

MARIANAS PUBLIC LAND TRUST
MPLT RESOLUTION 22-001

**A Resolution Authorizing an Investment in the amount
Of \$1,398,245.00 with Tinian Shipping Services, LLC
Under the MPLT Diversified Local Investment Program
With Terms and Conditions**

RECITALS

WHEREAS, Tinian Shipping Services, LLC (“Tinian Shipping”) a limited liability doing business in the CNMI in shipping/transportation of goods within the CNMI, has submitted an unsolicited business proposal to the Marianas Public Land Trust (“MPLT”) for an investment under its Diversified Local Investment (“DLI”) program of its Investment Policy Statement. Tinian Shipping, through its authorized representative Joaquin C. Manglona (Jr.) has requested an investment in the form of a term loan from MPLT in the amount of \$1,398,245.00 in order to purchase a second vessel for its shipping operations and for the shipment of the vessel from San Diego, CA to Saipan, CNMI; and

WHEREAS, In its Investment Policy Statement MPLT established the Domestic Fixed Income Asset Class a class for Diversified Local Investments (“DLI”). DLIs are those investments which originate from within the CNMI without regard to each island. The touchstone of classification within DLI is that investment vehicles in this class may be unique or specially targeted towards the CNMI economy or market. With DLIs, MPLT seeks to structure or consider investment vehicles which provide minimal rates of market return with attending corollary benefits. Such corollary benefits may include, but are not limited to, economic development; government stabilization or stimulus programs; affordable housing programs; and scholarships. In the DLI class, the MPLT Trustees may allow for a prudent rate of return where the corollary benefits provide an attending quantifiable return to the CNMI community, particularly to persons of Northern Marianas Descent or benefit persons of Northern Marianas Descent; and

WHEREAS, Every DLI proposal under consideration shall, as part of the investment analysis, identify the source of repayment of a fixed-income security such as a

mortgage; surety bond; promissory note; or other security as primary consideration. Evaluating the credit-rating or the risk of the DLI or its proposer is also necessary. MPLT also anticipates that such DLI's may not be marketable so that an "illiquidity premium" should be recognized or considered and added to the risk-adjusted rate.

WHEREAS, Pursuant to its DLI the Trustees have considered the following basic standards of review for investments by MPLT in DLI's which remain subject to the prudent investment standard and discretion of the MPLT Trustees including consultation with counsel; a thorough review and analysis by MPLT's financial consultant and/or investment manager as to the prospective DLI. The Trustees' analysis must also examine all economic factors and address any potential or actual conflicts of interest for MPLT or its Trustees. The analysis shall also give primary attention to risk-adjusted market rates of return with particular attention as to whether the DLI involves a significantly greater than prudent financial risk of loss.

WHEREAS, as part of the due diligence MPLT has also required and has received supporting documentation of a complete submission of Tinian Shipping's proposal including financial statements; business plan; property title documents; preliminary title reports; confirming (independent) title reports by MPLT and verification of the submitted information.

WHEREAS, Tinian Shipping's proposal is also evaluated against investments of a similar asset class. MPLT may require additional conditions or impose additional terms for any DLI under consideration as part of its fiduciary analysis and no DLI may be approved until and unless it meets all the requirements imposed by MPLT.

WHEREAS, while MPLT finds the proposal by Tinian Shipping to be a prudent investment for shipping and transportation in the CNMI, for the Trustees that is not the only basis for investment. Pursuant to Article XI Section 6 of the CNMI Constitution the mandate is for prudent investment with a reasonable rate of return of that investment. The reasoning is simple: the interest income from any such investment under its IPS is to be remitted to the CNMI General Fund for appropriation by the Legislature. Moreover, such investment must be prudent insofar as there is consideration of the risk and mitigation against any potential loss of that investment. Unlike its investments with autonomous agencies which are supported by the full faith and credit of the CNMI government, the Tinian Shipping proposal carries with it the risk of loss in shipping as a business venture. As such, MPLT requires security that protects its investment in the event of default or loss.

WHEREAS, the Trustees of MPLT, in approving the Tinian Shipping investment for a loan, do so with specific and appropriate conditions as part of the investment.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, THE MPLT TRUSTEES RESOLVE AS FOLLOWS:

BE IT RESOLVED, that the Trustees of the Marianas Public Land Trust, in order to support economic development in the CNMI through an investment in local enterprise in shipping and transportation hereby approve the investment proposal by Tinian Shipping.

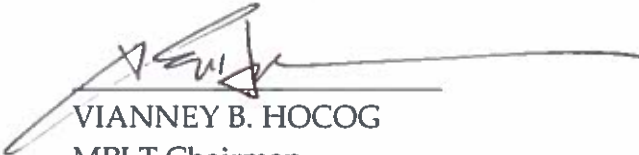
BE IT FURTHER RESOLVED, that the Trustees do hereby authorize the following investments: 1) an investment in the form of a loan in the amount of One Million Three Hundred Ninety-Eight Thousand Two Hundred Forty-Five Dollars (\$1,398,245) for a Commercial Loan with Tinian Shipping for the purchase of a second transport vessel, subject to the following terms and conditions:

- 1) Tinian Shipping shall use the MPLT loan proceeds only for the purchase of the second vessel and for its shipment from San Diego, CA to Saipan.
- 2) Tinian Shipping shall execute a Commercial Loan Agreement on terms and conditions required by MPLT signed by the authorized representative of Tinian Shipping;
- 3) Tinian Shipping shall deliver a duly executed corporate resolution authorizing the loan with MPLT;
- 4) Tinian Shipping shall execute a Corporate Note through its authorized representative for the amount of the line of credit;
- 5) Tinian Shipping shall execute a Mortgage Agreement in favor of MPLT on identified real properties in Appendix "A" as attached
- 6) Tinian Shipping shall execute a UCC-1 Financing Statement securing and pledging all equipment and inventory as security for the loan.
- 7) Tinian Shipping shall file quarterly financial statements at all times that its loan with MPLT remains outstanding.

BE IT FURTHER RESOLVED, _____

THEREFORE, IT IS RESOLVED that the Trustees of the Marianas Public approve this investment Resolution 22-001 on such terms and conditions and subject to execution of the operative transactional agreements between MPLT and Tinian Shipping.

SO ADOPTED this ~~8th~~ ^{September} of ~~August~~, 2022 by majority vote of the MPLT Trustees on Saipan, CNMI.



VIANNEY B. HOCOG
MPLT Chairman



MARTIN B. ADA
Treasurer



PETER Q. CRUZ
Trustee



CARLA N. CAMACHO
Vice Chairperson

[recused due to conflict: not voting] MARIA T. PANGELINAN
Trustee