the Guam tourism and we took some google earth shots to show them about the raceway park the national race way and they were extremely interested because of the raceway facility. They were excited about the existing facility and the plan courses as well. So we're flying back in February 9th which is a Sunday I believe

or the 10th to meet with them and to see how we can work together. These cars are high performance cars they require a lot of maintenance and they require expertise mechanics. One of the ideas is we have to bring in mechanics from off-island to come work with these cars and teach the locals here. I've been here for 21 years and this is going to be a really good opportunity for the local drivers here. I'm hiring everybody local. The only person not local would be the mechanic. The most important thing is this is not a racing. It's just driving experience. I have very intimate knowledge with the Japanese tour operators here and they are very skittish when they get into something a little bit dangerous they don't sell it. As well as I'm not interested in really racing at the time it's just to provide the experience. So some of the tour agents are really excited about the ideas and so I commissioned a company to do a survey in the Japanese tourists, Russian as well as Korean and the survey hasn't been completed but so far the initial results they stream the high interest. Nobody says oh maybe or we'll look into it. Everybody had high interest in it. I think that that's something that will bring more recognition to Guam especially to Guam International Raceway and most importantly the lease will not hinder the current operation. It will operate during the day and anytime there is the International we'll cease operation. So that makes it really a very win-win situation for both of us.

Acting Chairman Michael Borja – What does that experience entail just driving up and down a straight race track?

Rizk Saad – There are a few elements of it. I start a business you start first on the safe side and then you expand into other things. First what we do is the drag racing so what we do is the person will come in you will have a different options they choose which option they want and the first experience is we'll give them orientation and then they get behind the wheel with a professional driver that's been trained on the car they give them a little bit of this is how you drive, this is how you shift, this is how you do and when they feel the person is comfortable with the car they take them on the drag race on the drag course and then they drive fast and they run it several times. It depends on all the options and then what we'll do is we record their time at the end we'll give them a certificate with the Ferrari picture on it. You know you drove the Ferrari with 6.9 seconds and speed of so and so, congratulations. Something that they can take with them it has Guam International Raceway on it. And then we have the Japanese and the tourists like something different so we're going to make the racing suits so they put them on with the picture so they take pictures with the car with their helmet. So that's one option. The second option is we're thinking about a performance driving school. First we're going to do it three times a year but Henry expressed the interest of having it year round and we're going to see the result of that. The third option is off-roading with four wheeling at the tracks so we're going to do that as well.

Acting Chairman Michael Borja – So eventually probably expand so you get all-terrain vehicles or any four-wheel vehicles that customers can use to just go ride on off road track.

Henry Simpson – Yeah we haven't worked out the details on that yet but it will be the type of the small four-wheel drive vehicles with the driver with them. You can take a couple of passengers so if a family wanted to do the drive could drive the mom and one kid around

and you have one driver with you we could make a separate little track for it. From the raceway's point of view we want to see this grow into a when he said like a performance driving school there's several different ones, Bob Bondurant or Skip Barber they have different kinds of driving schools. Then hopefully we can work with the Japanese auto racing group to maybe have a two day or a three day course where you can come get your beginner's license on Guam so that you can go back to Japan and enter a race there with a beginner's license. So there are many things that we would like to explore in the future with this.

Acting Chairman Michael Borja – For now I don't have any objections to this idea. I think it's a wise use of existing facilities for additional revenue for everyone. What does the Chamorro Land Trust have to do in this regard?

Administrative Director Monte Mafnas – Pursuant to the master lease the ground lease no one is supposed to assign or sublet without our consent and that's why Mr. Simpson the authorized representative is requesting that. I'm kind of curious though Mr. Saad as to what initial investment would you put in.

Rizk Saad – So far we have estimated 1.2 million. The cars are extremely expensive and we would have to build a facility as the mechanic shop and detail shop for the cars and spare parts as well.

Administrative Director Monte Mafnas – Very good thank you. Number two, you mentioned you have a relationship of course with tour agents right?

Rizk Saad – Yes.

Administrative Director Monte Mafnas – What percentile do you control or have you talked with?

Rizk Saad – I have talked to the two largest agents which is PMT and I talked to HIS.

Administrative Director Monte Mafnas – Number three, insurance.

Rizk Saad – I already have insurance. That was before I went to speak to him.

Henry Simpson – I told him before you come you have to have insurance.

Rizk Saad – The thing about the insurance when I went to the insurance company they were rolling their eyes and looking at each other and then I said to them please understand this is not racing it's in a controlled environment. There is going to be a professional driver sitting next to the driver at all times and it will be safer than renting the cars on the street of Guam.

Administrative Director Monte Mafnas – At about what amount?

Rizk Saad – They covered me for 2 million dollars.

Administrative Director Monte Mafnas – Very good thank you I have no questions.

Vice-Chairman David Matanane – I'm all for it Mr. Simpson. The Guam International auto race their lease is when is it that it'll be up?

Henry Simpson – We have only 5 more years left out of our 20 year license so we're still going to come back to the Commission to ask for a renewal on that. We're finalizing the typhoon waste storage area. Once we get that finalized so that we can set that aside we're going to come back and ask for our extension.

Vice-Chairman David Matanane – You're still paying the dues to Chamorro Land Trust.

Henry Simpson – Yes.

Vice-Chairman David Matanane – I was looking at the financial projections what base have you conjured up on this financial?

Rizk Saad – When I do my financial this going to GEDA and this is going to Bank of Guam. The way I do my projection is I spread them over and then I take the worst case scenario, the best case scenario and something in between and so that's why you see every year has a big column. The way I put it in is what is the breakeven point for me. How many options I have to sell, what companies I have to sell. Since I've been in the optional tours for 19 years I really know what the spending patterns of the agents are, I know what the agent commission structure is, I know what transportation cost is so I factored all of this. If you see it these are very, very, I'm very comfortable with these numbers.

Vice-Chairman David Matanane – The figures is not what my question is I'm pretty sure you have already have it in your mind as to what you would realize down the line. This is fine with me. I'm pretty sure you already did your homework. Like I said I'm very happy about it but you're asking for 7 and GIR is..(interrupted).

Acting Chairman Michael Borja – No I think he's just projecting 7.

Vice-Chairman David Matanane – No on his proposal its 7 and GIR is going to be up.

Henry Simpson – What we'd like to do is ask for 5 and then the option for him to renew based upon..(interrupted).

Administrative Director Monte Mafnas – In concurrence with your lease.

Henry Simpson – Yes that's correct.

Vice-Chairman David Matanane – I just wanted to make it clear because you'd (GAS) still be on and then you'd (GIR) be coming out. That's where my concern is.

Rizk Saad – Of course when we get the attraction set up I'd like to invite all of you to come take a look at it.

Henry Simpson – You need to know it's safe and come and kick the tires.

Administrative Director Monte Mafnas – I just want to laud and applaud you gentlemen for this high end tourist venue amenity that we need to help draw into the island because we have the different type of packages but this is definitely high end. It's the beginning of creating a better atmosphere for the people of Guam.

Rizk Saad – Thank you and definitely this attraction will be larger than the Singapore attraction.

Vice-Chairman David Matanane – I move that the Executive Director look into it and get all the paper works done then he can probably bring it up to us and then we'll make the approval.

Acting Chairman Michael Borja – Maybe we can go ahead and approval it.

Administrative Director Monte Mafnas – Why don't you just approve it for now.

Vice-Chairman David Matanane – Move to approve the request of Guam Auto Sports in conjunction with Guam Raceway.

Acting Chairman Michael Borja – And the lease not to exceed Guam Raceway's term.

Vice-Chairman David Matanane – We'll be seeing Guam International Raceway before the expiration of the other lease right?

Henry Simpson – Yes, we got some more drawings to finish up and then we'll be back.

Acting Chairman Michael Borja – So the motion is to approve the Guam Auto Sports request to use the Guam International Raceway Park for their auto sports activities for a lease of 5 years or not to exceed the current lease of Guam Raceway Track.

Commissioner Amanda Santos – I second it.

Acting Chairman Michael Borja – No objections, MOTION PASSED.

3. JMD Global Micronesia Corporation – Request to lease CLTC property for manufacturing purposes and to construct a model house on Tract 10123, Yigo

Jesus Taisague - I'm Jesus Taisague of JMD Global Micronesia Corporation and I believe you have a copy of our letter of intent and a copy of our contractor's license and our product brochure. The letter of intent gives the purpose and our vision here in terms of our interest to lease Chamorro Land Trust property. With your blessing we will provide all the

necessary required documents that the Commission would like to see. The materials itself the trade name is Isorast. It's an insulated concrete form where you use to create a building envelop and the building itself would lower your energy consumption. So that's basically the material incorporating energy efficient windows and insulated panel doors and mechanical ventilation these all come together and that's basically what we're proposing to manufacture and assemble here on Guam. With the Chamorro Land Trust property that we're interested to lease this will make all these things possible.

Acting Chairman Michael Borja – So you're looking to try and get a piece of property from the Chamorro Land Trust so that you can do your construction on or to build your model home?

Jesus Taisague – To build a model home.

Acting Chairman Michael Borja – Okay. You already have a facility to do your construction or are you looking for that too?

Jesus Taisague – That's a separate yes.

Acting Chairman Michael Borja – You're looking at two different things.

Jesus Taisague – Yes.

Acting Chairman Michael Borja – A space for a model home that has accessible utilities and then a place to establish your factory.

Jesus Taisague – Yes.

Acting Chairman Michael Borja – How large is this factory?

Jesus Taisague – This factory would require anywhere between 3 to 5 acres.

Acting Chairman Michael Borja – Is this concrete?

Jesus Taisague – No the material itself is a form. It's a cast in place concrete. Once you cast the concrete in place then it becomes an insulation.

Acting Chairman Michael Borja – So you make whole walls at a time. Or is this make a form and pour the concrete?

Jesus Taisague – This one is just like lego you just stack it up and then once it reaches the desirable height 8 to 10 feet then you pour concrete in place.

Vice-Chairman David Matanane – You just formed the corporation in 2012?

Jesus Taisague – Yes for the past 7 months like I mentioned in the letter of intent that

we've been coming over to Guam and gathering information and with the information and presentation that we did we were encouraged and we decided to pursue our business intent on Guam.

Acting Chairman Michael Borja – Now you're already in Saipan.

Jesus Taisague – We're already in Saipan.

Acting Chairman Michael Borja – And you built, I saw you got one house in this picture in Saipan.

Jesus Taisague – Yes we use that as a house to provide on the job training to construction workers because actually our intent is to manufacture and we need to teach locals how to put it together. But unfortunately the economic condition in Saipan didn't ensure any feasibility to pursue that.

Acting Chairman Michael Borja – So do you have construction companies or housing companies, the housing development folks here on Guam that are looking to use this material for their construction?

Jesus Taisague – Well we made presentations to various construction companies and they expressed interest on that one because of the energy saving that it promises and that's basically. But to import this right now the out front cost is a little bit higher so that's basically why we're interested to manufacture here so that to bring down the cost and help the homeowners put money in their pocket.

Acting Chairman Michael Borja – Have we identified any places?

Administrative Director Monte Mafnas – Actually I did mention to Mr. Taisague a certain area our new subdivision.

Acting Chairman Michael Borja – In Yigo?

Administrative Director Monte Mafnas – Yes. But also Mr. Taisague has been very active in our affordable homes coordinating council's presentation with Guam Housing and GHURA and he's seen the sites that we have in our inventory, correct?

Jesus Taisague – Right.

Administrative Director Monte Mafnas – And he's flexible to the sites at this point in time. We're kind of excited to present to the council and the people of Guam alternate affordable home systems and this could be one of them.

Acting Chairman Michael Borja – So this model home you want to build I mean the site has to be kind of important but what's going to happen to that house or that model home? Who owns it, what's going to happen to it when it's not going to be a model home anymore or

whatever?

Administrative Director Monte Mafnas – We're working on the logistics.

Jesus Taisague – We can work out the details on those things and basically as I go and make presentation the common question asked is are you going to build a model home so they can see it. So that's basically where we're leading. Initially that was our plan also but as we search for appropriate land we're not coming out with any yet. So I was informed why don't you check Chamorro Land Trust probably they may have available for you that is appropriate for use. After we build that we can discuss how we can turn that over to Chamorro Land Trust.

Administrative Director Monte Mafnas – Yes we discussed the probability, viability and maybe December 24, 2013 you can donate it to the Chamorro Land Trust.

Jesus Taisague – Well that's basically the plan.

Acting Chairman Michael Borja – What's the cost on a typical home going to be in compared to conventionally built homes?

Jesus Taisague – If you are going to compare with CMU blocks construction of course since we're going to be importing the materials initially it will cost probably 10 to 15 percent up front cost on that.

Acting Chairman Michael Borja – I'm not sure what you're talking about that you have to import? The concrete?

Jesus Taisague – No the forms that we're going to import. The concrete will basically be purchased right here on island so the cost of that will remain constant.

Acting Chairman Michael Borja – So every home has to have a whole set of forms?

Jesus Taisague – Yes and then it remains as part of the structure.

Acting Chairman Michael Borja – So I'm looking at here then is this hollowed out thing and so the space in between is where you pour the concrete and the outer parts remain there and you just coat it.

Jesus Taisague – Yes you just plaster it.

Acting Chairman Michael Borja – And that's the insulation?

Jesus Taisague – And that's the insulation.

Acting Chairman Michael Borja – And it's made out of what?

Jesus Taisague – It's made out of polystyrene. Polystyrene is the second form product with the second highest value.

Acting Chairman Michael Borja – And it's able to withstand all the typhoon requirements and all that?

Jesus Taisague – Yes it's a concrete house plus it's insulated.

Administrative Director Monte Mafnas – One important thing Mr. Taisague you will be employing a lot of local people correct?

Jesus Taisague – Oh yes in fact that is the main intent and it's funny that we came across sentiment that since it's a fast construction some contractors on the island are very concerned because it's very fast to build. So as a strategy to that I've made a presentation to Guam Community College because one of the things is I would like to build local capacity because this one will be here to stay and one of the goals is of course housing demand will sooner or later reach its peak. One of the plans is to create an export product also for Guam to the nearby regions. So yes we are going to be employing a lot of local people. We are going to be providing on the job training in collaboration with I've also made presentation to the Guam Trades Academy and they're very happy that this type of materials is landing here on Guam and Guam Community College also. In fact I've met with UOG Center of Island Sustainability and we hope to engage in a project where we can collaborate with them with a test spec so we can localize all this data here so people can go there and if they have any inquiries they can look at it for themselves and all those things. This is another project that I have started dialogue with University of Guam.

Acting Chairman Michael Borja – So your factory is going to build the forms.

Jesus Taisague – The factory will build the forms.

Acting Chairman Michael Borja – Okay so initially before the factory you have to import these forms from somewhere and then hopefully you can build up this factory as well once you got the reason to believe that people are going to be using this material.

Jesus Taisague – Yes. One of the plans is basically to be local capacity and in order for us to be local capacity here you know we have to engage in some kind of housing development project and one of that that we're looking at is we're looking at affordable housing. And that's another separate idea that probably with Chamorro Land Trust having property we can engage in some kind of co-development where we can come in and use this as an OJT in developing the local capacity and hopefully our people would be able to understand and engage in ICF construction.

Acting Chairman Michael Borja – What kind of waste does this factory produce as far as air or solid waste?

Jesus Taisague – There is no waste because basically the raw materials is a polystyrene

beets that you just import that and you just steam it. So the only waste is just water.

Acting Chairman Michael Borja – So there's no chemical reaction.

Jesus Taisague – There's no chemical reaction on that.

Vice-Chairman David Matanane – How much wind can withstand this particular building if typhoon comes around how much force of wind can it withstand?

Jesus Taisague – Well it's a solid concrete over 200 miles per hour it will withstand. You know it can always be tested you know some test. You know 3,000 psi it's a port in place.

Vice-Chairman David Matanane – But it has to have what do you call that..(interrupted).

Jesus Taisague – It has all the reinforcement rebars and all those things.

Vice-Chairman David Matanane – And dug under the ground.

Jesus Taisague – Yes the foundation and all those things. It's just like the conventional the only additive to this one is that you insulate the concrete. Concrete is a very good conductor material and that's why at the end of the day you feel your house is like an oven. So with you building an envelop and this is not a new technology this is over 40 years this has been going on and in the U.S. Department of Energy they all have all this data.

Acting Chairman Michael Borja – So is this just the walls or does it include the roof?

Jesus Taisague – If you are to do a building envelop it has to be continuous so that means it has to be the walls and the roof as well.

Acting Chairman Michael Borja – So the roof is made with this material too?

Jesus Taisague – Yes.

Acting Chairman Michael Borja – So the site for a factory have we figured a possible location?

Administrative Director Monte Mafnas – Yes there's a couple of sites that we're looking at. The parent company Mr. Taisague is from Korea?

Jesus Taisague – The parent company is from Korea.

Administrative Director Monte Mafnas – How many units have they built?

Jesus Taisague – Probably they built there may be over a thousand already. It's only a new company out of Korea and they hold the patented and exclusive rights to distribute and to manufacture. So this year they will start their manufacturing plant as well and we hope

to continue also at the same time hopefully this year. It only takes about 6 months to complete the factory and put it on line.

Acting Chairman Michael Borja – The other officers of the company they are Korean nationals?

Jesus Taisague – They are Korean Nationals yes.

Vice-Chairman David Matanane – On this is I'd like to see your corporate documents.

Jesus Taisague – Yes sure. What I intend here is basically just to present you and then hopefully this will start the process and Mr. Mafnas and I can be working to provide all the necessary documentations that you may require.

Vice-Chairman David Matanane – That doesn't have to be a motion just have the Director to go ahead and do the process and then the approval or do we need to do a motion?

Acting Chairman Michael Borja – We can just go ahead and proceed with getting the details and then we'll approve it when the specific lands are identified then we can go ahead and move on that.

Administrative Director Monte Mafnas – I just wanted him to present it to the Board to enlighten the Board.

Vice-Chairman David Matanane – Thank you and great presentation Mr. Taisague.

Acting Chairman Michael Borja – So you've gone and you've spoken to all these people, Guam Housing, GHURA, GEDA, Energy, all those folks and they are all enlightened by it right?

Jesus Taisague – Yes.

Acting Chairman Michael Borja – How about the federal contracts any possibility of being able to do those too?

Jesus Taisague – Yes.

Acting Chairman Michael Borja – You're incorporated on Guam but are you going to be able to do federal contracts?

Jesus Taisague – That's what we hope that we would be able to do that. We've been told that if you manufacture here then it would be considered made in the US. So just with that we are hoping that we would be able to supply these materials also for federal projects.

Acting Chairman Michael Borja – You'd be able to register and get the FCCRs and all those kind of stuff?

Jesus Taisague – Yes that is our plan.

Acting Chairman Michael Borja – I just want to make sure that you guys hit the ground and get successful.

Jesus Taisague – The thing about this product Mr. Chairman is it's not just that it gives you know it lowers your energy consumption but it also has connection toward the health of the homeowners. You know we all understand that when you just come in from the hot sun into a cranked up air condition you can get sick. But with a regulated temperature with this building envelop that would basically enhance seniors probably with arthritis, cardiovascular diseases.

Acting Chairman Michael Borja – But the interior of the wall is also this form.

Jesus Taisague – Yes.

Acting Chairman Michael Borja – And there's no health effect from this material.

Jesus Taisague – There's no health effect there's no emission of any kind that would adverse the health. Like I said those things have been in existence of more than 4 years and it's widely publicized in the website anybody can go in there and research it the product that it's made from and all those things.

Acting Chairman Michael Borja – So go ahead and continue to work with Mr. Mafnas and coordinate the details of the house lot that we're going to look at and a possible area for a land lot for a factory so that we can go ahead and look at that as soon as you guys are done coordinating and agreeing then we can look at it for approval.

Jesus Taisague – Thank you very much.

4. Native American Direct Loan Program

Representatives present: Mary Guerrero (Loan Administrator, Guam Housing Corporation); Martin Benavente (President, Guam Housing Corporation); Carlos Camacho (Executive Director, Micronesia Community Development Corporation; member, Affordable Housing Council Taskforce)

Administrative Director Monte Mafnas – Mr. Chairman I just brought them in so they can enlighten us because we're in the process of transferring 65 lots from Department of Land Management's Land for Landless program to Chamorro Land Trust. This is the financing program that they have in mind.

Mary Guerrero – The name of the program is the Native American Direct Loan Program. As you are aware there are very limited financing options available to the lessees in order for them to build their homes especially for mortgage loans. Right now we have Guam Housing Corporation which addresses those that are not necessarily veterans. This

program that we are going to be presenting to you is a program that is available to veterans to build on Chamorro Land Trust properties. The characteristic of the program is very favorable. The interest rate right now is 3.5%. It's for a term of 30 years. Of course the eligibility is they have to show that they are in fact veterans and is eligible for the loan program. They would also have to be built on a Chamorro Land Trust property. So it's designed so that if they are eligible they can service the loan that the construction will be on the Chamorro Land Trust property. The execution of the lease will verify that in fact the veterans do meet the Native American requirements. So this program has been available to Guam since 1997. Unfortunately only I think it's less than 10 that have actually taken or 5 right now that have taken advantage of this program. Now this program you don't have to be a first time homeowner. The loan limit is up to \$650,000 and more importantly is the funding is available and there is a lot of funds. The concern the Veteran's Administration has is that should Guam continue to show that there is not a need for the program funding may be cut as you see all of the federal programs being lessened in terms of funding. This program has remained intact. Now Guam Housing, our involvement is to help package these loan applications so that the veterans have a local office that they can go to. We would do all the review and send the package to the Veteran's Administration. Now the characteristic as well is even their credit review is a little bit more. They won't set you up for failure but it's not as stringent as you would expect of a conventional loan. They go on a case by case. They even allow for refinancing so those that right now may have a loan with the Veteran's under the Native American loan program they can avail themselves for refinancing should the interest rate drop and that has already happened to some of our veterans. We have done numerous outreach to entice the veterans to take advantage of the program. Unfortunately a lot that has been said is they don't have in fact the lease agreement for the property that they desire to build their homes. I guess with what you may be proposing some development for the veterans we want to ensure you that there are financing options to the veterans and it's a beautiful program because it is like I said the rate is 3.5%.

Acting Chairman Michael Borja – This qualification you're only eligible if you're going to be leasing Chamorro Land Trust.

Mary Guerrero – Right.

Acting Chairman Michael Borja – If you have your own property already and you meet all the other eligibility requirements and you just want to build a house on your own land someplace you can..(interrupted).

Mary Guerrero – That's under their Direct program that the banks do, I mean they are the one that processes them.

Martin Benavente – You can qualify for that but it's not Guam Housing where you would borrow money. You go direct to the VA and ask for that. I just want to clarify one thing that we're sitting not necessarily as our individual titles represent us but we're members, I'm the Executive Director of the Housing Coordinating Council that the Governor had just put together. Carlos is a member of that council and we're here under that capacity. As soon

as one of our staff gets here I forgot to bring the subdivision map that we're talking about. This subdivision now is known as Sagan Linahyan and we wanted to show you that. Before I do that I'll ask Carlos of jump in there. In the third page of the documents we gave you is the MOU that we have with the VA that shows you that they have authorized us to package their loans for them if it's on Chamorro Land Trust property.

Carlos Camacho – Thank you Martin and Mary kind of gave a little highlight of the program. The reason we're very excited is that we're taking existing programs, there's a lot of programs you've seen that's been sitting in idle because like Mary said we did an outreach but there were parts where the veteran native recipients were on a waiting list. Chamorro Land Trust didn't have access to properties with infrastructure so this is why since 1997 we could never marry the two. When we formed this affordable housing council and we had a land survey committee in the first year of the Calvo Administration we had identified through Martin, Monte and the team the different lands that are available. And you've seen a lot of small progress we've done 10 homes here, 5 homes here utilizing the old schools homes that were here way back that was abandoned. You see now life back to them. Martin identified these 65 lots that are under the purview of Department of Land Management. One of the things that every time we looked at lands to transfer for development the Guam Legislature said what about the Chamorro Land Trust how come we keep transferring it all the way out. So one of the things we decided to do and again this is all in discussion it has not been transferred is the purview of Mr. Mafnas from DLM and on behalf of the Governor is to take 65 lots and transfer it to the Chamorro Land Trust but let's use it now to the highest and best use to a funding source that's available. There's infrastructure here what was pending in the past for our indigenous veterans. Like Mary said since 1997 I know the amount we have over forty, fifty million dollars sitting on appropriation that we're very fortunate they haven't cut it off yet. But one of the highlights now because I've worked on this almost a year ago with the same committee here, Mary gave a little highlight, one of the highlights that we're going to go on now with a new outreach campaign once we know the lands get transferred directly to Chamorro Land Trust and advertise to the Native Chamorro veterans is basically you know this loan that Mary talked about here's a couple of the highlights. There's no escrow fee involved, there's no points for the families, there's no origination fee and they're servicing of course is maintained by the Veteran's Office in Hawaii but the packaging is done through Guam Housing. But unlike any other type of loan portfolio you got all those closing fees and all that that are costs additional to the families here's an aggressive program that allows all these fees to be waived. The thing about it is we're not pegged with Freddie Mac FICO scores. So we're pegged based on your set base on pretty reasonable income and all that up to \$625,000. The other thing that we also found out is this doesn't have to be a turn-key. This could be a construction loan program. Some families can immediately go into a construction financing and get the loan closed through Hawaii. So through the last two years of our council meetings we have been meeting with these guys and while we just needed to know what property we got that we can use. Fortunately with the work of Monte and Martin and the committee we've identified some lots that we think we could that whatever through Executive Order and maybe the Land Management staff can advise us on the proper way to transfer these properties to the CLTC and then use it for highest and best use for families to leverage the veteran program. Now you mentioned earlier about

the confusion here. There are two types of veteran's loan program. This is for the Native American you know in case we get the critics that are other veterans they got the regular veterans that are administered with the VA loan program that's for non-native, that's for any veterans. So they are doing loan programs. What we're pushing here is for the Native American loan programs for our native indigenous soldiers or guardsmen or whatever qualifies under that definition. But this would be exciting once we get this done the committee here will be looking at an outreach campaign with the Guam National Guard or any potential native veterans and at least kick this project off on behalf of this year with Governor Calvo where we're planning for first quarter of this year.

Martin Benavente – You got to keep in mind that these properties have been sitting wasting for at least 20 years or so. These lots that are vacant here are the lots we are talking about and it's such as waste because it has infrastructure. You're talking about underground power, the sewer, you've got streetlights, you've got sidewalks, everything is there. This is even better than where I live infrastructure wise. You have a school right across that.

Acting Chairman Michael Borja – What school is that?

Martin Benavente – This is Astumbo Elementary School. This aerial will show you that this is an old aerial because there is a middle school sitting here now, the Astumbo Middle School. You have the fire station up here, community center and baseball field. This is another GHURA subdivision that is a success story here too.

Acting Chairman Michael Borja – So what are those housing down at the bottom?

Martin Benavente – These I hate to refer to it but they used to call them the dollar homes. We've taken back 10 of these units and we've remodeled it and now it's in the inventory of Guam Housing Corporation. We plan to work with Monte and Land Management to see if we can pick up a few more of the abandoned homes but today we're talking about the abandoned, unused vacant lots. All these lots are vacant, there are just trees, junk cars, things like that that are sitting there now. We want to clear it up and put it use. Our plan is to totally revitalize Sagan Lintahyan and make use of it instead of having it sit there while we have people that are homeless especially with the veterans. This is targeted strictly for the veterans and that's why we need to move the property from Land for the Landless under Land Management into your purview as Chamorro Land Trust. There's a purpose for that so we can qualify these people to make use of these properties that are just sitting there more than ready to be moved in to. Immediately we can immediately start building once we qualify them for their loans.

Carlos Camacho – If I can add to that Martin, our committee also and Monte knows this and maybe they already informed you guys the reason why we have a huge waiting list in the Chamorro Land Trust, Chamorro Land Trust has a lot of land inventory but the problem is we don't have access to infrastructure. The good news as of seven months ago the federal Government included Guam as part of SUTA. I'm not sure you guys are familiar with SUTA.

Administrative Director Monte Mafnas – They know.

Carlos Camacho – SUTA is called the Substantially Underserved Trust Area. It's strictly offered trust lands area that's under USDA under RUS that provides us a financing mechanism to now bring in road, power, water and sewer. So like Monte said when you saw the blue line those that have infrastructure but the infrastructures are close by we can leverage SUTA now to come in to develop the rest of the 65 for the veteran's program.

Martin Benavente – The bottom part here doesn't have that infrastructure. There's about roughly 30 lots that we need to put in but we have the resources.

Carlos Camacho – Now we got the resources unlike decades ago we just got included about seven or eight months ago and now Monte has been working diligently, will be working with USDA, GPA and Waterworks on how do we leverage that because only two entities can use SUTA, GovGuam or a non-profit organization can leverage SUTA. So at the end of the day you finally got a federal infrastructure program that can be available to develop alot of your large tracts of land now that we bring in the large infrastructure we can increase the density thereby providing more lots for the families on the waiting list. This pilot I call it a pilot project that we're doing with the Native Americans is the 65 will open up a large opportunity of the resources that you guys have leveraging all these programs. The good news is here we're saying that the lot is going to be given to you guys. We're not trying to take lots away from you guys. So this is a reverse we're going to ask Monte who wears two hats to see what mechanism there is to transfer these lots to your inventory so we can take advantage of those two federal programs, the Native American program and SUTA so we can at least on the 65 lots if we can figure out how SUTA can work bring in the infrastructure which we know we think we got the mechanism. Once we know that case study can be successful we can add that concept to other lots that you guys have.

Martin Benavente – This is a partnership with several agencies and private that we've been doing since we started office a few years ago and it's working. We're looking at whatever doesn't work we're trying to unwind it and make it work. This is one of our case study as you want to call to it because we do want to take this template and move it to different parts of the island where we have lands that's been sitting for many, many years. Ija and some of the other subdivisions and make it work there too. We're very sure it can be done.

Acting Chairman Michael Borja – Yes and so we're looking at other places other than up in the north I mean places central and south so that you can say you have qualified individuals who are from those areas of the island that would rather stay on that area of the island.

Martin Benavente – Yes. But it's the template that is important here. It's how we use this SUTA program that's important so if we can make it work in Dededo we're almost sure we can..(interrupted).

Acting Chairman Michael Borja – But you have an applicant listing already?

Administrative Director Monte Mafnas – That’s a very good question. We have quantified 606 veterans that have applied for CLTC land. Now we’re still working on that but basically you’re talking about 11 percent to qualify them. Now this program is exclusively for veterans and we can welcome those with commitment letters but the major component is that they’re veterans. We have the land and if they quantify then we can bring them in to the program. Not taking away anyone’s date and time and their number but also to go down the list to quantify everyone and if they are not a veteran and they don’t have a commitment letter then we go to the next person. According to Carlos there’s a Supreme Court decision made in the State of Hawaii where the recipients of the Trust stay in their date and time but if they don’t have the financial capacity they are jumped by the next person, next person, next person but they stay locked in there.

Acting Chairman Michael Borja – Okay well what do we need to do?

Martin Benavente – We’re just here to present the program so you can familiarize yourself with it and I think we’ll do most of the detail work administratively if we can find a way to get these things done. It might need a Governor’s transfer or it might need a Legislative transfer but at least we’re on the same page as everybody. We’re trying to as partners move this so that it works that’s what we’re here for.

Administrative Director Monte Mafnas – We’re just informing the Board that this is forthcoming with many integral components coming in to play, the federal registry first time in history CLTC has quantified. This program that Carlos brought to us was effectuated in 97 and I apologize I didn’t know about this program. I was leading towards the other Native program but this is better and simply for Native Veterans. So with Martin and Mary assisting it is going to build homes for our beneficiaries of the Trust but at this point in time we begin with the Veterans.

Acting Chairman Michael Borja – Using your syntax Monte, I applaud, commend and salute the committee that you guys have with the Governor to work on these kinds of housing issues because I think there is a need for those who actually need some kind of housing especially if it’s affordable and especially if they can get a loan like this. It’s a great deal and I hope we can get something going on this so that you have this template that does work and then can be applied to other parts of the island so that many more folks can take advantage of this. I do hope that we can get the Veteran’s organizations to get the word out among many of them to understand that something is available. Especially even those who are not yet veterans but potentially could be on the edge of retirement or getting out of the service or whatever and who are looking to come back home. This would be a wise way to get them back home.

Carlos Camacho – Mr. Chairman on behalf of our committee base and me as a member we appreciate us informing you and the reason we do this is it’s all about communication. Because once we in the committee announce this in this side of the field downtown it will become a very huge press release and news and imagine people coming up to you and say have you heard about it and if you didn’t hear about it there will be a miscommunication. So thank you for our Director from Land Trust to please inform our

members so that once we announce this throughout the campaign at least if you guys get run by the media and the circuit you guys say we heard about it and we'll wait for the details later.

Martin Benavente – We have an appointment tomorrow with key legislative, with Senators.

Acting Chairman Michael Borja – Well I kind of you know we're behind this I think as a group as the Commission. I personally you know if there's things that we need to move on on this then definitely once the details are worked out so we can get the lands moving on and do whatever we can to expedite the lands to be issued out to those who qualify in an orderly basis.

Administrative Director Monte Mafnas – Thank you Commissioners and Affordable Home Council but I'm usually the guy that receives all the complaints. Thank you very much.

Mary Guerrero – I just wanted to add that a critical element to initiate the processing of the loan is the applicant veteran would have to have an executed land lease agreement because they won't even process it. We can do the initial to determine that they do show the repayment ability but for us to send it off to the Veteran's Administration that package should contain the executed lease agreement.

Martin Benavente – And this makes it easier because you have lot numbers, maps and everything already for this. It's a matter of just assigning names to it.

Administrative Director Monte Mafnas – And adding the survey fees to their loan.

Acting Chairman Michael Borja – And the infrastructure too is really important because it's useless without it.

Commissioner Amanda Santos – Mr. Benavente what about the other low income families that are not veterans do they qualify under your program?

Martin Benavente – We're going to try to put them in also in part of this property but we're trying to dedicate it to the veterans but there might be a few pieces left over for that purposes. We do have other programs elsewhere that we're developing for that. This is just something that fits right in with the veteran's program and we're ready for this. The other programs we've been working on.

Administrative Director Monte Mafnas – Excellent Mr. Benavente you've exhausted already over 2 million dollars of loans right that you booked already?

Martin Benavente – Yes, we've been doing our job so well that we're running out of money. We're trying to replenish that with the Trust fund that we created last year and we're going to try to fund it by this year.

Carlos Camacho – I just wanted to add to Mrs. Santos's concern. Of course our focus is on

overall the low income community so just to give a good example of what we've done to one of your recipients, your client about a year and half ago the same Commission approved a very first of our rehab program with HUD with Mrs. Pinaula up in Mangilao. That was our first pilot program that we've done with hard work of your Board especially Mr. Matanane that was there from the past coming in to approve the final, Monte and GHURA. So we do have some programs now that just got into the process. Mrs. Pinaula is our first again we always use this word case study. She now lives in a concrete house. She's going to be one of our case studies in our success stories very shortly who had a substandard home that became now a one bedroom home. It's just now the outreach campaign that we're trying to build now in our committee so we can educate the other families that may fit in that category. We understand that there's an MOU pending for you guys to approve and sign with USDA. We got the Cruz family where once that's signed it will be a federal loan approved for their home right to build their home. That's also a qualified family. So that's two programs under the guarantee under you guys and of course the Native Veterans and the loan program administered by Guam Housing with their limited resources.

Martin Benavente – Also Mrs. Santos you had a prior applicant here which is JMD, we've been encouraging alternate building structures in Guam. We have people coming in as far as Australia to show us how to build metal buildings. Our purpose there is to try and bring the cost of building a house down and get that concrete mentality out and a lot of our locals who prefer to be homeless living in a canopy rather than living in an alternate building structure. So we're inviting people to come and show us different building structures that we can sell. I'm very confident that we can even find units that can be built for less than \$25,000. You take that \$25,000 and amortize it out to the number of years that Guam Housing normally does it comes out to be roughly about \$119 a month and that's affordable. So even with JMD's effort it's a part of our effort to bring new building structures in and with that I just wanted to also say that I do support their application for a model home location because we have been encouraging them to show us the model.

Vice-Chairman David Matanane – I would like to say thanks to the Committee, the Governor and the Committee that's ongoing. Let's go on forward and I appreciate you guys letting us know. We don't want to be surprised when things come up and we're aware of that. Thank you.

5. KoKo Recycling – status of commercial license in Barrigada

Administrative Director Monte Mafnas – I tried to get a hold of Mr. Benny Bello the President of KoKo Recycling but he's still in the Philippines. The reason why I still left him on the agenda is this. About a year ago almost a year ago we approved for him to go back into the Barrigada Heights property to clean it up and maintain and remove the debris that he had put in originally. He had occupied the property for over 10 years and he never did anything. There's about 50,000 tires minimum on that property and all kinds of fill, hardfill and waste materials. So he hasn't done anything with his commercial license at this point in time. So I wanted to request the Board to reconsider granting him his license by revoking his commercial license and if need be we'll litigate against him. He has failed already for 10 years and he's failed again. Part of the exercise is to have JR Mateo

relocate from Dededo and bring him to Barrigada from Batulo Street next to Global Recycling Center because DPW has given GBB the rights to clean up all that area. Unfortunately part of the area where I had put JR Mateo is on GBB's property.

Acting Chairman Michael Borja – GBB is?

Administrative Director Monte Mafnas – Gershman, Brickner and Bratton, the Layon landfill consent decree owners. They're taking all the money they might as well be the owners. So we had to relocate JR Mateo from the existing site.

Acting Chairman Michael Borja – I thought we reduced his property size right?

Administrative Director Monte Mafnas – That's his agriculture lease he's been there for over 12 years. But this is for his commercial activity. I asked Mr. Mateo to come here and I'm asking the Board to revoke the license of KoKo Recycling so we can have Mr. JR Mateo utilize at least 1 acre out of the 5 acres there to use as his business which is at this point in time a towing business. He cannibalizes the cars if not (inaudible) over a certain period of time and then he'll get rid of the solid waste materials at Global Recycling Center. So when he cannibalizes some parts he will sell it to China. So it's pretty much a staging area and it will not really have a lot of vehicles. By the way he has removed out of 3,000 cars he had removed at least 2,000 because I have been religious about investigating and visiting his site.

Acting Chairman Michael Borja – So we're in agreement to this? You guys have already talked about being relocated?

JR Mateo – Relocation yes because what Mr. Monte was saying where you guys had authorized us to be in Dededo somehow GBB I guess is actually owns that portion where you guys authorized me. And now that we can't be in there then we're supposed to be moving over to Global within an acre there but even with that it's kind of like it's a no, no.

Administrative Director Monte Mafnas – To survey the property Mr. Chairman and Commissioners it's a very expensive exercise because the surveyor using his transect cannot make a proper line because there's so much waste material being on the ground.

Acting Chairman Michael Borja – So what are we going to do with KoKo Recycling again? Have they been notified?

Administrative Director Monte Mafnas – I want to notify them.

Acting Chairman Michael Borja – So we haven't gone through that process yet to have them formally removed.

Administrative Director Monte Mafnas – Right. I wanted to ask the Board first to make a decision to that effect and then we can memorialize it based on the minutes and run it to our legal counsel who will be on Board in the first week of February and begin the

termination.

Acting Chairman Michael Borja – So this is not going to be an instant change this is going to be a few months or so.

Administrative Director Monte Mafnas – At least a month but I do want to inform GBB, Global Recycling and of course JR Mateo that we are effectuating this change and this is what the end result is going to be. KoKo out, JR Mateo comes in and GBB takes their site.

Vice-Chairman David Matanane – Is there any receivables that we need to go after KoKo?

Administrative Director Monte Mafnas – Actually no. What lease that was presented to us was had prepaid payment for the next 20 years because he had removed solid waste materials from the island and the previous Administrative Director did sign it, he signed it and was represented by his counsel Mr. Frederick Horecky.

Vice-Chairman David Matanane – If I remember correctly this guy for KoKo Recycling I think I saw the gentleman that was here last year or two years ago maybe but if my memory serves me correct that I asked him to bring in all the receipts and he hasn't?

Administrative Director Monte Mafnas – No.

Vice-Chairman David Matanane – So why are we giving him credit?

Administrative Director Monte Mafnas – I didn't give him credit. He was given credit by the rest.

Vice-Chairman David Matanane – No really we argued about that in a previous meeting two years ago I remember distinctly that I asked him to show me all the receipts that he encountered when he was clearing those properties. Now if he didn't comply then why are we giving him credit? He said its a million dollars and I asked him really I want to see that. But if he hasn't complied and if we can break out the minutes and maybe we'll go over that and then we'll find out really do we owe him or do he have any credit coming to him.

Administrative Director Monte Mafnas – He's under the auspices that it's credit and forget it. That's his mentality.

Vice-Chairman David Matanane – But we need to look into that before we do away with it and then we can you know I'm not saying anything about Mr. Mateo and all that but really we do away with KoKo then we say we do away with them entirely and we're not going to go after him as to whatever he's supposed to with his license.

Administrative Director Monte Mafnas – And we warned him, the Commissioners warned him that we will give you that second chance to make good on his word and his contractual obligation and to no avail he has failed, failed, failed.

Vice-Chairman David Matanane – We need to review the minutes the last time that he was here and we instructed him to bring in all the receipts so we can see that we are giving him that credit. If he justifies it then hey we have no problems. I have no problems with whatever you guys are doing but we need to clarify KoKo.

Acting Chairman Michael Borja – This property that KoKo Recycling that we're going to move Mr. Mateo, JR & Sons to is it spoiled?

Administrative Director Monte Mafnas – Basically it is it's a big hole with nothing but fill material that could be hazardous waste. It used to be from the old hospital.

Acting Chairman Michael Borja – Oh so this is waste from after the typhoon that they transferred?

Administrative Director Monte Mafnas – Yes and with over 50,000 tires but my working with Mr. JR Mateo is that he would have to clean certain portions and put a concrete pad over it of course working with EPA.

Acting Chairman Michael Borja – Is this place up in Barrigada Heights?

Administrative Director Monte Mafnas – Yes sir.

Acting Chairman Michael Borja – We can't pad it over. Didn't we get told that the reason we had to move everyone out of there is because it's over the water lens?

Administrative Director Monte Mafnas – That's on the top. We're going to work with EPA of course and see what we can do. But his activity is not of humungous..(interrupted).

Acting Chairman Michael Borja – Not for collecting but for removing or what you guys are saying salvaging.

JR Mateo – What actually are the main thing here is the towing and at the end of the day on the towing after we finish what we need to do with the car at the end of the day like Mr. Monte said we're staging as a scrap thing after the end of the day. Actually it's a staging area. We're not into the solid waste like Global Recycling is doing. We're just strictly cars. We just pick up cars store it into our yard storage there for so many days until whoever claims it and whatever is not claimed, we don't sell or what have you then we dispose of it.

Administrative Director Monte Mafnas – But I did impress upon Mr. Mateo that we need a solid waste connection site to prevent any oil or acid or whatever spillage be contained. So that's what I meant when I said we need to put some concrete. Not the whole area, not cap it.

Acting Chairman Michael Borja – Well then I think we're moving in the right direction there. I think we need to just go ahead and proceed with all the formalities with KoKo Recycling get that done so we can move them on to. Now going back again we relocated them to a

place where Gershman came back to us and said that belongs to us?

Administrative Director Monte Mafnas – Well actually it was on an easement that separated our lot of 13 acres and their lot of 15 acres. The easement was supposed to serve GPA so I told him to go ahead and use this side but provided he gets a survey map to identify and delineate.

Acting Chairman Michael Borja – So he paid for a survey?

Administrative Director Monte Mafnas – Well we never got the survey because the surveyor refused to commence work until all the debris are removed. So rather than enter into that cost I think it'll be prudent upon us to relocate them out.

Acting Chairman Michael Borja – That's why I wanted to know did they end up paying for a survey on a place that they can't reside.

JR Mateo – No not yet.

Administrative Director Monte Mafnas – But they have to pay the survey for this one.

Acting Chairman Michael Borja – But the lease is going to be on a place that we know you are not going to waste money on.

Administrative Director Monte Mafnas – But the subject lot is 5 acres so right now all he needs is 1 at this point in time. If in the event he needs more then he will come back to the Board.

Acting Chairman Michael Borja – Okay.

Vice-Chairman David Matanane – I have no problems with that all my concern is KoKo.

Acting Chairman Michael Borja – Yes the concern is if there are any kind of payment issues or in their case they think we owe them then let's clear that up because we have to clear the books on this one.

Administrative Director Monte Mafnas – I just wanted the Board to be aware and cognizant of what's happening so that we can go forward and with our counsel.

JR Mateo – Thank you gentlemen.

Administrative Director Monte Mafnas – You have no objections right Mr. Mateo?

JR Mateo – Oh no objections sir. I mean whatever you guys decide is good with me.

VII. DIRECTOR'S REPORT

1. CLTC's subdivision of 83 (929sqm or 164 – 5,000sqft) house lots tentatively approved by GLUC

Administrative Director Monte Mafnas – Next week on the GLUC meeting there's a tentative subdivision of our 25 acres on Lot 7128-REM in the municipality of Yigo that will be filed as an agricultural subdivision in totaling 83 lots. Upon the acceptance of that and if and when we put in the necessary infrastructure it will be a 164 house lots. So the approval with GLUC just than agricultural subdivision but the master plan in place is to build affordable homes in the amount of 164 lots. The Governor is going to have a ground breaking ceremony on January 31st that's a Thursday at 11am on the subject site in Yigo. This subject lot again is right across the Yigo gym and GAIN the one we've been talking about with all those easements going in and out, signalization, sewer lines, lateral sewer lines to be provided by our neighboring developers.

Acting Chairman Michael Borja – Who is going to kick off first in that area the developers or us?

Administrative Director Monte Mafnas – I'm hoping we do.

Acting Chairman Michael Borja – But the infrastructure development on that, the contractors are all, they're laying down the infrastructure and we're just being able to take advantage of them.

Administrative Director Monte Mafnas – After the subdivision is approved we'll enter into a request for proposal to build 164 homes so that will probably take 18 to 24 months before it's finally completed but that's the master plan at this point in time.

Acting Chairman Michael Borja – Have we ever established any kind of since we're looking at creating these housing developments have any kind of I guess you can call them homeowner's association kind of rules that since they're on CLTC property there better be certain kinds of rules of decorum and say we're not going to you know try to keep it so it's decent and respectable to each other. Especially since we're going to be having larger private developments in that area which are probably going to be more upper level homes, bigger level homes just so that we're not creating any kind of situation on which there can be degradation of the property value just because of people that are living on these CLTC areas. A similar way that GHURA has taken a hold of their housing areas and established certain strict rules.

Administrative Director Monte Mafnas – That's an excellent point Mr. Chairman. I do have a template for either you call it RCC restriction covenant conditions or CCR covenant conditions and restrictions so it will be recorded with together with the subdivision if and when we complete the housing project. So part of that RCC or CCR will enable homeowner associations to be functional.

Acting Chairman Michael Borja – Well I think in certain ways as we do things like this housing stuff that Mr. Benavente was showing us I mean it's technically going to be CLTC

lots that every time we assign lots for housing there'll be certain rules. We'll assign lots for agriculture, there obviously have to be certain rules so that they're not doing things like we've had to encounter and deal with where they're just grossly negligent of what those rules are. Just so that everybody has a good neighbor who's all following the same rules and you don't have someone who wants to build a beautiful place for them to live and they're next to a cockfighting farm.

Administrative Director Monte Mafnas – That's a very good point I mean you know that's part of master planning part of urban planning the highest and best use of the land. But we will conform with the law especially with this one with the subdivision law and hope that the beneficiaries of the Trust will comply too.

Acting Chairman Michael Borja – It's going to be really tough for us to enforce but if the rules are laid down then at least if a group of neighbors decide they want to create a neighborhood organization with certain rules for the neighborhood they already exist those rules and all they have to say is we're supposed to be in compliance with these things and we can go back and issue letters of warning you know clean up your act.

Administrative Director Monte Mafnas – Excellent point and concern, points of authority I will have that and if and when we begin the homeowners association technically we're the developers we control the Board until it depends on the other homeowners activity. But we can demonstrate and demand that certain individuals adhere to the CCR or RCC. Don't forget that's a Thursday, January 31st at 11am at Yigo. This is just a government press release so we can invite other recipients, beneficiaries of the Trust. We have yet to enter into an RFP to quantify who the developer will be, the construction company. I'm hoping that they finance, build and do a turn-key. That will be the RFP.

Acting Chairman Michael Borja – Oh so that's what we're going to do we're going to do a turn-key.

Administrative Director Monte Mafnas – Yes.

Acting Chairman Michael Borja – Oh so obviously then we're going to have basic construction rules there so you're not going to have homes that are..(interrupted).

Administrative Director Monte Mafnas – We want the best for a public private partnership we providing the land and infrastructure and they provide the finance and they build. So whatever vehicle will be the most beneficial for the Trust is what we will memorialize and enter into.

2. Legal Counsel Contract

Administrative Director Monte Mafnas – The legal counsel the contract is in its final review with the Governor's legal attorney advisor and hopefully the Governor signs it if not this week next week. But our legal counsel Mr. Robert Cruz shall commence his work the first week of February. He's out of town, out of the island until that date.

VIII. **EXECUTIVE SESSION** – None.

IX. **ADJOURNMENT** – Meeting adjourned at 3:06pm. Next meeting will be held on February 21, 2013.

Transcribed by: Teresa Topasna: *Teresa Topasna*

Approved by Board motion in meeting of: *Feb. 21, 2013*

Acting Administrative Director, Monte Mafnas: *DAVID CAMACHO* *DCamacho*

Date: *2/21/13*

Chairman (Acting), Michael Borja: *M Borja*

Date: *FEB 21, 2013*

GLOBAL MICRONESIA CORPORATION

January 22, 2013

Monte Mafnas

Administrative Director
Department of Land Management
Government of Guam
590 S. Marine Corps Dr., ITC Bldg.
Tamuning, Guam 96913

RE: JMD's Corporation Documents

Dear Mr. Mafnas:

Enclosed are copies of JMD's corporation papers as requested by CLTC Vice-Chairman Matanane during the January 17, 2013 CLTC's board meeting. JMD is a lateral transferred company to Guam from Saipan. The company was incorporated on Saipan on February 08, 2008 consisting of five initial board members and doing business in General Household Furnishing, General Construction Contractor, and Import/Export (non-garment). On September 25, 2012 the company was reorganized consisting of only three shareholders (see enclosed copy of amended annual corporate report). Due to the very poor economic conditions on Saipan, the new set of shareholders decided to introduce its Isorast Insulation Concrete Forms (ICF) to Guam and to explore the housing development potential. Seven months of information gathering, presentations, and participation in the affordable housing symposium & Expo and in the UOG Career in Energy Efficient Expo resulted in a decision to lateral transferred JMD to Guam. Subsequently, a Certificate of Authority was issued to JMD on October 22, 2012 (see enclosed copy of Certificate of Authority) by the Department of Revenue and Taxation Government of Guam. Thereafter, JMD applied for a contractor's license and was approved (a copy of our contractor's license was earlier provided to CLTC).

During our seven months of product presentations, the frequent question asked was "will there be a model home built?" The answer to that question was a "yes." Another common question asked was "how much per square feet?" To answer this question, one must understand that the cost per square feet for a house built with ICF 6" cast in-place solid concrete cannot be compared to the cost of a house built with CMU blocks without insulations. Of course, if we are just looking at a single house to build using ICF and without considering the tremendous benefits of a low-energy efficient house, then the upfront cost will be higher by 10% - 15% due to freight cost, compared to the upfront cost of a house built with CMU blocks without insulations. However, low-energy efficient houses can still be made affordable by importing the ICF in volumes for multi housing development. Another strategy to making ICF affordable to every homeowner is to manufacture and assemble the products here on Guam. Manufacturing and assembling these energy efficient materials on Guam, it will also create export products for Guam.

ICF construction creates thermal building envelop in which the building system itself will reduce energy consumption up to 85%. It is not a new construction technology. It has been around for more than 40 years. Isorast ICF can be used in cold or hot with high humidity climates. Isorast ICF is made of Expandable Polystyrene known as EPS with graphite incorporated into the nucleus structure of the EPS, giving Isorast ICF a unique shiny grayest-silver color and able to control all three (3) energy transfers. EPS has a Heat Resistance (R-Value) of 4 per inch, 2nd best insulation material. ICF Construction is widely publicized in the Internet. For more information on Isorast ICF, please visit www.isorast.de (this site has a translation link from German language to English language) and www.neopor.basf.com. Google Isorast and Neopor for additional information on ICF products.

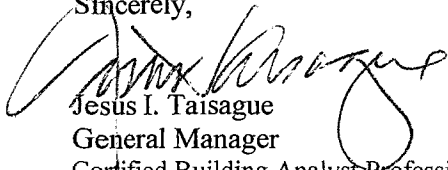
By manufacturing and assembling Isorast ICF, mechanical ventilation system and energy efficient windows & doors on Guam, not only that it will be more affordable but also it will put more money in the homeowners' pockets that will allow them to pay-off their mortgage faster through energy savings. Foremost, it will enhance health of the occupants with issues of asthma, arthritis, and heart problems. Plus, outside noises will not be nuisance to seniors and other occupants because Isorast ICF, windows and doors are very good sound insulation material.

The factory and ICF construction will create more local employments. As I mentioned during the board meeting, we were made aware that big construction companies on the island do not subscribed to fast house construction methods for fear of losing H2 worker privilege. This prompted to open dialogue with Guam Community College to include ICF construction into GCC's current construction technology curriculum. Not only that ICF houses lowers energy consumptions but also tremendously reduces the time of construction. The factory will create around 200 to 300 local employment.

Energy efficiency is a "buzz" word globally where jurisdictions like Europe, Korea, and North American have energy codes already implemented requiring homes to be designed and constructed with energy efficiency. Guam is not far from having its own Guam energy codes as evident by a "Guam Tropical Energy Code" being proposed to the Guam Building Code Council and to the Lehislaturan Guahan.

JMD really appreciates CLTC willingness to allow JMD to lease CLTC properties for its proposed energy efficient model house and factory. We are ready to undertake the required CLTC's processes to be able to lease CLTC properties. Thank you Mr. Monte Mafnas for your assistance in presenting our Letter of Intent to CLTC and we look forward to working closely with you on all the required details and information for presentation to CLTC. Please let us know what other documents and/or information we need to provide you and processes we need to undertake.

Sincerely,



Jesus I. Taisague
General Manager
Certified Building Analyst Professional/Energy Auditor
Building Professional Institute ID #5043208
Expiration Date: 09/21/15

Enclosures:

- 1) Article of Incorporation
- 2) Bylaws
- 3) Corporate Annual Report
- 4) Employer Identification Number (EIN)
- 5) Passport of JMD Board Members

XC: CLTC Board Members
JMD Board Members



DEPARTMENT OF REVENUE AND TAXATION
GOVERNMENT OF GUAM

FILE *F-3318*

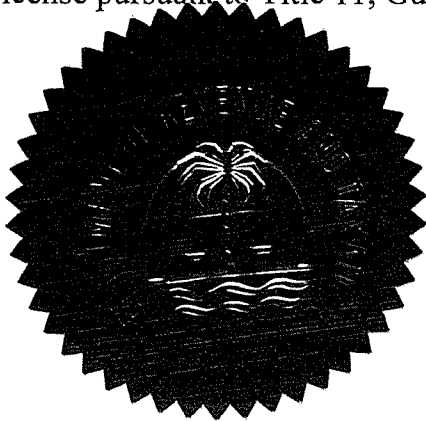
Certificate of Authority

This Certificate of Authority is hereby issued to:

JMD GLOBAL MICRONESIA CORPORATION

a corporation organized under the laws of Commonwealth of the Northern Mariana Islands, Saipan as a foreign corporation in Guam. This Certificate of Authority authorizes the Foreign Corporation to transact business on Guam, pursuant to Title 18, Guam Code Annotated, Section 7106 (a).

This Certificate of Authority does not relieve said corporation from the requirements of obtaining a Business License pursuant to Title 11, Guam Code Annotated, Business License Law.



IN WITNESS WHEREOF, I have subscribed my name officially and hereon impressed my Seal of Office, City of Hagatna, Guam, USA on this 22nd day of October, 2012.

JOHN P. CAMACHO
Director of Revenue and Taxation

ARTICLES OF INCORPORATION
OF

OCT 22 2007
FEB 08 2008
BUSINESS REGISTRATION
B:27

Registrar of Corporations
Commonwealth of the
Northern Mariana Islands

JMD GLOBAL MICRONESIA CORPORATION

TO ALL TO WHOM THESE PRESENTS MAY COME, GREETING:

Preamble

KNOW YE, that we, the undersigned, desiring to become incorporated as a corporation under and in accordance with the laws of Commonwealth of the Northern Mariana Islands, and to obtain the benefits conferred by said laws upon corporations, do hereby mutually agree upon and enter into the following articles of incorporation.

ARTICLE ONE

CORPORATE NAME

1.1 **NAME.** The name of the corporation shall be:

JMD GLOBAL MICRONESIA CORPORATION

ARTICLE TWO

PRINCIPAL OFFICE

2.1 **OFFICE.** The place of the principal office of the corporation shall be located on the Island of Saipan, Northern Mariana Islands, and there may be such subordinate or branch offices in such place or places as may be deemed necessary or requisite by the board of directors to transact the business of the corporation, such branch or subordinate offices to be in the charges of such person or persons as may be appointed by the board of directors. The address of the corporation shall be P.O. Box 504345 CK, Saipan, MP 96950.

ARTICLE THREE

PURPOSES AND POWERS

3.1. PURPOSES.

(a) To buy, sell, exchange, lease, let or grant or take license in respect, improve, develop, repair, manage, maintain and operate real property of every kind, as principal, agent, or broker, and on commission or otherwise; to act as loan broker, and generally to do everything suitable, proper and conducive to the successful conduct of a real estate agency and brokerage business in all its branches and departments.

(b) To establish, purchase, lease as lessee, or otherwise acquire, own, operate, and maintain, sell mortgage, deed in trust, lease or lessor, and otherwise dispose of retail stores or departments therein; to buy, sell, trade manufacture, deal in and with goods, wares, and merchandise of every kin and nature, and to carry on such business as wholesalers, retailers, importers; to acquire all such merchandise, supplies, materials, and other articles as shall be necessary or incidental to such business; and to have any and all powers to carry out the purposes above set forth as fully as natural persons, whether as principals, agents, trustees, or otherwise.

3.1.1. **THEME PARK, ETC.** To engage in the promotion management, development of all types of construction and real estate development.

3.1.2. **IMPORT-EXPORT.** To carry on the business of import and export of general merchandise in all foreign and domestic markets, to act as brokers, commission men, factors and agents for buyers and sellers, both foreign and domestic, trading in general merchandise, foodstuffs, and mercantile goods and ware. To purchase and sell goods that are permitted by the laws of the United States to be handled in interstate commerce, and world foreign trade. To acquire, use and operate equipment, materials, and supplies, and maintain all things necessary to effect the purpose and objectives that are required in this type of business as above generally described..

3.1.3. **ALL THINGS NECESSARY.** To these ends, this corporation is formed to do any and all of the things hereinafter set forth as fully and to the same extent as natural persons might or could do in any part of the world, either as principal or agent, either alone or in association with other corporations, firms or individuals, or by organization of subsidiary corporations, and to do construction, wholesale and retail of construction materials, real estate broker and development and import and export; and commercial and residential space rentals

3.2 ADDITIONAL PURPOSES. This corporation shall have as additional purposes:

3.2.1 **PROMOTING.** To carry on and undertake any business undertaking, transaction operation commonly carried on or undertaken by capitalist, promoters, and financiers and other incidental business which may seem to the company convenient to carry on a connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights.

3.2.2 **ALL POWERS GRANTED BY LAW.** To do all things specified in Title 37, and to have and to exercise all the powers hereafter conferred by the laws of the Commonwealth of the Northern Mariana Islands upon corporations organized pursuant to the laws under which the corporation is organized and any and all acts amendatory thereof and supplemental thereto.

3.2.3 **DOING ALL THING NECESSARY OR PROPER.** To do everything necessary, proper, advisable, or convenient for the accomplishments of any of the purposes, or the attainment of any of the objects, or the furtherance of any of the powers herein set forth, either alone or in association with others, and incidental or pertaining to, or growing out of, or connected with, its business or powers, provided the same be not inconsistent with the laws of Commonwealth of the Northern Marian Islands.

3.3 **POWERS.** In furtherance of the foregoing purposes, the corporation shall also have the following powers, that is to say:

3.3.1. **CORPORATE SUCCESSION.** To have succession by its corporate name.

3.3.2. **SUITS.** To sue and be sued in any court.

3.3.3. **SEAL.** To adopt and use a corporate seal, and alter same at its pleasure.

3.3.4. **AGENTS.** To appoint any such subordinate officers and agents as the business' of the corporation shall require.

3.3.5. **LEND MONEY.** To lend and advance money or to give credit, with or without security, to such persons, firms, or corporations and on such terms as may be thought fit: and if with security, then upon mortgages, deeds of trust, pledges, or other hypothecations or liens upon real, personal or mixed property, or any right or interest therein or thereto.

3.3.6 **BY-LAWS.** To make and adopt and from time to time amend or repeal by-laws not inconsistent with any existing law for the management of its operations and properties, the election and removal of its officers, the regulation of its affairs and the transfer of its stock and for all other purposes permitted by law.

3.3.14. **MERGERS.** To become a party to effect a merger or consolidation with another corporation or other corporations, and to enter into agreements and relationships not in contravention of law with any person, firm or corporation.

3.3.15. **SURETY.** To become surety for or guarantee any dividends, bonds, stocks, contracts, debts, or other obligations or undertakings of any other person, firm, or corporation, and to convey, transfer or assign by way of pledge or mortgage all or any of the corporation's property or rights, both present and future, of such person, firm, or corporation and on such terms and conditions as the corporation may determine.

3.3.16. **AGENCY.** To do all or any of the above things in any part of the world, directly or indirectly, and as principal, agent, factor, contractor, or otherwise, and by or through trustees, agents, or otherwise, and either alone or in conjunction with others.

3.4. **CONSTRUCTION OF PURPOSES AND POWERS.** The purposes specified herein shall be construed both as purpose and powers and shall be in nowise limited or restricted by references to, or inference from, the terms or any other clause in this or any other article, but the purposes and powers specified in each of the clauses herein shall be regarded as independent purposes and powers, and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any manner the meanings of general terms or of the general powers of the corporation; nor shall the expression of one thing be deemed to exclude another, although it be of like nature not expressed. Furthermore, nothing herein contained shall be as giving the corporation any rights, powers, or privileges not permitted to it by law, but this occurrence in any of the foregoing clause of these Articles of any purpose, power, or object prohibited by the laws of the Commonwealth of the Northern Mariana Islands or any other state or any other district, territory, colony, dependency, or foreign country in which the corporation may carry on business shall not invalidate any other purpose, power, or object not so prohibited, by reason of contiguity or apparent association therewith.

ARTICLE FOUR

CAPITAL AND STOCK

4.1 **CAPITAL AND AUTHORIZED SHARES.** The capital stock of the corporation shall be: Two Hundred Thousand (\$200,000.00) Dollars divided into Two Hundred Thousand (200,000) shares of common stock of the par value of One Dollar (\$1.00) each all with equal rights, powers, and privileges.

4.2 **CONSIDERATION FOR SHARES.** The board of directors is authorized to determine the consideration and the terms and conditions on which shares may be issued, and what portion, if any, is to be paid-in surplus, subject to the applicable

provisions of these articles and the provisions of laws, of the Commonwealth of the Northern Mariana Islands.

4.3 **PRE-EMPTIVE RIGHTS.** Shares of stock in this corporation shall not be transferred or sold except pursuant to the provisions of Article Five, infra, and shall be subject to such restrictions as may be provided in the by-laws of the corporation. In offering for sale the balance of the original authorized stock not issued or subscribed, and in cases of any authorization to increase the capital stock of the corporation of any class, except where such authorization be for the purpose of stock dividend, or for the purposes of furnishing shares provided for in conversion privileges of stock authorized, such balance of the original stock or such newly authorized stock shall be offered for subscription to the holders of record of all shares of stock outstanding (on such date as shall be determined by the board of directors) in proportion to the number of shares of stock held by them respectively, subject to such regulation and adjustments as the board of directors may from time to time determine with a view of avoiding the issuance of fractional shares. If the shares be offered for subscription to the stockholders as aforesaid, and at the expiration of any subscription rights, any old or new shares authorized have not been subscribed for, then, and in either event, the authorized and unissued shares may be issued and sold from time to time for such price and to such persons and on such terms as the board of directors may determine.

4.4 **ADDITIONAL CLASSES AND AUTHORITY TO INCREASE STOCK.** The corporation shall have power from time to time to create an additional class or additional classes of stock, with such preference, voting powers, restrictions and qualifications thereon as shall be fixed in the resolution authorizing the issuance thereof in accordance with law. The capital stock authorized may be increased by a 2/3s majority vote of the voting shares of the corporation at any regular stockholders' meeting or at any special stockholders' meeting called for that purpose, by the adoption of an amendment to these articles.

4.5 **VOTING RIGHTS.** Each shareholder shall be entitled to one (1) vote for each share owned; shareholders may vote in person or by proxy pursuant to the By-Laws.

4.6 **SALE TO LOCAL CITIZENS.** Upon recapitalization, the corporation may sell shares to the citizens of the Northern Mariana Islands or to citizens of the United States. The corporation deems it important to have local citizens participate in the ownership of the corporation, and, therefore, it shall take all reasonable effort to effectuate said policy.

4.7 **DISPOSITION OF CAPITAL SURPLUS.** The Board of Directors may from time to time declare, and the corporation may pay, dividends on this outstanding shares in cash, property, or its own shares out of capital surplus, subject to any restriction and requirement of applicable law.

ARTICLE FIVE

LIMITATION ON TRANSFER OF STOCK

5.1 **OFFER TO CORPORATION.** No shareholder shall transfer, alienate, or in any way dispose of any share of the corporation unless such share shall first have been offered for sale to the corporation. The corporation reserves and shall have the exclusive right and option to purchase such shares at a price equal to the book value. Thereof within 4 hours after such offer. After the expiration of such time, the shareholder, if the corporation shall not have exercised its option to purchase such share, shall be free to transfer, alienate, or otherwise dispose of such shares, without any restriction whatsoever. Failure of the corporation to purchase any share or shares and the sale or transfer thereof to any other person, shall not, as to any future sale or transfer of said share or shares issued in lieu thereof, discharge any such share or shares from the restrictions herein contained. It is the intent that all restrictions herein contained and imposed upon the sale or transfer of shares shall apply to all shares, whatsoever, or by whomsoever acquired, in the hands of all holders, or owners, whether original shareholders or subsequent purchasers or transferees and whether acquired through the voluntary or involuntary acts of a shareholder or by operation of law and whether a part of the first authorized issue or of any subsequent or increased issue; provided however, that the restrictions contained in this Article Five shall not apply to a gift or other transfer of shares from a shareholder to his spouse, parent, brother, sister, child or other immediate member of his family or to a transfer in trust for the benefit of any such kindred person.

ARTICLE SIX

MANAGEMENT

6.1 **OFFICERS.** The officers of the corporation shall be a president, vice president, a secretary or secretaries, and a treasurer. The corporation may have such additional officers as may be determined in accordance with the by-laws from time to time. The officers shall have the powers, perform the duties and be appointed as may be determined in accordance with the by-laws. Any person may hold two or more offices of said corporation, if provided by the by-laws, but no person may hold the office of president and secretary at the same time.

6.2 **BOARD OF DIRECTORS.** The board of directors shall consist of such member of persons, not less than five (5), as shall be determined in accordance with the by-laws from time to time.

6.3 **QUALIFICATION AND ELECTION.** The officers of the corporation, can be stockholders of the corporation. The directors shall be elected or appointed in the manner provided by the by-laws.

6.4 **VACANCIES.** Any vacancies among the officers or board of directors shall be filled by the board of directors for the unexpired term thereof.

6.5 **FIRST DIRECTORS AND INITIAL OFFICERS.** The persons who are the first directors of the corporation, their citizenship, and mailing address are as follows:


<u>Name</u>	<u>Address</u>	<u>Citizenship</u>
Kim, Jae Jun	P.O. Box 504345 CK Saipan, MP 96950	Korean
Chang, Won Bok	P.O. Box 504345 CK Saipan, MP 96950	Korean
Lee, Moon Haeng	PMB 500 PPP Box 10000 Saipan MP 96950	Korean
Lim, Youn Jae	P.O. Box 503359 CK Saipan, MP 96950	Korean
Park, Yong Woong	P.O. Box 504345 CK Saipan, MP 96950	Korean

The names, citizenship and respective positions of the officers elected to serve until the first annual meetings, or until their successors are chosen and qualified are as follows:


<u>Name</u>	<u>Position</u>	<u>Address</u>	<u>Citizenship</u>
Kim, Jae Jun	President	P.O. Box 504345 CK Saipan, MP 96950	Korean
Chang, Won Bok	Vice-President	P.O. Box 504345 CK Saipan, MP 96950	Korean
Lim, Youn Jae	Treasurer	P.O. Box 503359 CK Saipan, MP 96950	Korean
Park, Yong Woong	Secretary	P.O. Box 504345 CK Saipan, MP 96950	Korean

6.6 **POWERS OF DIRECTORS.** All the corporate powers, business, and affairs of the corporation shall be executed, conducted, and controlled by the board of directors, except as otherwise provided by law, or in these articles of incorporation, and, in furtherance and not in limitation of said general powers, the board of directors shall have power to: (i) Acquire and dispose of property; (ii) Appoint a general manager, branch managers, and such other managers, officers or agents of the corporation as in its judgment this business may require, and to confer upon and to delegate to them, by power of attorney or otherwise, such power and authority as it shall determine; (iii) fix the salaries or compensation of any or all of its officers, agents and employees and in its discretion, require security of any of them for the faithful performance of any of their duties; (iv) declare dividends when it shall deem it expedient in cash, property, or its own shares out of capital surplus, subject to any restriction and requirement of applicable law; (v) make rules and regulations not inconsistent with law or these articles of incorporation or the by-laws for the transaction of business; (vi) instruct the officers or agents of the corporation with respect to, and to authorize the voting of stock; (vii) incur such indebtedness as may be deemed necessary, which indebtedness may exceed the amount of the corporation's capital stock; (viii) create such committees (including, but not limited to, execute committee or committees) and to designate and to confer upon such committees such powers and authority as required to accomplish their purpose; (ix) invest any funds of the corporation in such securities or other property as to it may seem proper; (x) remove or suspend any officer; and (xi) generally, do any and every lawful act necessary or proper to carry out and into effect the powers, purposes and objects of this corporation.

6.7 **CONFLICTS OF INTEREST.** A director of the corporation shall not, in the absence of fraud, be disqualified by his office from dealing or contracting with the corporation either as a vendor, purchaser or otherwise, nor, in the absence of fraud, shall any transaction or contract of the corporation be void or voidable or affected by reason of the fact that any director, or any firm of which any director is a member, or any corporation of which any director is an officer, director or stockholder, is in any way interested in such transaction or contract; provided, that the meeting of the board of directors or of a committee thereof having authority in the premises, authorizing or confirming said contract or transaction, the existence of an interest of such director, firm or corporation is disclosed or is known and there shall be present a quorum of the board of directors constituting such committee, and such contract or transaction shall be approved by a majority of such quorum, which majority may include the director so interested or connected. A general notice spread upon the minutes of a meeting of the board or of any committee thereof that a director is a director, member, officer or stockholder of any firm or corporation, and is to be regarded as interested in any subsequent transaction with such firm or corporation, shall be a sufficient disclosure under the foregoing provision, and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or corporation. Nor shall any director, nor any firm of which any director or stockholder, be liable to account to the corporation for any profit realized from or through any transaction or contract of the corporation authorized, confirmed or approved as aforesaid by reason



Chang, Won Bok
Vice President



Lim, Youn Jae
Treasurer




Park, Yong Woong
Secretary

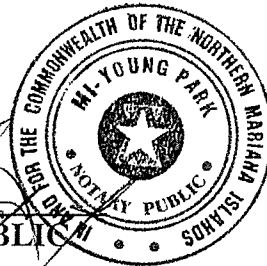
COMMONWEALTH OF NORTHERN)
MARIANA ISLANDS)
) SS
SAIPAN)

On this 2nd day of February, 2008, before me, a Notary Public in and for Saipan, CNMI, appeared Park Yong Woong, known to me to be the persons whose names are subscribed to the foregoing Articles of Corporation and acknowledged to me that they executed the same as their free and voluntary act deed for the uses and purposes therein set forth.

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



NOTARY PUBLIC



My Commission expires on
the 18th day of June, 2009

FOED
DEPT. OF COMMERCE
OCT 22 2017
10:27
2:00P
FEB 08 2008
Registrar of Corporations
Commonwealth of the
Northern Mariana Islands

BY-LAWS
OF

JMD GLOBAL MICRONESIA CORPORATION

ARTICLE ONE

OFFICES

1.01. PRINCIPAL OFFICE. The principal office for the transaction of the business of this corporation is located at Saipan, Commonwealth of the Northern Mariana Islands. The board of directors has full power and authority to change the principal office from one location to another in Commonwealth of the Northern Mariana Islands by noting the changed address and the effective date and informing the corporate register thereof. First office is **P.O. Box 504345 CK, Saipan MP 96950**

1.02. OTHER OFFICES. Branch or subordinate offices may at any time be established by the board of directors at any place or places where the corporation is qualified to do business.

ARTICLE TWO

SHAREHOLDERS' MEETING

2.01 PLACE OF MEETINGS. All the meetings of the shareholders shall be held at the office of the corporation in Saipan or elsewhere as may be designated for that purpose from time to time by the board of directors.

2.02. ANNUAL MEETINGS. The annual meeting of shareholders shall be held upon a date to be selected by the president of the corporation and established by written notice given to all stockholders not less than thirty (30) days prior to the date of the meeting. At such meeting the directors for the ensuing year shall be elected, and reports of the affairs of the corporation shall be considered.

2.03. SPECIAL MEETING. Special meetings of the shareholders for any purpose or purposes whatsoever, except for the election of directors, may be called at any time by the president, or by the board of directors, or by one or more shareholders holding not less than one-third (1/3) of the voting power of the corporation, or by the Registrar of Corporations. Special meetings of the shareholders for the election of

writing signed by all of the holders of shares who would be entitled to vote at a meeting for such purpose, and filled with the secretary of the corporation.

2.07. **QUORUM.** The holders of a majority of the shares entitled to vote thereat, present in person, or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise provided by law, by the articles of incorporation, or by these by laws. If, however, such majority shall not be present or represented at any meeting of the shareholders, the shareholders entitled to vote there at, present in person, or by proxy, shall have power to adjourn the meeting from time to time until the requisite amount of voting shares shall be present. At such adjourned meeting at which the requisite amount of voting shares shall be presented, any business may be transacted which might have been transacted at the meeting as originally notified.

2.07.01. **LOSS OF QUORUM.** The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

2.08. **VOTING.** Except as otherwise expressly provided by law, only persons in whose names shares entitled to vote stand on the stock records of the corporation on the day ten (10) days prior to any meeting of shareholders, or if some other day be fixed by resolution of the board of directors for the determination of shareholders of record then on such other day, shall be entitled to vote at such meeting. The vote shall not be by ballot except when demanded by a shareholder entitled to vote represented in person or by proxy.

2.08.01. **RECORD DATE FOR VOTING, ETC.** The board of directors may fix a time in the future, at least ten (10) days but not exceeding fifty (50) days preceding the date of any meeting of shareholders or the date fixed for the payment of any dividend or distribution or for the allotment of rights or when any change or conversion or exchanges of shares shall go into effects, as a record date for the determination of the shareholders entitled to notice of and to vote at any such meeting or entitled to receive any such dividend or distribution or any such meeting or entitled to receive any such dividend or distribution or any such allotment of rights or to exercise the rights in respect to any such change, conversion or exchange of shares, and in such case only shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meetings or to receive such dividends, distribution or allotment of rights or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after any record date fixed as aforesaid. The board of directors may close the books of the corporation against transfers of shares during the whole or any part of such period.

2.08.02. **VOTING RIGHT.** Every shareholders entitled to vote at any election for directors or at any meeting of the shareholders shall have the right to vote, in

constructive, of the nonage of the appointment of a guardian, and whether or not a guardian has been in fact appointed.

2.11.04. VOTING OF SHARES IN THE NAME OF CORPORATION.

Shares standing in the name of a corporation, domestic or foreign, may be voted or represented and all rights incident thereto may be exercised on behalf of the corporation by the persons described in any of the following subdivisions:

2.11.04.01. **OFFICER NAMED IN BYLAWS.** Any officer of the corporation authorized so to do by the bylaws of the corporation.

2.11.04.02. **AUTHORIZED BY BOARD.** Any person authorized so to do by resolution of the board of directors or of the executive committee of the corporation.

2.11.04.03. **AUTHORIZED BY PROXY.** Any person authorized so to do by proxy or power of attorney dully executed by the president or vice-president and secretary or assistant secretary; provided, however, such shares may be voted or represented by the persons described in any subdivision only in the absence of vote or representation by the persons described in a preceding subdivision.

2.11.05. VOTING SHARES IN NAMES OF TWO OR MORE PERSONS. Shares standing in the names of two or more persons shall be voted or represented in accordance with the vote or consent of the majority of the persons in whose names the shares stand.

2.11.05.01. **ONE PERSON PRESENT.** If only one such person is present in person or by proxy, he may vote all the shares, and all the shares standing in the names of such persons are represented for the purpose of determining a quorum.

2.11.05.02. **ADMINISTRATORS, ETC.** This by laws applies to the voting of shares by two or more administrators, executors, trustees, or other fiduciaries, unless the instrument or order of court appointing them otherwise directs.

2.12. **CONDUCT OF MEETINGS.** At every meeting of the shareholders, the president, or in his absence, the vice-president designated by the president, or in the absence of such designation of a chairman chosen by a majority in interest of the shareholders of the corporation present in person or by proxy and entitled to vote, shall act as chairman. The secretary of the corporation, or in his absence an assistant secretary, shall act as secretary of all meetings of the shareholders. In the absence at such meeting of the secretary or assistant secretary, the chairman may appoint another person to act as secretary of the meeting.

shareholders, shall have power to elect a successor to take office when the resignation shall become effective.

3.05.04. **REDUCTION IN DIRECTORS.** No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term of office.

3.06. **REMOVAL OF DIRECTORS.** The entire Board or any individual director may be removed from office upon the vote or written assent of the shareholders entitled to exercise the majority of the voting power of the corporation.

3.07. **PLACE OF MEETINGS.** Regular meetings of the Board shall be held at any place within or outside of Saipan which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation, Special meetings of the Board may be held either at a place so designated or at the principal office. Any regular or special meeting is valid, wherever held, if held on written consent of all members of the Board given either before or after the meeting and filed with the secretary of the corporation.

3.08. **ORGANIZATION MEETINGS.** The organization meetings of the Board shall be held immediately following the adjournment of the annual meetings of the shareholders.

3.09. **REGULAR MEETINGS.** Regular meetings of the Board shall be held at such times as are fixed from time to time by resolution of the Board. Notice need not be given of regular meetings of the Board held at times fixed by resolution of the Board.

3.10. **SPECIAL MEETINGS.** Special meetings of the Board for any purpose or purposes shall be called at any time by the president or if he is absent or unable or refuses to act, by any vice-president or by any two directors.

3.10.01. **NOTICE OF SPECIAL MEETINGS.** Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by letter or by telegram, charges prepaid, addressed to him at his address as it is shown upon the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail. In case such notice is delivered as above provided, it shall be so delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such director.

3.10.02. **WAIVER OF NOTICE.** When all of the directors are present at any directors' meeting, however called or noticed, and sign a written consent thereto on the records of such meeting, or if a majority of the directors are present, and if those not

preclude any director from serving the corporation in any other capacity as an officer, agent or otherwise and receive other or additional compensation therefore.

ARTICLE FOUR

OFFICERS

4.01. **CORPORATE OFFICERS.** The officers of the corporation shall be a president who shall also be a director of the corporation, a vice-president and a secretary and a treasurer. The corporation may also have, at the discretion of the Board, a chairman of the Board, one or more additional vice-presidents, including an executive vice-president, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with the provisions of 4.03 of this Article Four. One person may hold two or more offices, except those of president and secretary. In its discretion, the Board may leave unfilled for any period it may fix any office except the offices of president and secretary.

4.02. **ELECTION OF OFFICERS.** The officers of the corporation, except such officers as may be appointed in accordance with the provisions of 4.03 or 4.05 of this Article Four shall be chosen annually by the Board, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

4.03. **OTHER OFFICERS AND AGENTS.** The Board may create such other offices and appoint or provide for the appointment of such other officers and agents, attorneys-in-fact and employees as it shall deem necessary, who shall bear such titles, have such authority, receive such compensation and provide such security for faithful service and hold their offices for such terms and shall exercise such powers and perform such duties as shall determined from time to time by the Board.

4.04. **SALARIES.** The salaries or other compensation of all officers of the corporation shall be fixed from time to time by or as provided by the Board.

4.05. **REMOVAL.** Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board, by any officer upon whom such power of removal may be conferred by the Board.

4.05.01. **RESIGNATION.** Any officer may resign at any time by giving written notice to the Board or to the president, or to the secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

the corporation at all meetings of the shareholders of any corporation in which this corporation holds stock.

4.09. **VICE PRESIDENT.** In the absence or disability of the president, the vice presidents, in order of their rank, as fixed by the Board or, if not ranked, the vice president designated by the Board, shall perform all duties of the president, and when so acting shall have all the powers of, and be subject to all the restriction upon, the president. The vice presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board or the by-laws.

4.10. **SECRETARY.** The secretary shall:

4.10.01. **SIGN SHARE CERTIFICATES.** Sign, with the president or a vice president, certificates for shares of the corporation.

4.10.02. **CERTIFY BY-LAWS.** Certify and keep at the principal office of the corporation the original or a copy of its by-laws as amended or otherwise altered to date.

4.10.03. **MINUTES OF MEETINGS.** Keep at the principal office of the corporation or such other place as the Board may order, a book of minutes of all meetings of its directors and shareholders, execute committee, and other committees, with the time and place of holding, whether regular or special, and ,if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares or members present or represented at shareholders' meetings, and the proceedings thereof.

4.10.04. **NOTICES.** See that all notices are duly given in accordance with the provisions of these by-laws or as required by law. In case of the absence or disability of the secretary, or his refusal or neglect to act, notice may be given and served by an assistant secretary or by the president or vice president or by the board of directors.

4.10.05. **CUSTODIAN OF RECORDS AND SEAL.** Be custodian of the records and of the seal of the corporation and see that it is engraved, lithographed, printed, stamped, impressed upon or affixed to all certificates for shares prior to their issuance and to all documents, the execution of which on behalf of the corporation under its seal is duly authorized in accordance with the provisions of these by-laws.

4.10.06. **SHARE REGISTER.** Keep at the principal office of the corporation a share register showing the names of the shareholders and their addresses; the number and date of certificates issued for the same; and the number and date of cancellation of each certificate surrendered for cancellation.

reduction of stated capital, shall be classified according to source and shown in a separate account.

4.12.05. **EXHIBIT RECORDS.** Exhibit at all reasonable times the books of account and records to any shareholders or director, upon application, during business hours at the office of the corporation where such books and records are kept.

4.12.06. **REPORTS TO PRESIDENT AND DIRECTORS.** Refer to the president and directors whenever they request it, an account of all transactions as treasurer and of the financial condition of the corporation.

4.12.07. **FINANCIAL REPORTS TO SHAREHOLDERS.** Prepare or cause to be prepared, and certify the financial statements to be included in the annual report to shareholders and statements of the affairs of the corporation when requested by shareholders holding at least thirty-three percent (33%) of the number of outstanding shares of the corporation.

4.12.08. **BOND.** Give to the corporation a bond, if required by the Board or by the president, in a sum, and with one or more sureties, or a surety company satisfactory to the Board for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

4.12.09. **OTHER DUTIES.** In general, perform all the duties incident to the office of treasurer and such other duties as from time to time may be assigned to him by the Board. At the expiration of his term of office he shall deliver all moneys, papers, records and property of the corporation in his possession or under his control to his successor or to such other person or persons as the Board may designate.

4.12.10. **ABSENCE OF TREASURER.** In case of the absence or disability of the treasurer or his refusal or neglect to act, the assistant treasurer or the secretary acting as assistant treasurer, may perform all of the functions of the treasurer. In the absence of inability to act, or refusal or neglect to act, of both the treasurer and the secretary, any person thereunto authorized by the president or vice president or by the Board may perform the functions of the treasurer.

4.13. **ASSISTANT TREASURER.** Each assistant treasurer, if required so to do by the Board, shall give bond for the faithful discharge of his duties, in such sums, and with such sureties as the Board shall require. At the request of the treasurer, or in his absence or disability, the assistant treasurer designated by him shall perform all the duties of the treasurer, and when so acting, he shall have all the powers of, and be subject to all

such affirmative vote, shall have power at any time to change the powers and members of any such committees, to fill vacancies and to dispose of any such committee.

ARTICLE SIX

EXECUTION OF INSTRUMENTS AND DEPOSIT OF FUNDS

6.01. AUTHORITY FOR EXECUTION OF CONTRACTS AND INSTRUMENTS. The Board, except as otherwise provided, in these bylaws, may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized, no officer, agent, or employees shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily for any purpose or in any amount.

6.02. INSTRUMENTS CONTAINING CORPORATE SEAL. Unless otherwise specifically determined by the Board or otherwise required by law, formal contracts of the corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the corporation, shall be executed, signed or endorsed by the president or any vice president and by the secretary or the treasurer, or any assistant secretary or assistant treasurer.

6.03. BANK ACCOUNTS AND DEPOSITS. All funds of the corporation shall be deposited from time to time to the credit of the corporation with such banks, bankers, trust companies or other depositories as the Board may select or as may be selected by any officer or officers, agent or agents of the corporation to whom such power may be delegated from time to time by the Board.

6.03.01 ENDORSEMENTS WITHOUT COUNTER SIGNATURE. Endorsements for deposit to the credit of the corporation in any of its duly authorized depositories may be made without counter signature by the president or any vice president, or the treasurer or any assistant treasurer, or by any other officer or agent of the corporation to whom the Board, by resolution, shall have delegated such power, or by handstamped impression in the name of the corporation.

6.03.02. SIGNING OF CHECKS, DRAFTS, ETC. All checks, drafts or other order for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board.

7.05. **CONTENTS OF SHARE CERTIFICATES.** Certificates for shares shall be of such form and style, printed or otherwise, as the board of directors may designate, and each certificate shall state all of the following facts:

- (i) The certificate number;
- (ii) The date of issuance
- (iii) The name of the record holder of the shares represented thereby;
- (iv) The number of shares, and a designation, if any, of the class or series, represented thereby;
- (v) The par value of the shares represented thereby.

7.05.01. **SHARES IN CLASSES OR SERIES.** If the shares of the Corporation are classified or if any class of shares has two or more series, the certificate shall contain one of the following:

- (i) A statement of the rights, preferences, privileges, and restrictions granted to or imposed on the respective classes or series of shares and on the holders thereof as established by determination of preferences, and the number of shares constituting each series and the designation thereof;
- (ii) A statement setting forth the office or agency of the corporation from which stockholders may obtain a copy of the statement mentioned in subdivision (i), supra, or the summary mentioned in subdivision (ii) Supra.

7.05.02. **DETERMINATION OF PREFERENCES BY DIRECTORS.** If the Board has authority to fix the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, or the liquidation preferences of any wholly unissued class or of any wholly unissued series of any class of shares, or the number of shares constituting any unissued series of any class of shares, or designation of such series, or all of them, the certificates shall also contain a statement of that fact.

7.05.03. **PREFERENCES, PRIVILEGES, OR RESTRICTIONS.** Each certificate shall also contain the statements required by all of the following subdivisions, as far as they are applicable:

- (i) If the shares are redeemable, a statement of that fact and the redemption price;
- (ii) If the shares are convertible, a general statement of the essential terms and method for conversion.

7.08.02. **TRANSFER AFTER REPLACEMENT.** If, after the issue of a new security as a replacement for a lost, destroyed, or wrongfully taken certificate, a bona fide purchaser of the original certificate presents it for registration of transfer, the corporation must register the transfer unless registration would result in over issue. In addition to any rights on the indemnity bond, the corporation may recover the new security from the person to whom it was issued or any person taking under him except a bona fide purchaser.

7.09. **TRANSFER AGENTS AND REGISTRARS.** The Board may appoint one or more transfer agents or transfer clerks, who shall be appointed at such times and places as the requirements of the corporation may necessitate and the board of directors may designate.

7.10. **CONDITIONS OF TRANSFER.** A person in whose name shares of stock stand on the books of the corporation shall be deemed the owner thereof as regards the corporation; provided, that whenever any transfer of shares shall be made for collateral security, and not absolutely, and written notice thereof shall be given to the secretary of the corporation or its transfer agent, if any, such fact shall be stated in the entry of the transfer.

7.10.01. **PROOF OF ENTITLEMENT.** When a transfer of shares is requested and there is reasonable doubt as to the right of the person seeking the transfer, the corporation or its transfer agent, before recording the transfer of the shares on its books or issuing any certificate therefore, may require from the person seeking the transfer reasonable proof of his right to the transfer. If there remains a reasonable doubt of the right to the transfer, the corporation may refuse a transfer unless the person gives adequate security or a bond of indemnity executed by a corporate surety or by two individual sureties satisfactory to the corporation as to form, amount, and responsibility of sureties. The bond shall be conditioned to protect the corporation, its officers, transfers agents, and registrars, or any of them, against any loss, damage, expense, or other liability to the owner of the shares by reason of the recordation of the transfer or the issuance of a new certificate for shares.

ARTICLE EIGHT

CORPORATE RECORDS, REPORTS, AND SEAL

8.01 **MINUTES OF CORPORATE MEETINGS.** The corporation shall keep at the principal office, or such other place as the Board may order, a book of minutes of all meetings of its directors and of its shareholders, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares represented at shareholders meetings, and the proceedings thereof.

- (ii) A statement of income or profit and loss for the year ended on such closing date. Such financial statements shall be prepared from the books and shall be in accordance therewith and shall be certified by the president, secretary, treasurer, or a public accountant. They shall be prepared in a form sanctioned by sound accounting practice for the particular kind of business carried on by the corporation.

8.05.02. **BALANCE SHEET.** The balance sheet or comments accompanying it shall set forth all of the following:

- (i) The bases employed in stating the valuation of the assets and any changes in such bases during the preceding year;
- (ii) The amount of the surplus, the sources thereof, and any changes therein during the past years;
- (iii) The number of shares of each class of stock authorized and outstanding and the number of shares, if any, carried as treasury shares, the cost thereof, and the source from which such cost was paid;
- (iv) The amounts, if any, of loans or advances to or from officers, shareholders, and employees.

8.05.03. **INCOME STATEMENT.** The statement of income or profit and loss shall be such form as to disclose the amount of income or loss, in such classification as may be appropriate to the business of the corporation, and the additions thereto and deductions therefrom, setting forth in particular the amounts of depreciation, depletion, amortization, interest and extraordinary income or charges, whether or not included in operating income, and the amount and nature of income from subsidiary corporations.

8.05.04. **SPECIAL FINANCIAL REPORTS TO SHAREHOLDERS.** Shareholders holding at least twenty-five percent (25%) of the number of outstanding shares of the corporation may make a written request to the secretary, assistant secretary, or treasurer of the corporation for a statement of its affairs in case no full or adequate statement has been given in written form to its shareholders within the preceding six (6) months.

8.05.04.01. **FORM OF STATEMENTS.** The statement shall be certified by the president, secretary, treasurer, or a public accountant and shall be delivered or mailed to the person making the request within thirty (30) days thereafter. A copy of the statement shall be kept on file in the principal office of the corporation for twelve (12) months, and it shall be exhibited at all reasonable times to any shareholder demanding an examination of it, or a copy shall be mailed to such shareholder.

9.02. **ADOPTION, AMENDMENT, REPEAL OF BY-LAWS BY SHAREHOLDERS.** By-laws may be adopted, amended, or repealed by the vote or the written assent of shareholders entitled to exercise a majority of the voting power of the corporation, except where a greater number is required by law; provided, further, that the Board may not adopt a by-law or amended thereof fixing the director's qualifications, classifications, terms of office, or compensation.

9.03. **RECORD OF AMENDMENTS.** Whenever an amendment or new by-laws is adopted, it shall be copied in the book of by-laws with the original by-laws, in the appropriate place. If any by-laws is repealed, the fact of repeal with the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in said book.

ARTICLE TEN

INDEMNIFICATION

10.01. **INDEMNIFICATION OF DIRECTORS AND OFFICERS.**


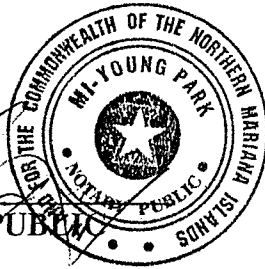
Each director and officer whether or not then in office (and his heirs, executors and administrators), shall be and hereby is indemnified by the corporation against all costs and expenses (including but not limited to counsel fees) reasonably incurred by or imposed upon him in connection with or resulting from any action, suit or proceeding to which he may be made a party by reason of his being or having been a director or officer of the corporation or of any other company which he serves as a director or officer at the request of the corporation, including costs and expenses paid in connection with the settlement or compromise of any action, suit or proceeding; provided, however, that nothing herein contained shall protect or be deemed to protect any such director or officer against any liability to the corporation or to its security holders to which he would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office.

10.02. **GOOD FAITH ACTIONS.** If in a criminal action, suit or proceeding, in which a director or officer is a defendant, a conviction or adverse judgment (whether based on a plea of guilty or nolo contendere, or its equivalent, or after trial) is entered, no such plea, conviction or judgment shall be deemed evidence, or adjudication that the acts of such director or officer upon such action, suit or proceeding was predicated in whole or in part were occasioned by reason of willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of his office if such director or officer acted in good faith, in what he considered to be the best interests of the corporation and with no reasonable cause to believe that the acts upon which action, suit or proceeding was based were illegal. The foregoing right of indemnification shall not be entitled as a matter of law.

COMMONWEALTH OF THE)
NORTHERN MARIANA ISLANDS)
) SS
SAIPAN)

On this 8th day of February, 2008 before me, a Notary Public in and for Saipan, CNMI, appeared, PARK Young Woeng, known to me to be the persons whose names are subscribed to the foregoing By-Laws of Corporation and acknowledged to me that they executed the same as their free and voluntary act deed for the uses and purposes therein set forth.

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



NOTARY PUBLIC

My Commission expires on
the 18th day of June, 2009.



GLOBAL MICRONESIA CORPORATION

P.O. Box 504345, Saipan, MP 96950 · Tel.:(670) 235-5600/(670) 287-0494

TO: Director
Department of Revenue and Taxation
Government of Guam
P.O. Box 23607
Guam Main Facility, Barrigada
Guam USA 96921

FILED
DEPARTMENT OF REVENUE AND TAXATION
GOVERNMENT OF GUAM
OCT 22 2012
10:27
BUSINESS REGISTRATION

RE: Application for Certificate of Authority of JMD Global Micronesia Corporation (Off-Island)

Pursuant to title 18 Guam Code Annotated (GCA), Chapter 7, Part 1, Section 7104 the following is provided:

1. The name of the Corporation: JMD Global Micronesia Corporation.
2. The Corporation existing under the laws of the Commonwealth of the Northern Mariana Islands (CNMI).
3. (a) The effective Date of Incorporation is February 08, 2008.
(b) The term/duration of existence is perpetual.
4. The Corporation physical address in the CNMI is Msgr. Guerrero Rd., San Jose Village and the mailing address is P.O. Box 504345, Saipan, MP 96950.
5. (a) The name of the Registered Agent on Guam is Mr. Jesus I. Taisague.
(b) The Registered Agent physical address is 248 Biang St., Apt. #A3, MTM, Guam 96910 and mailing address is P.O. Box 26469, Barrigada, Guam 96921.
6. The type of business activity or activities that the corporation is proposing to conduct or transact on Guam is General Construction.

7. The Names and usual business address of its current Directors and Officers are as follows:

<u>Name</u>	<u>Business Address</u>
Kim, Jaeyong (President)	705 Beakgung Plaza, 156-2, Jungja-1 dong, Bundang-gu, Sungnam-si, Gyeonggi-do, South Korea
Kim, Jae Jun (Vice-President)	705 Beakgung Plaza, 156-2, Jungja-1 dong, Bundang-gu, Sungnam-si, Gyeonggi-do, South Korea
Jesus I. Taisague (Secretary/Treasurer)	P.O. Box 500633, Saipan, MP 96950

8. Attached are the following documents in support of our application to obtained the Certificate of Authority.
 - (a) Certified copies of our Corporate documents as filed with the CNMI Registrar of Corporations.
 - (b) Certified copy of the Compliance from the CNMI Division of Revenue and Taxation.
 - (c) Letter of Acceptance of appointment from the Registered Agent.
 - (d) A check, made payable to the Treasurer of Guam, for One Hundred (\$100.00) dollars for application fee.

Sincerely,

Jesus I. Taisague
Registered Agent
10/18/12

ANNUAL CORPORATION REPORT

DEPT. OF COMMERCE

Filing Fee \$50.00 / Make Check Payable to: CNMI TREASURER
File Original and Two Copies

**FILING: THE INITIAL REPORT MUST BE FILED WITHIN 60 DAYS OF INCORPORATION.
ANNUAL REPORT MUST BE FILED ON OR BEFORE MARCH 1ST OF EACH YEAR.**

FILE WITH: REGISTRAR OF CORPORATIONS
Department of Commerce
Capital Hill
Caller Box 10007
Saipan, MP 96950

3:41pm
SEP 25 2012
[Signature]
Registrar of Corporations
Commonwealth of the
Northern Mariana Islands

INITIAL REPORT REPORT FOR THE YEAR 2011 (Amendment)
CHECK ONE: Domestic Corporation () Foreign Corporation

Name, Mailing Address & Telephone No. of Corporation: (Attach map showing location if address is only a P. O. Box)			
JMD Global Micronesia Corporation P.O. Box 500633, Saipan MP 96950			Telephone Number: <u>235-5600/287-0494</u>
Name, Mailing Address & Telephone No. of Registered Agent: (Attach Map showing location if address is only a P. O. Box)			
Jesus I. Taisague Koblerville Road, Koblerville Saipan, MP 96950			Telephone Number: <u>288-0798</u>
LIST OF DIRECTORS: (Attach Photo ID or Business Entry Permit)			
<u>Name</u>	<u>Gender</u>	<u>Nationality</u>	<u>Address</u>
KIM, Jaeyong	M	Korean	P.O. Box 504345, Saipan
KIM, Jaejun	M	Korean	P.O. Box 504345, Saipan
TAISAGUE, Jesus I.	M	U.S.	P.O. Box 500633, Saipan
LIST OF OFFICERS: (Attach Photo ID or Business Entry Permit)			
<u>Name</u>	<u>Position</u>	<u>Nationality</u>	<u>Address</u>
KIM, Jaeyong	President	Korean	P.O. Box 504345, Saipan
KIM, Jaejun	Vice-President	Korean	P.O. Box 504345, Saipan
TAISAGUE, Jesus I.	Secretary/ Treasurer	U.S.	P.O. Box 500633, Saipan
DESCRIPTION OF BUSINESS ACTIVITIES - List all lines of business: General Construction Contractor, Retail Household Furnishing, Import/Export (Non-Garments)			
STOCK ISSUED AND OUTSTANDING:			
<u>Number of Shares</u>	<u>Class of Shares</u>	<u>Amount Paid for Shares</u>	
200,000 (\$1 per value)	Common	\$200,000.00	
NAME OF SHAREHOLDERS	IMMIGRATION STATUS/GENDER	NATIONALITY	NUMBER OF SHARES HELD
KIM, Jaeyong	Off-island	Korean	102,000
KIM, Jaejun	E2-US	Korean	49,000
TAISAGUE, Jesus I.	U.S.	U.S.	49,000
Date: <u>9/25/12</u>	<i>[Signature]</i> Jesus I. Taisague/Secretary	PRINT NAME & TITLE OF PERSON SIGNING	
	(Must be Director or Officer of the Corporation.)		

Ignacio S.N. Guerrero Jr.

Farm Plan

P.O. Box 24100

GMF, Guam 96921

Contact:

Home: (671) 989-3289

Work: (671) 475-3308

Cell: 686-3175

Email: nash1029@gmail.com

Farm Overview

This farm plan is intended to establish and provide a working facility, citrus orchard, coconut plantation, ornamental trees and seedling production of local fruits to be sold locally. I have undergone many stages of planning and research in order to come to a conclusion of implementing this operation. This plan includes a general overview of expected markets, management, labor, utilities, effects upon the environment, farm layout, materials needed, as well as aspects to benefit the consumers and businesses of Guam. Wherever possible, I am pleased to serve, supply, and support the local markets and people of Guam with this 10 acre farm.

The mission of this farm is to perform and provide the following:

- Provide quality products on a consistent basis
- Enhance and assist the agriculture industry on Guam
- Minimize a feasible amount of imported perishable produce and vegetables
- Support local farmers, local supermarkets, restaurants, and mom and pop stores
- Provide farmers, schools, government agencies, and the general public with fruit tree seedlings or vegetable seedlings
- Maintain quality services and conduct outreach presentations for local schools to educate future farmers or interested individuals of growing local fruits and vegetables

Management

The management of this farm plan began as a sole proprietorship that started in 1999. It has come a long way in the development of fruit and ornamental seedlings as well as practicing the use of all organic material for fertilizer and soil conditioning. Therefore, in order to properly manage and pursue our short and long term goals with this plan, materials, manpower, machinery, and available resources are needed to fully prosper and operate this farm/orchard on a consistent basis.

Manpower or initial labor will be provided by family members and friends and therefore in the future establishing a full time staff of 2-5 workers. Other than manual labor, the operation facility will be require storage, cleaning, filling nursery containers, sowing functions, as well as the dispatch and planting of seedlings. A receiving area at one end of the main house is needed to receive trays after seedlings have been removed from them. Irrigation should then be in place and trenched lines are made in order to plant trees in a uniform line and adequately spaced between each other.

On the other hand, lawn maintenance will occur as needed in order to maintain grass levels by riding mower and bush cutters. Water lines will be monitored on a daily basis as well as daily work needed to continue quality farm operation. Water and fertilizer will be applied and added to water by means of injection or simple dissolved in water to the required strength in a large volume.

Short Term Goals include:

- 1.) Build an operation center that includes office space, packing station, rest area, restroom, washing station of picked produce, and storage for tools and equipment.
- 2.) Build a storage area for mowers and garden supply or tools.
- 3.) Establish (5) 20x40 shade houses for seedling production of fruit trees in 1-5 gallon nursery containers alongside irrigating with drip and misting system.
- 4.) Clean, plant fruit trees, and establish irrigation lines that supply at least 5 acres.
- 5.) Maintain grounds and establish a vermicomposting area for soil restoration and fertilization purposes.
- 6.) Reasonable pricing of fruits in respect to market value and inflation
- 7.) Establish at least 2-3 consistent general farm workers/staff.
- 8.) Golf cart or tractor for touring and work related duties
- 9.) Work with local markets and establish an ongoing and consistent supply of local fruit.
- 10.) Supplying at least 5-10 restaurants or grocery stores with consistent local produce.

Long Term Goals include:

- 1.) Establish 10 acres of fully productive fruit trees.
- 2.) Irrigation of all 10 acres with drip irrigation.
- 3.) Maintaining grass cutting and composting as needed.
- 4.) Supplying at least 5-10 restaurants or grocery stores with consistent local produce.
- 5.) Coordinating and executing educational field trips of the farm to local public and private schools, college students, or the community.
- 6.) Assisting local farmers or garden enthusiast with tree replacement or planting of local trees when requested

- 7.) Producing fruit tree stock for continued production.
- 8.) Assisting non-profit agencies or schools with donating trees for fundraising.
- 9.) Commercial machinery for picking, mowing, hauling, and pruning of fruit trees or picking fruit.

Farm Layout

A 100ft x 40ft seedling shade house will be situated on at least 1 acre of property which is feasible and an appropriate structure for seedling production and plant growth. However, the facility may be simple or sophisticated and built from concrete, wood, or galvanized piping. Hardening of seedlings before field planting will require a shade house allowing the seedling to undergo quarantine and ambient temperatures in order to achieve better growth and quality results. This can be achieved by means of heat, amount of sunlight, fertilization, soil media, air flow, adequate watering, and provided that 50% knitted shade cloth is used for this purpose.

The foundation of the seedling shade house will not support weed growth and will allow free drainage of any excess water or rain due to the utilization of weed block cloth. Seedlings will be placed on raised tables, and larger container plants will be placed on the ground on top of weed block or gravel beds for root aeration and weed prevention purposes.



Example: Green shade cloth and galvanized piping



Example: Shade house with black weed block cloth and ¼ inch gravel in place.

Utilities

Water and power will be needed to sustain the production and operation of this plan and will be provided by local utility agencies.

Effects on the Environment

The possible effects of this farm operation will minimize soil erosion and help to beautify the island. This plan will maintain strict fertilization measures for safety of the person applying it as well as for the environment. Upon the onset of a typhoon, all equipment, plant stock, and materials will be properly stored and secured or laid down on the ground and secured. For example, plants will be laid flat on the ground, trees in the ground will be cut back, and structures will be tied down with rope to prevent from flying of debris to surrounding areas.



Calamansi Orchard planted and pruned for better wind resistance



Dwarf Coconut Orchard

Supplies

Material(s)	Purpose(s)
Propagation Trays or Flat Liners	Seedling production, seed germination, handling and organizing square pots and tubes
4in. x 4in. square form propagating pots	Seedling propagation, seed germination, reusable and recyclable.
Nursery containers 1-5 gallon	Root development, bigger plant growth, preparing for field planting
Weed control mat	Prevention of weeds and plant health, ground cover
Seed	Coconut seedling, Calamansi seeds, availability of seeds
Soil Media (Sunshine Mix#4)	Propagation and plant maintenance
Fertilizer (Miracle Grow, Osmocote time release)	Enhancement of plant growth, development, and nutrient supply for local soil. Side dressing purposes, micronutrient supply of N-P-K and other miscellaneous trace elements (e.g. Copper, calcium, etc.)
Knitted shade cloth preferably 50-80% shade	Climate control
Misting system sprinkler heads	Seedling watering and water control as well as uniform control
Schedule 80 PVC ½ inch pipes	Water supply, irrigation
Hand Tool (Pruner, Lopers)	Tree pruning
Riding Lawn Mower	Lawn and grass cutting maintenance
Bush cutter	Lawn maintenance, edging
8x12 trailer	Transporting equipment or supply, delivery of produce
Miscellaneous garden tools	Wheelbarrow, rakes (leaf and rock), Mattock, Shovels (flat, spade),

Hoses (commercial grade)	Watering and irrigation purposes
2 gallon power sprayers	Fertilization and pesticide application
Golf cart	General work transportation
Galvanized piping	Seedling /shade house construction
Piping connectors	Shade house construction
Concrete	Foundation
3x4 inch galvanized mesh wire	Seedling tables



Example: Fruit trees in 5 gallon nursery pots ready for planting

Commercial Farm layout for 10 acres

<p>1 acre</p> <p>Shade House for seedling production</p> <p>(Green Onions, Calamansi, Lemon, Coconut, Orange seedlings)</p>	<p>2 acre</p> <p>Calamansi Orchard</p>	<p>3 acre</p> <p>Calamansi Orchard</p>	<p>4 acre</p> <p>Local Orange Orchard</p>	<p>5 acre</p> <p>Local Lemon Orchard</p>
<p>6 acre</p> <p>(Adjacent)</p> <p>Main house for (restroom, packing, preparation of produce, tool/equipment storage)</p>	<p>7 acre</p> <p>Pepper</p>	<p>8 acre</p> <p>Dwarf Coconut (Niyok Tres Anos)</p>	<p>9 acre</p> <p>Dwarf coconut (Niyok tres Anos)</p>	<p>10 acre</p> <p>Dwarf coconut (Niyok tres Anos)</p>