

MIYAMA GUAM, INC.
 (A DEVELOPMENT STAGE ENTERPRISE)
STATEMENT OF CASH FLOWS
PERIOD FROM JANUARY 6, 1988 (INCEPTION)
TO MARCH 31, 1989

	For the Year Ended March 31, 1989	January 6, 1988 (Inception) through March 31, 1988	January 6, 1988 (Inception) through March 31, 1989
INCREASE (DECREASE) IN CASH			
Cash Flows from Operating Activities:			
Cash received as interest income	\$ -	\$ 5,801	\$ 5,801
Cash paid for interest expense (Note 6)	(-)	(47,334)	(47,334)
Cash paid to suppliers and employees	(14,483)	-	(14,483)
Net Cash Flows used in Operating Activities	(14,483)	(41,533)	(56,016)
Cash Flows from Financing Activities:			
Proceeds from sale of stock	23,750,000	250,000	24,000,000
Proceeds from issuance of short-term debt	17,500,000	10,500,000	28,000,000
Repayments of short-term debt	(10,500,000)	-	(10,500,000)
Net Cash Flows from Financing Activities	30,750,000	10,750,000	41,500,000
Cash Flows from Investing Activities:			
Acquisition of fixed assets	(326,700)	-	(326,700)
Acquisition of land	(26,635,822)	(9,927,000)	(36,562,822)
Capitalized interest (Note 6)	(1,051,145)	(175,791)	(1,226,936)
Investment in construction in progress	(2,647,875)	-	(2,647,875)
Net Cash Flows from Investing Activities	(30,661,542)	(10,102,791)	(40,764,233)
Net increase in cash	73,975	605,676	679,651
Cash at beginning of period	605,676	-	-
Cash at end of period	\$ 679,651	\$ 605,676	\$ 679,651
<u>RECONCILIATION OF NET LOSS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net loss	(\$ 13,850)	(\$ 9,745)	(\$ 23,595)
Plus non-cash expense:			
Depreciation	7,767	-	7,767
Increase in prepaid expense	(8,400)	(31,788)	(40,188)
Net cash flows used in operating activities	(\$ 14,483)	(\$ 41,533)	(\$ 56,016)

See accompanying notes to financial statements.

MIYAMA GUAM, INC.
 (A DEVELOPMENT STAGE ENTERPRISE)
STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 1989
AND THE PERIOD FROM JANUARY 6, 1988 (INCEPTION)
THROUGH MARCH 31, 1988

	<u>Common Stock</u>	<u>Accumulated Deficit</u>	<u>Net Equity</u>
January 15, 1988 issuance of common stock for cash	\$ 250,000	\$ -	\$250,000
Net loss for the period from January 6, 1988 through March 31, 1988	<u>-</u>	(<u>9,745</u>)	(<u>9,745</u>)
Balance at March 31, 1988	250,000	(9,745)	240,255
July 13, 1988 issuance of common stock for cash	250,000	-	250,000
July 17, 1988 issuance of common stock for cash	350,000	-	350,000
October 15, 1988 issuance of common stock for cash	300,000	-	300,000
October 25, 1988 issuance of common stock for cash	2,200,000	-	2,200,000
November 17, 1988 issuance of common stock for cash	400,000	-	400,000
December 7, 1988 issuance of common stock for cash	1,250,000	-	1,250,000
February 10, 1989 issuance of common stock for cash	19,000,000	-	19,000,000
Net loss for the period from April 1, 1988 through March 31, 1989	<u>-</u>	(<u>13,950</u>)	(<u>13,950</u>)
Balance at March 31, 1989	<u>\$24,000,000</u>	<u>(\$ 23,595)</u>	<u>\$23,976,405</u>

See accompanying notes to financial statements.

MIYAMA GUAM, INC.
 (A DEVELOPMENT STAGE ENTERPRISE)
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 1989
AND THE PERIOD FROM JANUARY 6, 1988 (INCEPTION)
THROUGH MARCH 31, 1988

	Year Ended March 31, 1989	January 6, 1988 (Inception) through March 31, 1988	January 6, 1988 (Inception) through March 31, 1989
OPERATING EXPENSE:			
Depreciation	\$ 7,767	\$ -	\$ 7,767
Professional fees	3,632	-	3,632
Other taxes and licenses	<u>2,576</u>	<u>-</u>	<u>2,576</u>
Total Operating Expense	<u>13,975</u>	<u>-</u>	<u>13,975</u>
OTHER INCOME (EXPENSE):			
Other income	125	-	125
Interest income	-	5,301	5,301
Interest expense	<u>-</u>	<u>(15,546)</u>	<u>(15,546)</u>
Total other income (expense)	<u>125</u>	<u>(9,745)</u>	<u>(9,620)</u>
NET (LOSS) BEFORE PROVISION FOR GUAM INCOME TAX	(13,350)	(9,745)	(23,595)
PROVISION FOR GUAM INCOME TAX (Note 7)	<u>-</u>	<u>-</u>	<u>-</u>
NET (LOSS)	<u>(\$ 13,350)</u>	<u>(\$ 9,745)</u>	<u>(\$ 23,595)</u>

See accompanying notes to financial statements.

MIYAMA GUAM, INC.
(A DEVELOPMENT STAGE ENTERPRISE)

BALANCE SHEETS
MARCH 31, 1989 AND 1988

<u>ASSETS</u>	<u>1989</u>	<u>1988</u>
CURRENT ASSETS:		
Cash (Note 1)	\$ 679,551	\$ 605,676
Prepaid expense	<u>44,275</u>	<u>31,788</u>
Total current assets	723,926	637,464
Property and equipment, net (Notes 1, 2, 3, 4, 5 and 8)	<u>40,999,377</u>	<u>10,102,791</u>
	<u>\$41,723,263</u>	<u>\$10,740,255</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accrued expense	\$ 5,180	\$ -
Notes payable (Note 4)	17,500,000	10,500,000
Land purchases payable, current portion (Note 5)	<u>187,249</u>	<u>-</u>
Total current liabilities	17,692,429	10,500,000
LAND PURCHASES PAYABLE - Long term, less current portion (Note 5)	<u>54,429</u>	<u>-</u>
	<u>17,746,858</u>	<u>10,500,000</u>
STOCKHOLDERS' EQUITY:		
Common stock, par value \$1,000 a share, authorized 100,000 and 5,000 shares, outstanding 24,000 and 250 shares at March 31, 1989 and 1988, respectively.	24,000,000	250,000
Deficit accumulated during the development stage (Note 1)	(<u>23,595</u>)	(<u>9,745</u>)
Total Stockholders' Equity	<u>23,976,405</u>	<u>240,255</u>
	<u>\$41,723,263</u>	<u>\$10,740,255</u>

See accompanying notes to financial statements.

INDEPENDENT AUDITOR'S REPORT

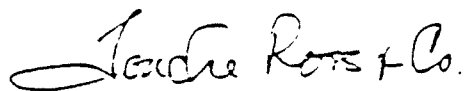
Board of Directors
Miyama Guam, Inc.

We have audited the accompanying balance sheets of Miyama Guam, Inc. (a Development Stage Enterprise) as of March 31, 1989 and 1988, and the related statements of operations, stockholders' equity and cash flows for the year ended March 31, 1989 and the period from January 6, 1988 (Inception) to March 31, 1988. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Miyama Guam, Inc. as of March 31, 1989 and 1988, and the results of its operations and cash flows for the year ended March 31, 1989 and the period from January 6, 1988 (Inception) to March 31, 1988, in conformity with generally accepted accounting principles.

June 6, 1989



Certified Public Accountants

MIYAMA GUAM INC.

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT

MARCH 31, 1989 AND 1988

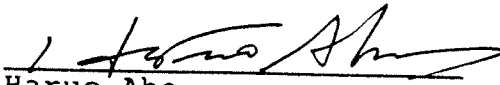
Approval of Balance sheet and Income statement.

The foregoing Balance sheet and Income statement are approved as the acts of the General Manager of Miyama Co., Ltd.

Date

Signature

September 26, 1989


Haruo Abe
General Manager

MIYAMA CO., LTD

Balance Sheet

March 31, 1989

Unit \$(Thousands)

<u>Liabilities & Equity</u>	<u>1989</u>
Current Liabilities	
Notes Payable	
Accounts Payable	53,971
Bank Loans	659,433
Advance Receipts	12,935
Corporate Tax	63,086
Other Liability	<u>1,324</u>
Total Current Liability	790,749
Long Term Liabilities	
Bank Loans	433,835
Bond	4,539
Other Fixed Liability	<u>9,516</u>
Total Liabilities	1,238,639
<u>Equity</u>	
Share Capital	33,411
Paid in Capital	28,147
Retained Earnings	66,445
Profit	<u>44,402</u>
Total Equity	172,405
Total Liability & Equity	<u>1,411,044</u>

MIYAMA CO., LTD.

Balance Sheet

March 31, 1989

<u>Assets</u>	<u>1989</u>
Current Assets	
Cash in Bank	329,486
Accounts Receivable	1,619
Loans Receivable	141,104
Securities	53,548
Inventories	418,903
Prepaid Expenses	17,587
Other Current Expenses	<u>25,393</u>
Total Current Assets	987,640
Fixed Assets	
Land	190,243
Building	54,493
Furniture	1,785
Construction	61,263
Other Fixed Assets	<u>115,620</u>
Total Fixed Assets	423,404
Total Assets	<u>1,411,044</u>

LEOPALACE HOTEL

	11TH YEAR 2002	12TH YEAR 2003	13TH YEAR 2004	14TH YEAR 2005	15TH YEAR 2006	16TH YEAR 2007	17TH YEAR 2008	18TH YEAR 2009	19TH YEAR 2010	20TH YEAR 2011
SALES OR INCOME	53,388	56,034	58,836	61,778	64,867	68,110	71,518	75,002	78,847	82,789
COST OF SALES OR MFG	5,639	5,920	6,218	6,527	6,853	7,196	7,556	7,934	8,331	8,718
GRUSS PROFIT	47,727	50,114	52,620	55,251	58,014	60,914	63,960	67,158	70,516	74,041
WAGES AND SALARIES	18,010	16,811	17,652	18,535	19,462	20,435	21,457	22,530	23,657	24,840
UTILITIES	2,131	2,241	2,353	2,471	2,595	2,725	2,861	3,004	3,154	3,312
INSURANCE	5,669	5,952	6,250	6,561	6,891	7,238	7,598	7,973	8,377	8,796
RENT	0	0	0	0	0	0	0	0	0	0
DEPRECIATION	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311
MAINTENANCE AND REPAIRS	2,668	2,802	2,942	3,089	3,243	3,405	3,575	3,754	3,942	4,139
SUPPLIES	1,802	1,682	1,766	1,854	1,947	2,044	2,148	2,253	2,366	2,484
PROFESSIONAL SERVICES	0	0	0	0	0	0	0	0	0	0
TAX AND LICENSES	680	722	758	796	836	878	922	968	1,016	1,067
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHERS	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	31,082	32,521	34,032	35,619	37,285	39,034	40,870	42,798	44,823	46,949
NET INCOME BEFORE TAX	16,645	17,593	18,588	19,632	20,729	21,880	23,090	24,360	25,693	27,092
CUMULATIVE	17,890	35,483	54,071	73,703	94,432	116,313	139,402	163,762	189,455	216,547
INCOME TAXES	5,659	5,982	6,320	6,675	7,048	7,439	7,851	8,282	8,738	9,211
NET INCOME AFTER TAXES	10,986	11,611	12,288	12,957	13,681	14,441	15,239	16,078	16,957	17,881
CUMULATIVE	8,879	18,490	30,758	43,715	57,396	71,837	87,077	103,154	120,112	137,692

	11TH YEAR 2002	12TH YEAR 2003	13TH YEAR 2004	14TH YEAR 2005	15TH YEAR 2006	16TH YEAR 2007	17TH YEAR 2008	18TH YEAR 2009	19TH YEAR 2010	20TH YEAR 2011
CASH PROVIDED										
Net Income After Taxes	10,986	11,611	12,288	12,957	13,681	14,441	15,239	16,078	16,957	17,681
Add Back Depr & Amortizat	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311	2,311
Equity Investment Loan										
TOTAL - 1	13,297	13,922	14,579	15,268	15,992	16,752	17,550	18,389	19,268	20,192
CASH DISBURSED										
Equipment	0	0	0	0	0	0	0	0	0	0
Contracts	0	0	0	0	0	0	0	0	0	0
Notes(Amor.Principal appl	0	0	0	0	0	0	0	0	0	0
Increase in Inventories										
TOTAL - 2	0	0	0	0	0	0	0	0	0	0
CASH AVAILABLE	13,297	13,922	14,579	15,268	15,992	16,752	17,550	18,389	19,268	20,192
ACCUH. TOTAL	-34,755	-20,832	-8,253	9,015	25,007	41,759	59,309	77,698	96,966	117,158

GUAM ECONOMIC DEVELOPMENT AUTHORITY

'000 DOLLARS

INCOME PROJECTION	YR:-3 1989	YR:-2 1990	YR:-1 1991	FIRST YEAR 1992	SECOND YEAR 1993	THIRD YEAR 1994	FOURTH YEAR 1995	FIFTH YEAR 1996	SIXTH YEAR 1997	SEVENTH YEAR 1998	EIGHTH YEAR 1999	NINTH YEAR 2000	TENTH YEAR 2001
SALES OR INCOME	0	0	0	32,762	34,400	36,120	37,926	39,822	41,814	43,904	46,099	48,404	50,825
COST OF SALES OR MFG	0	0	0	3,461	3,634	3,818	4,007	4,207	4,417	4,638	4,870	5,114	5,370
GROSS PROFIT	0	0	0	29,301	30,766	32,304	33,919	35,615	37,397	39,266	41,229	43,290	45,455
WAGES AND SALARIES	0	0	0	9,829	10,320	10,838	11,378	11,947	12,545	13,172	13,830	14,522	15,248
UTILITIES	0	0	0	1,310	1,376	1,444	1,516	1,592	1,672	1,756	1,843	1,935	2,032
INSURANCE	0	0	0	3,480	3,654	3,837	4,029	4,230	4,442	4,664	4,897	5,142	5,399
RENT	0	0	0	0	0	0	0	0	0	0	0	0	0
DEPRECIATION	0	0	0	8,482	8,482	8,482	8,482	8,482	8,482	8,482	2,311	2,311	2,311
MAINTENANCE AND REPAIRS	0	0	0	1,638	1,720	1,806	1,896	1,991	2,091	2,195	2,305	2,420	2,541
SUPPLIES	0	0	0	963	1,032	1,084	1,138	1,195	1,255	1,318	1,384	1,453	1,526
PROFESSIONAL SERVICES	0	0	0	0	0	0	0	0	0	0	0	0	0
TAX AND LICENSES	17	17	17	423	444	468	489	513	539	566	594	624	655
INTEREST	0	4,910	3,320	17,841	11,910	10,719	9,365	7,861	6,192	4,339	2,283	0	0
OTHERS	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	17	4,927	3,343	43,988	38,968	38,675	38,294	37,812	37,217	36,491	29,448	28,407	29,712
NET INCOME BEFORE TAX	-17	-4,927	-3,343	-14,685	-8,202	-8,371	-4,375	-2,198	179	2,775	11,782	14,883	15,742
CUMULATIVE	-17	-4,944	-8,288	-22,973	-31,175	-37,545	-41,920	-44,116	-41,937	-41,162	-29,380	-14,497	1,245
INCOME TAXES	0	0	0	0	0	0	0	0	0	0	0	0	5,352
NET INCOME AFTER TAXES	-17	-4,927	-3,343	-14,685	-8,202	-8,371	-4,375	-2,198	179	2,775	11,782	14,883	10,390
CUMULATIVE	-17	-4,944	-8,288	-22,973	-31,175	-37,545	-41,920	-44,116	-41,937	-41,162	-29,380	-14,497	-4,107
CASH PROJECTION				1ST YEAR 1992	2ND YEAR 1993	3RD YEAR 1994	4TH YEAR 1995	5TH YEAR 1996	6TH YEAR 1997	7TH YEAR 1998	8TH YEAR 1999	9TH YEAR 2000	10TH YEAR 2001
CASH PROVIDED	YR:-3 1989	YR:-2 1990	YR:-1 1991										
Net Income After Taxes	-17	-4,927	-3,343	-14,685	-8,202	-8,371	-4,375	-2,198	179	2,775	11,782	14,883	10,390
Add Back Depr & Amortizat	0	0	0	8,482	8,482	8,482	8,482	8,482	8,482	8,482	2,311	2,311	2,311
Equity Investment	4,960	3,380	4,851										
Loan	44,640	30,240	43,650										
TOTAL - 1	49,582	28,673	45,167	-6,203	280	2,111	4,107	6,286	8,661	11,257	14,093	17,194	12,701
CASH DISBURSED													
Equipment				0	0	0	0	0	0	0	0	0	0
Contracts	39,983	28,673	35,906	0	0	0	0	0	0	0	0	0	0
LAND	9,600	0	9,261										
Notes(Amor.Principal appl				9,095	11,095	12,315	13,670	15,174	16,843	18,695	20,752		0
Increase in Inventories													
TOTAL - 2	49,583	28,673	45,167	9,095	11,095	12,315	13,670	15,174	16,843	18,695	20,752	0	0
CASH AVAILABLE	0	0	0	-16,198	-10,115	-10,204	-9,563	-8,888	-8,182	-7,498	-6,659	17,194	12,701
ACCU. TOTAL	0	0	0	-16,198	-27,113	-37,218	-46,779	-55,667	-63,849	-71,287	-77,946	-60,752	-48,051
LOAN BALANCE	44,640	74,880	118,539	108,544	97,449	85,134	71,464	56,290	39,447	20,752	0		

FORM FCN-2-2-35
APPROVED 2-18-55

GOVERNMENT OF GUAM

DEPARTMENT OF ADMINISTRATION
AGANA, GUAM

AA 14566

DATE 5/15 19 89
NO. 5-6-902-1-2

OFFICIAL RECEIPT

*Check of Cent & McKinnon and
other attachment
Merrill Green*

PLEASE PAY TO TREASURER OF GUAM *5.000*

PAYER B. Hill
ADDRESS 100

MAY 15 1989
TREASURER OF
GUAM
CASHIER # 12

NOT VALID
UNLESS
OVERPRINTED
BY OUR
REGISTER

DATE SER. NO. DOCUMENT NO. CLASS. AMOUNT

FORM FCN-2-2-35
APPROVED 2-18-55

GOVERNMENT OF GUAM

DEPARTMENT OF ADMINISTRATION
AGANA, GUAM

AA 14566

DATE 5/15 19 89
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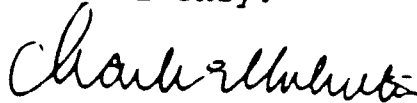
NOT VALID
UNLESS
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BY OUR
REGISTER

DATE SER. NO. DOCUMENT NO. CLASS. AMOUNT

JAPAN)
CITY OF TOKYO) SS:
EMBASSY OF THE UNITED STATES OF AMERICA)

Subscribed and sworn to before me
this sixth day of
 January A.D. 1988

by TAKANORI NAGAMINE only.



Charles E. Peterson, III
Consul of the United States of America
duly commissioned and qualified

SWORN STATEMENT OF THE TREASURER
OF
MIYAMA GUAM INC.

JAPAN,)
City of Tokyo, (ss.:
Embassy of the United States of America.)

Preamble

KNOW YE, that I, the undersigned, duly elected, qualified and acting treasurer of MIYAMA GUAM INC. (the "Corporation"), being first duly sworn, do hereby CERTIFY as follows:

§1. *Incorporators and capital.* I was duly elected as acting treasurer of the Corporation at a meeting of the subscribers to the Corporation held on the 28 day of December, 1987, at the law offices of Gayle & Teker, in Agana, Guam; the total number of authorized shares of the capital stock of the Corporation is Five Million Dollars (\$5,000,000) divided into five thousand (5,000) shares of common stock of the par value of One Thousand Dollars (\$1,000) each; twenty percentum (20%) of the capital stock of the Corporation has been subscribed and twenty-five percentum (25%) of said subscription has been paid to me for the benefit and to the credit of the Corporation in the following manner, to wit:

<i>Name:</i>	<i>Amount subscribed:</i>	<i>Amount paid:</i>
Yusuke Miyama,	1 share,	\$1,000.
Takanori Nagamine,	1 share,	\$1,000.
Tadashi Taniguchi,	1 share,	\$1,000.
Miyama Co., Ltd.,	997 shares,	\$247,000.

for a total of one thousand (1,000) shares subscribed and Two Hundred Fifty Thousand Dollars (\$250,000) in lawful money of the United States, or property of equivalent value, paid in.

§2. *Secretary.* At said meeting, Andrew M. Gayle, a citizen of the United States and resident of Guam, was duly elected secretary of the Corporation.

Execution

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of ~~December, 1987.~~

January, 1988

Takanori Nagamine
TAKANORI NAGAMINE.

ACKNOWLEDGEMENT CERTIFICATE

JAPAN)
)
CITY OF TOKYO) SS:
)
EMBASSY OF)
THE UNITED STATES OF AMERICA)

I certify that on this day the individual named below appeared before me and acknowledged to me that the attached instrument was executed freely and voluntarily.

* * * Yusuke MIYAMA, Takanori NAGAMINE and
Tadashi TANIGUCHI * * *

Name of Individual



Signature of Consular Officer

Charles E. Robertson, III

~~Vice~~ Consul of the United States of America

January 6, 1988

Date

This document consists of 14 pages,
each initialled by the affiant/grantor.

Takanori Nagamine, Tokyo, Japan,	1 share,	\$1,000.
Tadashi Taniguchi, Tokyo, Japan,	1 share,	\$1,000.
Miyama Co., Ltd., Tokyo, Japan,	997 shares,	\$247,000.

for a total of one thousand (1,000) shares subscribed and Two Hundred Fifty Thousand Dollars (\$250,000) in cash, or property of equivalent value, paid in.

EXECUTION

IN WITNESS WHEREOF, the directors hereinbefore named have hereunto set their hands this 6th day of ~~December, 1987.~~

January, 1988

m
y.m
T.T.
T.T.

Yusuke Miyama
YUSUKE MIYAMA,

Takanori Nagamine
TAKANORI NAGAMINE,

Tadashi Taniguchi
TADASHI TANIGUCHI.

JAPAN,)
City of Tokyo, (ss.:
Embassy of the United States of America.)

I, _____, Vice Consul of the United States of America, in and for Tokyo, Japan, duly commissioned and qualified, do hereby certify that on this _____ day of December, 1987, before me personally appeared YUSUKE MIYAMA, TAKANORI NAGAMINE and TADASHI TANIGUCHI, to me personally known, and known to me to be the individuals described in, whose names are subscribed to the annexed articles of incorporation, and duly acknowledged to me that they executed the same; and that the same was executed freely and voluntarily for the uses and purposes therein mentioned.

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

Vice Consul of the United States of America, duly commissioned and qualified.

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poration may be counted in determining the existence of a quorum at a meeting to consider any contract or transaction between the corporation and any subsidiary, parent or other affiliated corporation of which he is also a director or officer and may vote upon any such contract or transaction, which shall not be invalid or otherwise affected by reason of his presence or his vote.

ARTICLE SIX

SUCCESSION

§6.01. *Fifty year term.* The corporation shall have succession by its corporate name for the term of fifty (50) years, and as thereafter extended in the manner provided by law, and shall have all the powers herein enumerated or implied herefrom and the powers now provided (or which may be hereafter provided) by law for incorporated companies.

ARTICLE SEVEN

SERVICE OF PROCESS

§7.01. *Legal service.* Service of legal process may be made upon the corporation in the manner provided by law.

ARTICLE EIGHT

LIMITATION OF LIABILITY

§8.01. *Stockholders' liability.* No stockholder shall be liable for the debts of the corporation beyond the amount which may be due or unpaid upon any share or shares of stock of the corporation owned or subscribed by him.

ARTICLE NINE

INCORPORATORS

§9.01. *Names, residences and subscriptions.* The names and residences of the incorporators, who are the persons subscribing to the capital stock of this corporation, the amount of stock subscribed, the amount subscribed by each, and the sum paid by each on his subscription, are as follows:

<i>Name and residence:</i>	<i>Amount subscribed:</i>	<i>Amount paid:</i>
Yusuke Miyama, Tokyo, Japan,	1 share.	\$1,000.

suspend any officer; and (xii) generally, do any and every lawful act necessary or proper to carry out and into effect the powers, purposes and objects of this corporation.

§5.07. *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 at 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 or of the 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 is an officer, 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 of the fact that such director or any firm of which he is a member or any corporation of which he is a stockholder, director or officer, was interested in such transaction or contract. Directors so interested may be counted when present at meetings of the board of directors or of such committee for the purpose of determining the existence of a quorum. Any contract, transaction or act of the corporation or of the board of directors or of any committee thereof (whether or not authorized, confirmed or approved as hereinbefore provided) which shall be ratified by a majority in interest of the capital stock entitled to vote, at any annual meeting, or any special meeting called for such purpose, shall be as valid and as binding as though ratified by every stockholder of the corporation. Any director of the cor-

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directors for the unexpired term thereof.

§5.05. *First directors.* The persons who are the first directors of the corporation, their residences and addresses are as follows:

<i>Name:</i>	<i>Residence:</i>	<i>Addresses:</i>
Yasuke Miyama,	Shinmachi 4-11-5, Hoya-shi, Tokyo, Japan,	2-1-19, Arai, Nakano-ku, Tokyo 165, Japan.
Takanori Nagamine,	Beruzo Jiyugaoka, 20-C, Nakane 1-23-12, Meguro-ku, Tokyo, Japan,	2-1-19, Arai, Nakano-ku, Tokyo 165, Japan.
Tadashi Taniguchi,	Toyogami 15-5, Kashiwa-shi, Chiba-ken, Japan.	2-1-19, Arai, Nakano-ku, Tokyo 165, Japan.

§5.06. *Powers of directors.* All the powers and authority of the corporation shall be vested in and may be exercised 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 the 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 in accordance with law when it shall deem it expedient; (v) make rules and regulations not inconsistent with law or these articles of incorporation or the bylaws 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, an executive committee or committees) and designate and confer upon such committees such powers and authority as may by resolution be set forth for the purpose of carrying on or exercising any of the powers of the corporation; (ix) create and set aside reserve funds for any purpose; (x) invest any funds of the corporation in such securities or other property as to it may seem proper; (xi) remove or

poration shall be One Hundred Million Dollars (\$100,000,000) divided into one hundred thousand (100,000) shares of the par value of One Thousand Dollars (\$1,000) each, all with equal rights, powers, and privileges. (Amended as of January 10, 1989)

§4.02. *Assessments.* No assessments or calls shall be made upon fully paid shares of any class.

§4.03. *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 law.

§4.04. *Additional classes.* 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 board of directors is authorized to determine the terms and conditions upon which, and the persons to whom authorized unissued shares may be sold.

ARTICLE FIVE

OFFICERS AND DIRECTORS

§5.01. *Officers.* The officers of the corporation shall be a president, one (1) or more vice presidents, a secretary or secretaries, and a treasurer. The corporation may have such additional officers as may be determined in accordance with the bylaws from time to time. The officers shall have the powers, perform the duties and be appointed as may be determined in accordance with the bylaws. If provided by the bylaws, any person may hold two (2) or more offices of the corporation except the offices of the president and secretary.

§5.02. *Board of directors.* The board of directors shall consist of such number of persons, not less than three (3) nor more than seven (7), as shall be determined in accordance with the bylaws from time to time.

§5.03. *Qualification and election.* The officers of the corporation, except the president, need not be stockholders of the corporation, but the directors and the president must be. The directors shall be elected or appointed in the manner provided by the bylaws.

§5.04. *Vacancies.* Any vacancy among the officers or board of directors shall be filled by the board of

object, charitable or otherwise, calculated to benefit the corporation or any person in its employ or having dealings with the corporation, or deemed to be for the common or public welfare, including the erection, operation and maintenance or the aiding and assisting of hospitals, surgeries, clinics and laboratories.

3.03.15. *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.

3.03.16. *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, to secure the debts or obligations, present or future, of such person, firm, or corporation and on such terms and conditions as the corporation may determine.

3.03.17. *Tax benefits.* To apply for and receive tax benefits, rebates, abatements, credits and moratoriums as authorized by the laws of Guam or other jurisdictions in which the corporation is engaged in business.

3.03.18. *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.

§3.04. *Construction of purposes and powers.* The purposes specified herein shall be construed both as purposes and powers and shall be in nowise limited or restricted by reference to, or inference from, the terms of 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 meaning 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.

ARTICLE FOUR

CAPITAL STOCK

§4.01. *Capital.* The capital stock of the cor-

its capital stock), with or without security and to secure any indebtedness by deed of trust, mortgage, pledge, hypothecation or other lien upon all or any part of the real or personal property of the corporation and to execute bonds, promissory notes, bills of exchange, debentures, and other obligations or evidences of indebtedness of all kinds, whether secured or unsecured.

3.03.10. *Purchase securities.* To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, sell, mortgage, lend, pledge, or otherwise dispose of, and otherwise use and deal in and with shares or other interests in, or obligations of, other domestic or foreign corporations, associations, partnerships, or individuals, or direct or indirect obligations of the United States or of any government, state, territory, possession, governmental district or municipality or any instrumentality thereof, and while the owner or holder of the same to possess and exercise in respect thereof any and all the rights, powers and privileges of individual holders or owners, including the right to vote thereon.

3.03.11. *Purchase own shares.* To purchase, take, receive, or otherwise acquire, hold, own, pledge, transfer, or otherwise dispose of its own shares of capital stock; *provided*, that it shall not purchase its own shares of capital stock when to do so would cause any impairment of its capital; and *provided*, further, that shares of its own capital stock belonging to it shall not be voted upon, directly or indirectly.

3.03.12. *Issue notes.* To draw, make, accept, endorse, assign, discount, execute and issue all such bills of exchange, bills of lading, promissory notes, stock and other warrants, and other instruments to be assignable, negotiable or transferrable by delivery or to order, or otherwise, as the business of the corporation shall require.

3.03.13. *Promotion of businesses.* To promote or to aid in any manner financially or otherwise any corporation or association and for this purpose to enter into plans of reorganization or readjustment and to guarantee the whole or any part of the indebtedness and obligations of any such other corporation or association and the payment of dividends on its stock, and to do any other act or thing designed to protect, preserve, improve, or enhance the value of such stock or obligations.

3.03.14. *Promotion of charities.* To promote, assist, subscribe, or contribute to any association, organization, society, company, institution or

tent with the laws of Guam.

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

3.03.01. *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.

3.03.02. *Corporate succession.* To have succession by its corporate name.

3.03.03. *Suits.* To sue and be sued in any court.

3.03.04. *Seal.* To adopt and use a corporate seal, and alter the same at its pleasure.

3.03.05. *Agents.* To appoint any such subordinate officers and agents as the business of the corporation shall require.

3.03.06. *Bylaws.* To make and adopt and from time to time amend or repeal bylaws 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.

3.03.07. *Real and personal property.* To buy, take leases of, foreclose or repossess or otherwise acquire, hold, own, use, improve, develop, cultivate, grant, bargain, sell, convey, lease, exchange, mortgage, transfer or otherwise dispose of, and in every manner deal in and with real or personal property and any and all interest and rights and privileges therein, as the purposes of the corporation may require.

3.03.08. *Other businesses.* To purchase the business, goodwill and all other property of any individual, firm or corporation, as a going concern, and to assume all its debts, contracts and obligations; provided, said business is incidental to the business of the corporation and is authorized by the powers herein contained.

3.03.09. *Borrow money.* To borrow money or otherwise incur indebtedness (which may be in excess of

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be reasonably necessary for the carrying on of the business of the corporation.

3.02.03. *Buying and selling securities.* To purchase, hold, pledge, transfer, sell, or otherwise dispose of or deal in, the shares of the capital stock, bonds, debentures, notes or other securities or evidences of indebtedness of any corporation, to receive, collect and dispose of dividends, interest or other income on any such securities held by it, and do any and all acts and things tending to increase the value of said corporation; to issue bonds and secure the same by pledge or deed of trust of or upon any part of such securities or other property held or owned by the corporation and to sell or pledge such bonds for proper corporate purposes and in the promotion of its corporate business; to purchase, receive, hold and dispose of any securities of any person or corporations, whether such securities shall be bonds, mortgages, debentures, notes, shares of capital stock or otherwise, and in respect to any such securities, to exercise any and all rights and privileges of ownership thereof, and generally to act as investment brokers, agents or principals.

3.02.04. *Promoting.* To carry on and undertake any business undertaking, transaction or operation commonly carried on or undertaken by capitalists, promoters, financiers, concessionaires, contractors, brokers, and commission merchants and any other incidental business which may seem to the corporation convenient to carry on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the corporation's property or rights.

3.02.05. *Improving land.* To purchase, improve, develop, lease, exchange, sell, dispose of, and otherwise deal in and turn to account, real estate; to purchase, lease, build, construct, erect, occupy, and manage buildings of every kind and character whatsoever, to finance the purchase, improvement, development and construction of land and buildings belonging to or to be acquired by this corporation, or any other person, firm or corporation.

3.02.06. *Doing all things necessary or proper.* To do everything necessary, proper, advisable, or convenient for the accomplishment 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 inconsis-

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 all and everything necessary, suitable, and proper for the accomplishment of any of its purposes or pertaining thereto.

§3.02. *Additional purposes.* This corporation shall have as additional purposes:

3.02.01. *Borrowing and lending money.*
To borrow and lend money and negotiate loans; to draw, accept, endorse, buy and sell promissory notes, bonds, stocks, debentures, coupons, and other securities; to issue on commission, subscribe for, take, acquire, hold, sell, exchange, and deal in shares, stocks, bonds, obligations and securities of any government, authority or company; to form, promote, subsidize and assist companies, syndicates or partnerships of all kinds, and to finance and refinance the same.

3.02.02. *Buying and selling property.*
To purchase, subscribe for, repossess, foreclose upon or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities, contracts, or obligations of any corporation or corporations, association or associations, domestic or foreign, and to pay therefor in whole or in part, in cash or by exchanging therefor stocks, bonds, or other evidences of indebtedness or securities of this or any other corporation, and while the owner or holder of any such real or personal property, stocks, bonds, debentures, notes, evidences of indebtedness or other securities, contracts or obligations, to receive, collect and dispose of interest, possess and exercise in respect thereof, all the rights, powers, and privileges of ownership, including all voting powers on any stock so owned. To aid either by loans or by guaranty of securities or in any other manner, any corporation, domestic or foreign, any shares of stock, or any bonds, debentures, evidences of indebtedness or other securities whereof are held by this corporation or in which it shall have any interest, and to do any acts designed to protect, preserve, improve, or enhance the value of any property at any time held or controlled by this corporation or in which it at that time may be interested. To enter into, make, perform and carry out contracts of any kind for any lawful purpose with any persons, firms, associations or corporations. To purchase, acquire, lease, own, and enjoy any and all such other property, real and personal, as may

ideas and statistical business information between companies and individuals in and between communities and trade center throughout Guam, and other territories, states and nations in the free world, when and as authorized by law.

3.01.10. *Sale of tourist goods.* To merchandise, sell, offer for sale, and distribute at wholesale and retail, gifts, souvenirs and other tourist goods of all kinds and descriptions, large and small, including jewelry of all kinds and for all purposes, and to generally deal in tourist-related items.

3.01.11. *General retail.* To establish, purchase, lease as lessee, or otherwise acquire, to own, operate, and maintain, and to sell, mortgage, deed in trust, lease as lessor, and otherwise dispose of retail stores or departments therein; to buy, sell, trade, manufacture, deal in, and deal with goods, wares, and merchandise of every kind and nature, and to carry on such business as wholesalers, retailers, importers, and exporters; 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 above set forth as fully as natural persons, whether as principals, agents, trustees, or otherwise.

3.01.12. *Concessions.* To operate concessions, to buy, sell and deal in products and other articles customarily dealt in by concessions, and to carry on any trade, acquire, purchase, hold, own, rent, lease, sell, exchange, mortgage, improve, cultivate, develop, and otherwise deal in and dispose of any and all property, real and personal of every description, incidental to or capable of being used in connection with the businesses described in this §3.01, or any of them.

3.01.13. *Import-export.* To export from and import into Guam, and from and into any and all foreign countries, as principal or agent, merchandise of every kind and nature, and to purchase, sell, and deal in and with merchandise of every kind or nature for exportation from, and importation into, Guam, to and from all countries foreign thereto, and for exportation from, and importation into, any foreign country, to and from any other country foreign thereto, and to purchase and sell domestic merchandise in domestic markets and foreign merchandise in foreign markets, and to do a general foreign and domestic exporting and importing business.

3.01.14. *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

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others; to sell, lease, rent, let, give, contract in any lawful way or manner with reference to and otherwise dispose of any lands, improved or unimproved, at any time owned by this corporation or in which it has or may have any interest; to buy, sell and in any lawful way or manner deal innn lands as owner on its own account for profit or for the account of or as agent or broker for others for commissions or other compensation or reward.

3.01.04. *Alcoholic beverages.* To engage in the on-sale dispensing of alcoholic beverages and food, operating as a bar and restaurant, and generally to purchase or otherwise acquire restaurants and taverns, and to own, hold lease, rent, or sell such business or businesses.

3.01.05. *Sell goods.* To buy, sell, trade, manufacture, deal in, and deal with goods, wares, and merchandise of every kind and nature, and to carry on such business as wholesalers, retailers, importers and exporters; to acquire all such merchandise, supplies, materials, and other articles as shall be necessary or incidental to such business.

3.01.06. *Travel agency.* To engage in, conduct, promote, advertise and carry on a travel service business, including arranging, planning and booking of worldwide passenger transportation, making reservations at hotels and resorts, making land arrangements for tours and local transportation and conducting tours, on a commission basis or on a buy, sell or charter basis.

3.01.07. *Resorts.* To purchase, or establish and operate a resort and recreational facilities, park, hotels, cottages and restaurants for the covenience and entertainment of the public, and to provide and operate in connection therewith a boat landing, furnish boats and motors for sale, lease or rental, grocery stores, swimming docks, sporting goods stores, and related services.

3.01.08. *Investments.* To transact the business of investing on behalf of itself or others, any part of its capital and such additional funds as it may obtain, or any interest therein, either as tenant in common or otherwise, and selling or otherwise disposing of the same, or any part thereof, or interest therein.

3.01.09. *Market information.* To acquire, preserve and coordinate information on markets, developing potentials, opportunities, resources, businesses, industries and their needs, and to provide facilities for trade and the exchange of products, services,

to that end:

3.01.01. *Develop property.* To purchase, lease, or otherwise acquire, for cash or on terms of credit, real estate in Guam, or elsewhere, to erect thereon apartments, including condominium or cooperative apartments, hotels or other buildings, and to sell, lease or otherwise dispose of same; to own, lease and operate in Guam and elsewhere one (1) or more apartment buildings, condominiums, cooperatives, hotels, and all adjuncts and accessories thereto, including restaurants, shopping arcades, barrooms, barbershops, baths, news and cigar stores, roof gardens, and to furnish amusement therefor; to do and perform any and all things for the pleasure, comfort, convenience and amusement of tenants or co-owners of said buildings; to promote immigration and travel to Guam; to own the stocks and bonds of other corporations and particularly of corporations engaged in buying, selling, and leasing real estate and apartment and hotel buildings and in operating the same.

3.01.02. *Hotel development.* To engage generally in the hotel business and related businesses; to plan, design, and construct buildings for hotel purposes and to buy, sell, and acquire the same; to operate, conduct, and carry on the hotel business with the accommodations necessary or desirable to accomplish such purposes; to conduct and carry on the business of providing meals, food and beverages, including alcoholic beverages, for the general public, and buying and selling any and all other things necessary or desirable in connection with the operation of a hotel business; and to undertake and carry on any business transaction or operation commonly undertaken or carried on by hotel operators and generally to institute, enter into, assist, promote, and participate in any such business or operation.

3.01.03. *Land development.* To acquire lands and any right, title or interest therein by purchase, lease, exchange, hire, gift, devise or in any other lawful manner; to build, erect and construct on any lands at any time owned by this corporation or in which it has any interest or on any other lands, dwelling houses, hotels, hospitals, manufacturing plants, golf courses, tennis courts, clubhouses, farm houses and any and all other buildings, structures, plants, improvements, machinery, ways and works suitable for any residential, commercial, or any other lawful purpose or purposes and to maintain and operate the same for hire or otherwise; to subdivide, lay out and pave roads, clear for cultivation and farm, plant, cultivate, beautify, and otherwise improve any lands at any time owned by this corporation or in which it has any interest, or any lands owned by

ARTICLES OF INCORPORATION

OF

MIYAMA GUAM INC.

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 Guam, 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

§1.01. *Name.* The name of the corporation shall be:

"MIYAMA GUAM INC."

ARTICLE TWO

PRINCIPAL OFFICE

§2.01. *Agana office.* The place of the principal office of the corporation shall be in the city of Agana, municipality of Agana, Guam, and there may be such subordinate or branch offices in such place or places within or without Guam 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 held in the charge of such person or persons as may be appointed by the board of directors.

ARTICLE THREE

PURPOSES AND POWERS

§3.01. *Purposes.* This corporation is formed for the principal purpose of engaging in the general development business and related enterprises within Guam, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of Belau, the Republic of the Marshal Islands, any other territory or state of the United States, or elsewhere in the world, and

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ARTICLES OF INCORPORATION
OF
MIYAMA GUAM INC.
(Amended as of January 10, 1989)

and
SWORN STATEMENT OF TREASURER

GAYLE & TEKER,
Agana Bay Building,
220 East Marine Drive,
Agana, Guam.

CERTIFICATE OF AMENDMENT TO THE
ARTICLES OF INCORPORATION
OF
MIYAMA GUAM INC.

RECEIVED

FEB 21 1989

Certificate by officers

We, the undersigned president, secretary, and all of the members of the board of directors of Miyama Guam Inc., a corporation organized and existing under and by virtue of the laws of Guam (the "Corporation"), do hereby CERTIFY that the articles of incorporation of the Corporation attached hereto are a true and correct copy thereof as duly amended by the unanimous vote of the members of its board of directors and the unanimous consent of all of its shareholders pursuant to a written consent executed by all the directors and shareholders, all pursuant to §360 of the Civil Code of Guam.

Execution

WITNESS our hands as of this 10th day of January, 1989.

Yusuke Miyama
YUSUKE MIYAMA,
president-director,

Tadashi Taniguchi
TADASHI TANIGUCHI, director,

Takanori Nagamine
TAKANORI NAGAMINE, director.

COUNTERSIGNED:

Andrew M. Gayle
ANDREW M. GAYLE, secretary.

RECEIVED

MAY 15 1989

REGULATORY DIVISION
Dept of Revenue & Taxation
Government of Guam

**ASSIGNMENT AND TRANSFER OF STOCK
INTERESTS AND RESIGNATION**

FOR VALUE RECEIVED, I, Takanori Nagamine, do hereby sell, assign and transfer to Haruo Abe one (1) share of the capital stock of Miyama Guam, Inc. standing in the name of the undersigned on the books of said corporation, and do hereby irrevocably constitute and appoint the secretary of the corporation attorney to transfer the said stock on the books of said corporation, with full power of substitution in the premises.

I further tender my resignation as director of the corporation.

Dated this 10th day of May, 1989.

Takanori Nagamine
TAKANORI NAGAMINE

RECEIVED

UNANIMOUS CONSENT TO THE ADOPTION
OF A RESOLUTION BY THE DIRECTORS
OF MIYAMA GUAM INC.

MAY 15 1989

REGULATORY DIVISION
Dept of Revenue & Taxation
Government of Guam

Preamble

We, the undersigned, being all of the directors of Miyama Guam Inc., a Guam corporation (the "Corporation"), desiring to adopt a resolution by the unanimous consent of all directors, do hereby severally CONSENT to and AGREE to the adoption of the following resolution:

Vacancy in the Board of Directors

WHEREAS, §3.05 of the Bylaws of the Corporation delegate to the Board the power to fill a vacancy in the Board of Directors; and

WHEREAS, it is deemed to be in the best interests of this Corporation that a new director be elected; now, therefore, be it

RESOLVED, that Haruo Abe is elected to the Board of Directors

Resolution to be filed with corporate records

§2. The undersigned direct that this resolution be filed with the minutes of the proceedings of the Board.

Authorization

§3. This waiver and consent is executed pursuant to §320 of the Code and §3.11 of Article Three of the Bylaws which authorize the taking of such action by the Board by the unanimous written consent of the directors.

Execution

EXECUTED as of this 8th day of May, 1989.

Yusuke Miyama
YUSUKE MIYAMA, director.

Tadashi Taniguchi
TADASHI TANIGUCHI, director.

Takanori Nagamine
TAKANORI NAGAMINE, director.

Execution

EXECUTED as of this 6TH day of MAY, 1989.

Yusuke Miyama
YUSUKE MIYAMA, director,

Tadashi Taniguchi
TADASHI TANIGUCHI, director,

Takanori Nagamine
TAKANORI NAGAMINE, director.

CORP71:57611-01

UNANIMOUS CONSENT TO THE ADOPTION
OF A RESOLUTION BY THE DIRECTORS
OF MIYAMA GUAM INC.

RECEIVED
MAY 15 1968
REGULATORY
Dept of
Govt

Preamble

We, the undersigned, being all of the directors of Miyama Guam Inc., a Guam corporation (the "Corporation"), desiring to adopt a resolution by the unanimous consent of all directors, do hereby severally CONSENT to and AGREE to the adoption of the following resolution:

"Change in the Corporation's secretary

WHEREAS, §4.05 and §4.06 of the Bylaws of the Corporation delegate to the Board the power to remove and replace the officers of the Corporation; and

WHEREAS, it is deemed to be in the best interests of this Corporation that the secretary of the Corporation be replaced; now, therefore, be it

RESOLVED, that Andrew M. Gayle be removed as secretary of the Corporation, and that Robert J. Steffy a resident of Guam, is hereby elected to replace him, effective immediately; and be it further

RESOLVED, that the new secretary of the Corporation, be and he is hereby empowered, authorized and directed in the name and on behalf of the Corporation execute, deliver, and file any and all certificates, forms, authorizations, certifications, documents, or other written instruments or papers, make all appropriate minute book entries, and take such further action as may be necessary or advisable to carry out the intent and purpose of this resolution."

Resolution to be filed with corporate records

§2. The undersigned direct that this resolution be filed with the minutes of the proceedings of the Board.

Authorization

§3. This waiver and consent is executed pursuant to §310 of the Code and §3.11 of Article Three of the Bylaws which authorize the taking of such action by the Board by the unanimous written consent of the directors.



GOVERNMENT OF GUAM
DEPARTMENT OF REVENUE AND TAXATION
855 W. MARINE DRIVE, AGANA, GUAM 96910
CORPORATION

BUSINESS LICENSE

25129
CUSTOMER'S COPY

SSN #
SSN #
SSN #
EIN #

ACCOUNT NO. 13-0008968501

EXPIRES: JUNE 30, 19 90 SERVICE

ISSUED TO: NIYAMA GUAM INC.	FEE	\$25.00
DOING BUSINESS AS: NIYAMA GUAM INC.	PENALTY	
TYPE OF LICENSE: REAL ESTATE DEVELOPER	TOTAL FEE	
LOT BLOCK MUNICIPALITY		
BUSINESS LOCATION: LOT 21 BLK 29 AGANA GUAM		
(OFFICE ONLY)		

MAILING ADDRESS 210 ARCHESFP FLORES ST
STE 100 AGANA GU 96910

VALID ONLY
WHEN RECEIPTED BY REGISTER

TELEPHONE: HOME - BUS. -

AUTHORITY: TITLE XVII, GOV'T CODE OF GUAM
LICENSE MUST BE PRODUCED UPON DEMAND TO
ANY AUTHORIZED GOV'T OFFICIAL.
KEEP POSTED IN A CONSPICUOUS PLACE.

JWS
JACQUIN B. BLAZ

DIRECTOR OF REVENUE AND TAXATION

PAID
JUN 22 1989
TREASURER OF GUAM
CASHIER # 5

FEASIBILITY STUDY CONTENTS

1. INTRODUCTION
 - a. Guam's characteristics - government, people, climate etc.
 - b. Guam's economy - present and future
 - c. Mutual benefits from project
 - d. Availability of market
 - e. Availability of skilled and unskilled labor
 - f. Training of local personnel
2. PROPOSED PROJECT CONCEPTS
 - a. Introduction of project
 - b. Site and area of project
 - c. Building
 - d. Layout of project
3. PROPOSED ESTIMATED TOTAL INVESTMENT AND SOURCES
 - a. Land
 - b. Building
 - c. Machinery and equipment
 - d. Operating capital
 - e. Financing sources
4. PROPOSED PERSONNEL REQUIREMENT AND PAYROLL
 - a. Introduction
 - b. List of personnel requirement by title and salary
 - c. Personnel distribution by citizenship status
5. PROPOSED PRODUCTION SCHEDULE, CLASSIFICATION AND DESCRIPTION OF PRODUCTS OR SERVICES
 - a. Introduction
 - b. Description of services
 - c. Time schedule
 - d. Distribution / market
6. INCOME AND CASH PROJECTIONS
7. RETURN ON INVESTMENT ANALYSIS

extremely difficult to project that at this stage of development.
Additional information will be submitted with the normal progress
reports at the future request of GEDA.

EXECUTED this 28 day of September, 1989.

MIYAMA GUAM INC., APPLICANT

by 
Haruo Abe, Managing Director

Market for Applicant's Services

Applicant will concentrate on meeting the needs of the tourist market. The Japanese as the largest segment of Guam's tourist market are the primary targets for the applicants projects, but the facilities once built will provide opportunities not available on Guam. Local residents will have use of all Miyama facilities at both locations. It is anticipated that the local residents will be able to use the recreational facilities at nominal or no charges for organized sport championships like swimming, bowling, diving, baseball, softball, soccer, tennis, golf, judo, martial arts and others. The convention facilities will be the largest on Guam and can be expected to see much local useage. The dining, recreational and banquet facilities should see much local and military patronage.

Income and Cash Projections

The income and cash projections in Exhibit III-3 of the applications were prepared by accountants of the applicant working with independent Certified Public Accountants. The projections represent the most accurate estimate possible of the income and cash flow to be derived from the project.

Return on Investment Analysis

Long term return on investment analysis is very difficult to project for various reasons, including the uncertainties of the tourist market. Applicant is estimating a 10% to 15% return on investment, but submits that it is

tourist industry. By adding first-class resort facilities and associated accommodations at an underdeveloped inland area of Guam, the project shall allow the tourist industry on Guam to grow in a more orderly manner, help to raise the rank of Guam as a tourist destination.

A development of this size at a primarily undeveloped area requires a huge long-term investment for infrastructure installment, road construction, grading and utilities development. This condition necessitates the applicant to sell some of the accommodations as second houses to be operated as hotel accommodations of the Resort Site. Also as this area is quite new to the tourist market, the applicant will use the Hotel site as a base or entrance to the entire project and by operating both facilities simultaneously to maximize tourist potential.

As stated above the two projects are located apart but from the standpoint of the operations and funding, the applicant believes that the success of the development depends on the entire project.

The construction of each structure in such dimensions as the applicant proposes will be of mainly of concrete and materials capable of resisting strong typhoon winds. Mechanical and electrical work will meet or exceed existing safety standards. Landscaping will allow the structures to blend harmoniously with its natural environment.

Time Schedule

The projected time schedule for the project is shown on Exhibit III-12. The exhibit shows the projected schedule from 1989 through 1995.

The access road from Route 4 to the entrance of the "Resort Site" will be dedicated to the government of Guam and the road encourage the people in Guam to develop southern part of the island.

The convention facility with a capacity of 3,000 people is being planned for construction at the Resort Site to meet Guam's growing needs.

The "Hotel Site" at Tumon Bay is basically a single hotel building with 382 guest rooms and first class restaurants, coffee shops, athletic gyms, meeting facilities, banquet facilities, pool, outdoor tennis courts, parking spaces and other supporting facilities.

The applicant plans to construct and operate an international class luxury hotel. Each guest room is larger than comparable hotels in Guam, and will afford the visitor a sea view. With its other facilities, this hotel will offer to the residents of Guam a first-class opportunity to take advantage of the hotel's luxury accomodations and facilities.

The Tumon Bay area was chosen for the Hotel site because of its location on the tourist belt and its proximity to the island's population centers. Its convenience and accessibility to a beach area which is easily identified by the majority of Guam's visitors and the availability of utilities. This particular site was chosen because of its excellent beach frontage.

On the contrary the "Resort Site" is located in a hilly area in the Yona district. The reason why this area was selected is that the applicant wants to add a new dimension to Guam's

Section administrators	26	10
Supervisors	66	5
Staff	532	0
	—	—
Total	<u>645</u>	<u>33</u>

Proposed Operations by Applicant on Guam

Introduction, Description of Services

If the application for tax relief is granted, applicant plans to proceed with the project. The project consists of two parts: One part is located in the hilly area in the Yona district, southern part of the island of Guam (hereinafter called "Resort Site"). The project site has an area of approximately 5.2 million square meters. The other part of the project is located on Tumon Bay and consists of 25,000 square meters of land (hereinafter called "Hotel Site"). These two parts are planned to operate together and producing a unique fabric of activities and attractions.

The "Resort Site" consists of the following buildings and facilities: 200 room hotel with convention facilities; 45-hole first-class championship golf course designed by internationally famous golf course designers - Jack Nicklaus and Arnold Palmer - including golf clubhouse; 20 tennis courts with clubhouse including small gym; swim clubhouse with water amusement park, the first of its kind in Guam, "Latte stone" park, and 3,000 units residential facility consisting of duplex houses and condominium buildings; 5 acre school site area shall be donated to the government to meet the request of the Yona village people.

of whom will be U.S. Citizens or permanent residents of Guam. The annual gross payroll is estimated to be approximately \$27,000,000. per year. The total sum will be paid in Guam and be subject to local income tax laws.

Leo Palace Hotel Division

Personal Requirements

	<u>Positions</u>	<u>Salary</u>
Department managers	6	384,000
Department administrators	3	144,000
Section Managers	30	1,050,000
Section Administrators	36	1,008,000
Supervisors	71	1,278,000
Staff	532	7,235,200
	—	—
Totals	<u>678</u>	<u>11,099,200</u>

Personnel Distribution by Citizenship Status

	U.S. Citizens	
	-	
	<u>Permanent residents</u>	<u>Japanese</u>
Department managers	3	3
Department administrators	2	1
Section managers	16	14

Proposed Estimated Total Investment and Sources

Land

The land for the project has been purchased as follows:

Lot 5052-6 NEW, Tumon	10,000,000.
Total land investment	<u>10,000,000.</u>

Buildings, Machinery and Equipment

The buildings, machinery, and equipment for the project will require an initial investment of approximately \$5,000,000. A combination of additional capital infusions, loans and reinvested profits will bring the estimated capital to \$75,000,000. at the completion of the project.

Operating Capital

Up to authorized capital 100,000,000 plus additional funds as necessary.

Financing Sources

Loans as required will be secured through local banks in conjunction with correspondent banks in Japan and the United States.

Proposed Personnel Requirement and Payroll

Introduction

At the completion of the project, Miyama Guam Inc. will have a permanent staff of approximately 1508 employees, over 90%

- ° Athletic facilities
- ° Sea - food restaurant
- ° Chinese restaurant
- ° Japanese restaurant
- ° Main bar and related facilities
- ° Disco and related facilities
- ° 382 guest rooms

Site and area of project

The facilities will consist of a 20,582 sq. meter area of Lot 5052-6 NEW.

Building

Leo Palace Hotel Project - Reinforced concrete construction. Number and type of buildings to be used are as follows:

- ° Swimming pool
- ° Poolside bar and related facilities
- ° Cafeteria
- ° Banquet hall with seating for approximately ___ persons
- ° 5 function rooms
- ° Athletic facilities
- ° Sea - food restaurant
- ° Chinese restaurant
- ° Japanese restaurant
- ° Main bar and related facilities
- ° Disco and related facilities
- ° 382 guest rooms

Layout of Project

The layout of the projected project can be seen on exhibit III-11, filed with the original application

are being expanded at present to identify Guamanian organizations throughout the United States in an effort to develop a system to attract Guamanians abroad for employment at this facility. In addition, micronesian leaders on Guam are being contacted as a resource pool for micronesian employment at the project.

Training of local personnel

Miyama Guam Inc. recognizes that a shortage of skilled employees may exist for the foreseeable future. To alleviate the problem, the developer has begun plans to operate a school on site to train employees for various employment categories. In addition, direct assistance to the University of Guam in training potential employees, and taking employees to Japan for training is being planned.

PROPOSED PROJECT CONCEPTS

Introduction of Project

If the application for tax relief is approved, Miyama Guam Inc. plans to proceed with the project, which consists of two segments. One segment will consist of a hotel in Tumon between the Reef and Okura Hotels. The other segment will be located in Yona on a project site of approximately 5,200,000 square meters. In general terms the Tumon project will consist of the following:

- ° Swimming pool
- ° Poolside bar and related facilities
- ° Cafeteria
- ° Banquet hall with seating for approximately ___ persons
- ° 5 function rooms

reinvestment of profits. The developer is assuming the full responsibility of operating the resort project as proposed herein with its own capital and financial resources. Miyama Guam Inc. will undertake the investment described herein if the requested benefits are obtained.

Availability of Market

Miyama Guam Inc. is owned primarily by Miyama Co. LTD. a large Japanese corporation with extensive real estate holdings in Japan. As such, the developer is familiar with the Japanese market. The expected market mix is estimated to fall into the following visitor categories: Japanese 75%, U.S. 10%, Pacific Islanders 5% and others 10%. This mix closely follows the geographic origin of all Guam visitors. Tourism growth in Guam has been impressive. Future growth will depend largely on Guam's ability to attract tourists first, and then to accomodate their needs. This development will be the first attempt on Guam to accomodate all of a tourists needs in one project.

Availability of skilled and unskilled labor

The visitor industry has existed on Guam since the mid 1960's. Over the years thousands of local residents and aliens have been employed in various categories of employment. Miyama Guam Inc. feels that although the number of local employees may be limited for a project of this size, compensation packages and working conditions may allow for effective local recruitment, with a limited number of Japanese workers. Miyama Guam Inc. is prepared to train locally as will be discussed in the next section. Efforts

Guam Inc. for Guam. Combined with the Miyama Hills project, it will be the largest development to date on Guam. The major segment of the project will be away from the Tamuning - Tumon area, and will most probably lead to the expanded development of the southern end of the island. A road between Ordot-Chalan Pago and Windward Hills is possible if the Government of Guam builds within three years the remainder of the road from the project site to route 17. Upon completion of the project, Miyama Guam Inc. will turn over to the Government of Guam the road from its property line in Ordot to the project site. Miyama Guam Inc. is working with PUAG to develop public water resources to benefit the southern part of Guam. A convention center is badly needed in Guam and one with a 3,000 person capacity is planned for the Miyama Hills project. The majority of all infrastructure needed by the development will be paid in total by the developer. Tourist facilities previously not available in Guam will no doubt increase the popularity of Guam as a tourist destination.

The unique benefit of having two developments combined as Miyama Guam Inc. proposes is valuable to Guam. The Leo Palace Hotel project will be used as the ocean facility segment of a total tourist package. All tourist attractions will be included in our package with a minimum impact on the Tumon area. Tourists will stay at the Miyama Hills Resort and be transported to the ocean site for salt water activities and then returned. The majority of the total tourist impact of Guam will be outside the Tumon area.

The benefit to Miyama Guam Inc. is obvious. The tax rebates requested will allow for a larger development through the

problems, but additional assistance from the private sector is needed to achieve economic independence. As we on Guam move away from dependence on the U.S. Government, tourism becomes more and more important. A severe obstacle to Guam's continued prosperity in tourism is the limited ability to accomodate growing demand for qualified facilities. If this situation does not improve in the future, we can assume that Guam will gradually lose its attraction as a tour destination. Recreational facilities and other tourist attractions must be provided locally to allow the tourist industry to stabilize and attract a broader range of tourists. Applicant is in a position to offer a broad range of recreational and other facilities badly needed on Guam. As impressive as the current statistics are on Guam's visitor industry, new attractions must be added to Guam's popularity as a tourist destination, if tourism is to continue to grow. Guam's relatively short distance from population centers in Asia; its tropical climate and beauty; its status as an american destination; and its duty free label must be expanded in order to increase tourism.

Mutual benefits from project

Guam will substantially benefit from the project set out in this application in several ways. The new facilities discussed in other sections of this study are substantial. The estimated payroll alone without regard to the multiplier effect is tremendous. The income taxes paid by the construction workers alone for this project will reach into the millions of dollars. The Leo Palace Hotel project is a segment of the overall development plan of Miyama

The basic framework of Guam's government was established with the enactment of the Organic Act in 1950. Prior to that time, the island was administered by the U.S. Department of the Navy. The Government of Guam is patterned after that of the United States with three branches - Executive, Legislative and Judicial. The territorial government, as of December 1987, employed approximately 10,000 persons, which constituted approximately 23 percent of the islands labor force. The population mix of Guam according to the 1980 census is approximately 45% Chamorro, 26% white, 21% Filipino and 8% other ethnic groups.

Guam's Economy - Present and Future

For the last several years the economy of Guam has strengthened due to its strategic location and increasing importance to the U.S. military and tourism. The construction boom to meet current demand has surpassed all expectations. The 1986 local inflation rate of 0.8 percent was the lowest in several years. As of December, 1987 the local unemployment rate decreased to 3.7%. The decrease was attributed to employment opportunities offered through the prosperity in the economy. The island's tourist industry continued to grow from 378,146 persons in 1985 to 407,070 persons in 1986, 483,954 persons in 1987 and finally to approximately 650,000 persons in 1988. Tourism is expected to bring 1,000,000 persons to Guam per year by 1990. Tourism in Guam has reached a saturation point without further construction to meet the demand. Guam has instituted positive infrastructure changes to help alleviate the growth

GUAM ECONOMIC DEVELOPMENT AUTHORITY

IN THE MATTER OF THE APPLICATION)	EXHIBIT III-6
FOR QUALIFYING CERTIFICATE)	
OF)	Feasibility Study
)	
)	
MIYAMA GUAM INC.)	CASE NO. 1139

Miyama Guam Inc., acting by and through its duly elected and certified representative, Mr. Haruo Abe, who is authorized to make this study on its behalf, submits the following:

Introduction

Guam's characteristics - government, people, climate

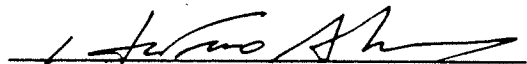
Guam, an unincorporated territory of the United States, is the largest island in the Mariana Archipelago. The island is approximately 30 miles long and 8 miles wide at its widest point. Guam's total land area is 209 square miles and was formed through an uplift of undersea volcanoes. Guam lies 13 degrees 28 minutes North and 144 degrees 44 minutes East or 3700 miles west-southwest of Honolulu, and 1500 miles south-southeast of Tokyo. Guam's tropical climate is generally warm throughout the year. Its temperature ranges between the low 70's to the low 90's, with a mean temperature of 81 degrees. Guam's average yearly rainfall is 90 inches. Subterranean water resources are capable of supplying fresh water needs of the present and foreseeable future. Guam is the westernmost territory of the United States, and with the finest deep water harbor in this part of the world combined with its strategic location, will play an increasingly important role in the development of the Pacific region.

J. PROGRESS REPORTS -- MIYAMA GUAM INC. hereby agrees to furnish the Guam Economic Development Authority written progress reports of its activities every thirty (30) days from the date of the issuance of the pertinent Qualifying Certificate and continuing thereafter unless notified of the contrary in writing by the Guam Economic Development Authority. Said monthly progress reports must include but are not necessarily limited to the following:

1. Prior to the Commencement of Operations
 - a. Status of construction and/or acquisition of leases premises
 - b. Status of employee hiring and training
 - c. Status of equipment acquisition

2. Beginning with the Commencement of Operations
 - a. Financial report (GEDA-20) (Rev. 6/66).
 - b. Number and classes of employees and base rate of pay of each class (separate aliens from others).
 - c. Gross monthly payroll

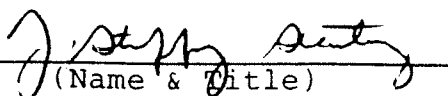
Dated this 28 day of September, 1989.



by _____
Mr. Haruo Abe
Managing Director
Miyama Guam Inc.

(Affix Seal, if corporation)

ATTEST:



(Name & Title)

F. REMOVAL OF FACILITIES (SECTION 53570) -- MIYAMA GUAM INC. hereby certifies that it will not transfer, move, relocate or otherwise remove any of its existing business facilities, plants, installations and/or other related activities to Guam from the Continental United States or any of its territories or possessions.

G. COMMENCEMENT OF OPERATIONS -- MIYAMA GUAM INC. hereby certifies that full production of the goods to be manufactured and/or the services to be offered in Guam will commence within 48 months from the date of issuance of the pertinent Qualifying Certificate.

H. FINANCIAL INTEREST OF GOVERNMENT EMPLOYEES, LEGISLATORS, ETC. (SECTION 53570) -- MIYAMA GUAM INC. hereby certifies that no officer or member of the Board of Directors of the Guam Economic Development Authority and/or any member of the Guam Legislature, employee of the Executive Department of the Government of Guam, or judge of any of the various courts of the territory of Guam, have any interest, direct or indirect, in MIYAMA GUAM INC.

I. AGREEMENT TO EMPLOY UNITED STATES CITIZENS (SECTION 53571) -- MIYAMA GUAM INC. hereby certifies and asserts that after completion of the project, it shall at all times employ a total employment force of not less than 400, strikes and Acts of God expected, at least seventy-five (75%) percent of which shall be citizens of the United States and/or permanent residents of the United States and all of whom shall be employed at prevailing wage rates.

may affect the continuance and/or validity of any Qualifying Certificate issued.

C. SALES TO INSULAR POSSESSIONS -- MIYAMA GUAM INC.

hereby certifies that the goods and/or services to be produced or supplied will not be sold or offered directly to any purchaser located in any of the Trust Territories of the United States, American Samoa, Wake Island, Midway, the Virgin Islands or any other American possessions in the Pacific Area, without prior written consent from the Guam Economic Development Authority.

D. UNITED STATES POSSESSION EXCLUSION -- MIYAMA GUAM

INC. hereby certifies that it and/or its stockholders, partners, associates, owners, etc., are not presently engaged, nor has it or they been engaged during the past twenty-four (24) months, in any territory or possession of the United States, directly or indirectly, in the type of business which is the basis for the application for subject Qualifying Certificate; and MIYAMA GUAM INC. hereby further certifies that none of its stockholders, directors, officers, partners, associates, owners, etc., are now, nor have they ever been, stockholders, directors, officers, partners, associates, owners, etc., of any corporation, business, partnership, joint venture, etc., domiciled in the Virgin Islands, or American Samoa.

E. AVOIDANCE OF FEDERAL INCOME TAX -- MIYAMA GUAM

INC. hereby certifies that its contemplated operation is not intended, directly or indirectly, to serve as a device for the elimination and/or reduction of any existing income tax liability due or to be due to the United States, any state and/or any possession of the United States.

GUAM ECONOMIC DEVELOPMENT AUTHORITY
APPLICATION FOR QUALIFYING CERTIFICATE

IN THE MATTER OF THE APPLICATION)	EXHIBIT III-7
FOR QUALIFYING CERTIFICATE)	MASTER CERTIFICATE --
)	Section III, Subsection 8,
OF)	of Application Form No. 15
)	
)	
MIYAMA GUAM INC.)	CASE NO. <u>1139</u>

Acting by and through its duly elected and certified representative, MR. HARUO ABE, who is authorized to make this certificate on behalf, hereby certifies as follows:

A. FRINGE BENEFITS -- The following fringe benefits will be given to all employees of MIYAMA GUAM INC.: All Guam legal holidays shall be paid holidays, time and a half for all hours of work in excess of forty (40) in any one (1) week or on holidays; ten days paid vacation per year; two (2) 15-minute coffee breaks each day, one (1) in the morning and one (1) in the afternoon; a one-hour lunch period; and participation in a group health insurance program, and other programs including retirement programs as they become available.

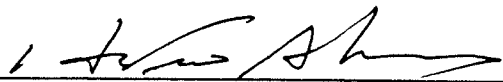
B. CHANGE IN OWNERSHIP -- MIYAMA GUAM INC. hereby certifies that the Guam Economic Development Authority will be notified in writing in advance of any proposed change in the ownership of MIYAMA GUAM INC. and that it is understood that any such contemplated change in ownership, if not approved in writing in advance by the Guam Economic Development Authority,

GUAM ECONOMIC DEVELOPMENT AUTHORITY
POST OFFICE BOX 3280
AGANA, GUAM 96910

AUTHORITY TO RELEASE INFORMATION

The Undersigned hereby authorizes the Guam Economic Development Authority (GEDA) to obtain or disclose all information in my case files either provided by the Undersigned, obtain collaterally or originated by GEDA in conjunction with the request for Investment Incentive (Qualifying Certificate) with GEDA pursuant to its programs.

Date: September 28, 1989


HARUO ABE, Managing Director
MIYAMA GUAM INC.
210 Archbishop Flores Street
Suite 100
Agana, Guam 96910

GEDA Form No. 802 (Rev. 7/82)

Personnel Disposition Plan & Proposed Wage Plan

	Dpt. Mngr	Dpt. AM.	Sect. M.	Sect. AM.	Supervisor	Staff	Total
Leo Palace (Management Division)							
Hotel	1	1	8	9	17	326	362
Restaurant	1	1	10	14	37	133	196
Amusement Facilities	1		1	1		10	13
[Sub Total]	3	2	19	24	54	469	571
Leo Palace Hotel Admin. & Maintenance Division							
[Sub Total]	3	1	11	12	17	63	107
Total no. personnel	6	3	30	36	71	532	678
Required Japanese personnel	3	1	14	10	5	[0]	[33]
Personnel Exp./wage year Person [\$]	64,000	48,000	35,000	28,000	18,000	13,600	
Personnel Expense Total [\$]	384,000	144,000	1,050,000	1,008,000	1,278,000	7,235,200	11,099,200

TERRITORIAL PLANNING COMMISSION
DEPARTMENT OF LAND MANAGEMENT
GOVERNMENT OF GUAM
AGANA GUAM 96910

NOTICE OF ACTION

Date: May 27, 1988

TO: Hotel Leo Palace Guam
c/o Architectural Design Company

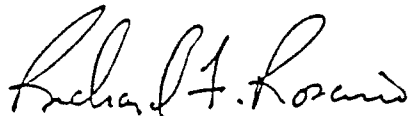
The Territorial Planning Commission at its meeting on May 26, 1988

() Approved; (XX) Approved with Condition; () Denied; () Table
your request on LOT NO. 5052-6-NEW, Tumon, Dededo for a

- | | |
|--|-------------------------------|
| () Change of Zone (include PUD) | () Subdivision |
| () Zone Variance | () Tentative Approval |
| (XX) Conditional Use | () Final Approval |
| () Zone Variance | () Resubdivision |
| () PUD Amendment | () Subdivision
Definition |
| () Preliminary PUD Prior to Public
Hearing | |
| () Determination of Policy Definition | () Miscellaneous |

Please submit this form with necessary plan to the appropriate agency. If request was tabled, approved with conditions, or involved a clarification, please see the conditions below for further details. THIS NOTICE MUST BE RECORDED UPON ISSUANCE.

Conditional Use to construct a 382-room hotel and a Height Variance for 180 ft., a sideyard of 25 feet in an "H" Zone.


RICHARD F. ROSARIO
Territorial Planner

abc
NOTATION: The Commission approved the application with the following conditions: 1) to meet the conditions placed by the Commission previously for Southern Cliff Hotel; 2) to preserve the historic sites; and, 3) applicant to pay their fair share for sewer.

** Approval by the TPC of a Zone Change does not constitute final approval but rather a recommendation to the Governor for his approval. Notification will be sent upon action taken by the Governor.

MIYAMA HILLS AND
THE PROCESS OF

PALACE

JAN. 27, 1989

MIYAMA GUAM INC.

	1988			1989			1990					1993	
	6	9	12	3	6	9	12	3	6	9	12		3
<u>MIYAMA HILLS</u>													
BASIC PLANNING (IN JAPAN)													
CONCEPT DESIGN (IN USA)													
APPLICATION FOR PUD DITTO FOR CONST. PERMIT													
DETAIL DESIGN (CIVIL)													
DETAIL DESIGN (BUILDING)													
SURVEY & PREP. WORK													
GOLF LINES & LAND PREP.													
EARTH WORK													
LAND RECLAMATION													
GRASS & LANDSCAPING													
POND & WATER HAZARD													
DRAINAGE & SEWAGE													
ROAD													
WATERING FOR GRASS													
ACCESS ROAD													
CLUB HOUSE													
TENNIS COAT													
POOLS													
HOTEL AT HILLTOP													
CONDOMINIUM													
3STORIES 1,000 UNITS													
7STORIES 500 UNITS													
HOUSING 1,500 UNITS													
<u>HOTEL LEOPALACE</u>													

1994
1995

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) REGULAR SESSION

Bill No. 677
Introduced By:
Substitute Version 01/02/92-1

D. Parkinson
at the request of GPA

For the request of GPA

AN ACT TO AUTHORIZE GUAM POWER
AUTHORITY TO ARRANGE FOR THE PURCHASE,
FINANCING AND DESIGN OF GENERATOR
CAPACITY.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

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Section 1. Guam Power Authority is hereby [authorized
as] given authority for sole source procurement to purchase
from Turbotecnica a 23-megawatt combustion turbine, as
described in and on the terms and conditions contained in
attachment A of the Amendment to Purchase Order and New
Purchase Order dated 3 December, 1991 between MDI
Corporation and Turbotecnica, for installation in the
island-wide power system at a price not to exceed
\$9,500,000.00 U.S. Dollars, subject to final approval by the
Public Utilities Commission. If not disapproved or modified
by the Public Utilities Commission by 5:00 p.m. on January
29, 1992, said sole source procurement shall be deemed
approved.

Section 2. Guam Power Authority is hereby exempted
from the Guam Procurement Law in the selection of the design
and engineering firm necessary for the construction and
installation of the combustion turbine, provided that the

Continued on next page

1 Public Utilities Commission shall approve or disapprove [~~the~~
 2 ~~selection--and~~] the contract therefore, looking at price,
 3 reasonableness, and whether local firms and other interested
 4 firms were given a fair opportunity to submit proposals and
 5 have those proposals objectively considered. At the very
 6 least, GPA shall, at least 7 calendar [~~14~~] days before
 7 closing the requests for proposals, FAX requests for
 8 proposals to all Guam engineering firms and to substantially
 9 all other engineering firms who have, anytime during the
 10 last two years, submitted bids or proposals to GPA for
 11 similar services or shown an interest therein to GPA. In
 12 the alternative, GPA may select the Engineering firm in
 13 accordance with the Guam Procurement Law without PUC
 14 approval.

15

16 Section 3. The Guam Power Authority is hereby
 17 authorized to incur new debt, as may be specifically
 18 authorized by the Public Utilities Commission, that may be
 19 used only for the following:

20

21 (1) purchase the combustion turbine generator including
 22 any associated shipping and letter of credit
 23 arrangement, and

24

25 (2) pay for design, construction, and other related
 26 costs to install the generator, [~~an~~] including, but not
 27 limited to, related site preparation, building, fuel
 28 facilities, system interface, and

29

30 (3) pay interest costs and related lender fees on the
 31 debt during the design and construction period.

32

33 The debt may be guaranteed by the Government of Guam. The
 34 amount of the debt shall be as set by the Public Utilities
 35 Commission, not to exceed [~~\$25,000,000~~] \$26,000,000. All
 36 interest on the debt and all costs of financing and all

1 costs for the letter of credit shall be capitalized so there
 2 are no associated demands on GPA cash and no impact on rates
 3 until construction and installation of the new generator is
 4 complete and the new generator is on line and providing
 5 power, revenue and benefits to GPA and the people of Guam.
 6 This new debt is considered to be an interim debt which is
 7 designed to ensure timely completion of the project. The
 8 term of this interim debt shall be 36 months during which
 9 period long term financing to pay off this debt shall be
 10 obtained by the Guam Power Authority. The interim debt
 11 terms shall allow for an early payoff with no pre-payment
 12 penalty after 6 months, and the interest rate thereon shall
 13 not exceed a reasonable rate to Guam Power Authority (taking
 14 into account taxability to the lender of the interest), not
 15 to exceed an annual actual percentage rate of 10%. The
 16 appropriateness, terms, conditions, fees, and interest rates
 17 of the debt shall be approved by the Public Utilities
 18 Commission. All expenses and costs involved in the
 19 origination of the debt and in the issuance of the letter of
 20 credit shall be the responsibility of the Guam Power
 21 Authority, to be paid from the proceeds of said debt.

22

23 Section 4. Guam Power Authority is hereby granted a
 24 conditional use permit to install a second 23 megawatt
 25 combustion turbine, together with related auxiliary
 26 equipment, in Dededo at the site of the present Dededo
 27 Combustion Turbine.

28

29 Section 5. Legislative Intent. The Public Utilities
 30 Commission is requested to act rapidly[7] in its decision
 31 making process in giving approvals or disapprovals as
 32 required by this act or as required to implement new
 33 generation facilities.

34

SENATOR DON PARKINSON
21st GUAM LEGISLATURE
163 CHALAN SANTO PAPA STREET
AGANA, GUAM 96910

MAJORITY LEADER and CHAIRPERSON, COMMITTEE ON ENERGY, UTILITIES, AND CONSUMER PROTECTION

WITNESS SIGN-IN SHEET

DATE: Thursday, Dec. 19, 1991

TIME: 10:00 a.m.

PLACE: Legislative Public Hearing Room, Guam Legislature

RE: Bill No. 677: An act to authorize Guam Power Authority to arrange for the purchase, financing and design of generator capacity.

<u>NAME:</u>	<u>DEPT/AGENCY:</u>	<u>ORAL/WRITTEN:</u>	<u>FOR/AGAINST:</u>
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____

Exhibit "F"

JAN 06 '92

TWENTY-FIRST GUAM LEGISLATURE
1991 (FIRST) REGULAR SESSION

Bill No. 677(Cor)
Introduced By:

D. Parkinson
at the request of GPA



AN ACT TO AUTHORIZE GUAM POWER
AUTHORITY TO ARRANGE FOR THE PURCHASE,
FINANCING AND DESIGN OF GENERATOR
CAPACITY.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. Guam Power Authority is hereby authorized
3 as a sole source procurement to purchase from Turbotechnica
4 a 23 Megawatt Combustion Turbine through sole source
5 procurement a combustion turbine for installation at the
6 site of the present Dededo Combustion Turbine at a price not
7 to exceed Ten Million Five Hundred Thousand Dollars
8 (\$10,500,000) to be negotiated by Guam Power Authority.

9 Section 2. Guam Power Authority is hereby exempted
10 from the Guam Procurement Law in the selection of the design
11 and engineering firm necessary for the construction and
12 installation of the combustion turbine.

13 Section 3. The Guam Power Authority is hereby
14 authorized to obtain a letter of credit, guaranteed by the
15 Government of Guam, in an amount up to Ten Million Five
16 Hundred Thousand Dollars (\$10,500,000), issued by a bank on
17 Guam, for purposes of ordering and guaranteeing payment for
18 the combustion turbine generator. The Government of Guam
19 shall guarantee, or in the alternative, be the principle
20 obligor, on a letter of credit not to exceed Ten Million
21 Five Hundred Thousand Dollars (\$10,500,000) for purposes of
22 purchasing said generator. All expenses and costs involved
23 in the issuance of the letter of credit shall be the
24 responsibility of the Guam Power Authority.

1 Section 4. Guam Power Authority is hereby granted a
2 conditional use permit to install a second 23 megawatt
3 combustion turbine, together with related auxiliary
4 equipment, in Dededo at the site of the present Dededo
5 Combustion Turbine.

21-009\gpagenca.bil\mli