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ARTICLES OF INCORPORATION
OF
MARIANAS PUBLIC LAND CORPORATION

We, the undersigned natural persons of the age of twenty-one years, citizens of the Trust Territory of the Pacific Islands and residents of the administrative district of the Mariana Islands, do hereby associate ourselves as incorporators for the purpose of forming a non-profit corporation under and by virtue of the Trust Territory Code and do hereby certify as follows:

ARTICLE I: NAME

Section 1.01. The name of the corporation is Marianas Public Land Corporation (hereinafter called the Corporation).

ARTICLE II: DURATION

Section 2.01. The period of duration of the Corporation is perpetual. Corporate existence shall commence on the date of issuance of the charter by the High Commissioner of the Trust Territory of the Pacific Islands.

ARTICLE III: LOCATION

Section 3.01. The post office address, including street and number, in the Trust Territory of the Pacific

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Islands of the office where the Corporation conducts its principal activities is:

Section 3.02. The post office address, including the street and number, in the Trust Territory of the Pacific Islands of the initial registered office of the Corporation is:

and the name of its initial registered agent at such address is:

ARTICLE IV: PURPOSES AND POWERS

Section 4.01. The Corporation is not formed for pecuniary gain or profit, direct or indirect, of its members, officers or directors and no part of its earnings shall inure to the benefit of any member, officer or director. The purposes for which the Corporation is organized are:

A. To serve as the legal entity designated by the chartered district legislature of the Mariana Islands to receive and hold title to the public lands of the Mariana

Islands (hereinafter called the Trust Lands) in trust for the people of the Mariana Islands;

B. To administer, manage and regulate the Trust Lands and to collect and apply the revenue and income derived therefrom in the manner hereinafter provided in these Articles, all in trust for the people of the Mariana Islands;

C. To sell, lease, exchange, use, dedicate for public purposes, or make other disposition of such public lands in the manner hereinafter provided in these Articles;

D. To do everything necessary, desirable, advisable, or convenient for the furtherance and accomplishment of such purposes and the achievement of the objective of the United States Policy Statement on Transfer of title to Public Lands from the Trust Territory of the Pacific Islands Administration to the Districts, dated November 2, 1973 (hereinafter called the Public Land Policy Statement), and to do all other things incidental thereto or connected therewith which are not forbidden by applicable law, these Articles and the By-Laws of the Corporation;

E. To make formal agreements upon terms satisfactory to the Corporation and the United States that the Corporation will meet the land requirements of the United States to be designated under the terms of a status agreement approved by the people of the Marianas and the United States which defines the future political status of the people of the Mariana Islands; and

F. To exercise the power of eminent domain in accordance with the provisions of laws enacted by the chartered district legislature of the Mariana Islands.

Section 4.02. In order to further, and carry out its purposes and to achieve such objectives, the Corporation:

A. Shall have all the powers set forth in any laws enacted to designate the Corporation as the legal entity to receive the Trust Lands and in any law hereinafter enacted by any legislative body of the Mariana Islands to extend the powers of the Corporation; and

B. Shall have the further powers to:

1. Sue and be sued, complain and defend, in its corporate name;

2. Have a corporate seal which may be altered at pleasure, and to use the same by causing it, or a facsimile thereof, to be impressed or affixed or in any other manner reproduced;

3. Purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, wherever situated;

4. Sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets, including the Trust Lands in accordance with the provisions of these Articles;

5. Dispose of distributable trust income (as hereinafter defined) pursuant to laws enacted by any legislative body of the Mariana Islands and in accordance with the provisions of these Articles;

6. 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, whether for profit or not for profit, associations, partnerships or individuals, or direct or indirect obligations of any government or of any governmental instrumentality;

7. Make contracts and incur liabilities, borrow money at such rates of interest as the Corporation may determine, issue its notes, bonds, and other obligations, secure any of its obligations by mortgage or pledge of all or any of its property, franchises and income, and guarantee obligations of others;

8. Lend money for its corporate purposes, invest and reinvest its funds, and take and hold real and personal property as security for the payment of funds so loaned or invested;

9. Conduct its affairs, carry on its operations, and have offices and exercise the powers confirmed by these Articles throughout the Trust Territory of the Pacific Islands;

10. Elect or appoint officers and agents of the Corporation, who may be directors or members, and define their duties and fix their compensation;

11. Make and alter By-Laws, not inconsistent with its charter or with the laws of the Trust Territory, for the administration and regulation of the affairs of the Corporation;

12. Make donations for the public welfare of the people of the Mariana Islands or for charitable, scientific or educational purposes, out of distributable trust income (as hereinafter defined) pursuant to laws enacted by any legislative body of the Mariana Islands and in accordance with the provisions of these Articles;

13. To indemnify any director or officer or former director or officer of the Corporation, or any person who may have served at its request as a director or officer of another corporation in which it owns shares of capital stock or of which it is a creditor, against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such director or officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty to the Corporation; and to make any other indemnification that shall be authorized by the By-Laws or by a resolution adopted by the members;

14. Cease its corporate activities and surrender its corporate franchise; and

C. Shall have and exercise all powers necessary or convenient to effect any or all of the purposes for which the Corporation is organized or necessary or convenient to the exercise of any or all the powers confirmed hereby.

Section 4.03. The Corporation shall not have the power to issue any equity securities, and the Corporation shall not have the power to make loans to members, directors, officers or employees. Except as herein provided, the Corporation shall not have the power to distribute its assets, revenues, income or property to any other person, natural or artificial.

ARTICLE V: INCORPORATORS AND FIRST MEETING

Section 5.01. The names and post office addresses of the incorporators are:

Name

Address

Section 5.02. Upon issuance of the charter of the Corporation by the High Commissioner, the incorporators shall constitute the interim Board of Directors (hereinafter called the "Interim Directors"); provided, however, that the provisions of Article VII of these Articles shall not apply to the Interim Directors; and provided, further, that the Interim Directors shall be empowered to act on behalf of the Corporation only in connection with matters pertaining to the first meeting of members. A majority of the Interim Directors shall constitute a quorum at any meeting, and the affirmative vote of the majority of Interim Directors present at any meeting shall be necessary for action on any matter.

Section. 5.03. Upon issuance of the charter of the Corporation by the High Commissioner, the Interim Directors shall call, within sixty days, the first meeting of members of the Corporation by written notice mailed to each individual eligible to be a member not less than twenty four nor more than fifty days prior to the date specified in such notice for the first meeting. Such notice shall specify the matters to be acted upon at such meeting, including adoption of the By-Laws of the Corporation and election of the directors of the Corporation, and a copy of the By-Laws proposed for adoption and biographies of the nominees standing for election shall accompany each such notice. Such notice shall also be accompanied by a form of declaration of intent to

become a member. The members eligible to participate in the first meeting of members of the Corporation shall be those individuals eligible pursuant to Article VI of these Articles to be members who have signed and returned to the Corporation such declarations of intent before the first meeting of members has been called to order.

ARTICLE VI. MEMBERS

Section 6.01. The following individuals shall be eligible to become members of the Corporation:

The Mayors of Saipan, Rota and Tinian;

Sixteen persons appointed by the chartered district legislature of the Mariana Islands, no more than eight of whom shall be members of the district legislature and at least two of whom shall be representatives of the United Carolinian Association;

Fifteen persons appointed by the Municipal Council of Saipan, no more than seven of whom shall be members of the Municipal Council of Saipan;

Nine persons appointed by the Municipal Council of Rota, no more than four of whom shall be members of the Municipal Council of Rota; and

Seven persons appointed by the Municipal Council of Tinian, no more than three of whom shall be members of the Municipal Council of Tinian;
provided each such individual is of the age of twenty-one years, a citizen of the Trust Territory of the Pacific Islands and a resident of the administrative district of

the Mariana Islands; provided, however, that each such individual shall be a citizen and resident of the political unit succeeding to the government of the administrative district of the Mariana Islands from and after the date on which such successor government is constituted whether pursuant to a constitution ratified by the people of the Mariana Islands or pursuant to a law or order contemplating the promulgation of such a constitution; provided, further, that after such a successor government of the Mariana Islands has been formed the authority to appoint members assigned to the chartered district legislature of the Mariana Islands and the Municipal Councils of Saipan, Rota and Tinian shall thereafter be exercised by the legislative bodies provided for under such government succeeding to the chartered district legislature and the Municipal Councils of Saipan, Rota and Tinian.

Section 6.02. The secretary of the Corporation shall promptly notify, from time to time, each individual eligible to be a member of the Corporation. Such notification shall be accompanied by a form of declaration of intent to become a member. Upon receipt by the Corporation of such declaration of intent signed by such individual, such individual shall thereupon become a member of the Corporation. The total number of members of the Corporation shall be determined, from time to time, by a count of the number of declarations of intent signed by individuals eligible pursuant to Sections 6.01 and 6.03 of this Article on file with the Corporation.

Section 6.03. The right to be a member of the

Corporation may not be transferred or assigned.

Section 6.04. (a) The Secretary of the Corporation shall notify, from time to time, each member who is no longer eligible to be a member of the Corporation. Individuals shall cease to be members of the Corporation on the date such notice is deposited in the mail by the secretary. Members shall serve the following terms:

(1) Members eligible to be members because they are the incumbent publicly elected officials designated in Section 6.01 shall cease to be members when their respective successors to such public offices shall have been elected and assumed the duties of such offices; and

(2) Individuals appointed to be members pursuant to Section 6.01 shall serve until the second annual meeting of members next succeeding the date upon which they become members and until the entity which appointed them names their successors.

(b) Any individual appointed by the chartered district legislature or the Municipal Councils of Saipan, Rota and Tinian to be eligible for membership may be reappointed as an eligible member by the authorized appointing entity.

(c) Any member who is eligible to be a member because he has been elected to one of the public offices specified in Section 6.01 shall, if removed from such office, immediately cease to be a member.

Section 6.05. The By-Laws of the Corporation may establish reasonable procedures providing for the removal of a member by the members for cause and shall establish procedures providing for the removal of a member by the members for a deliberate breach of the duties of such member with respect to the Trust Lands.

Section 6.06. The place, time and conduct of the annual meeting of members and of special meetings of members shall be determined in accordance with, and notice shall be given as provided in, the By-Laws of the Corporation. Special meetings of members may be called by the President or by a resolution adopted by the Board of Directors, and shall be called by the secretary upon the receipt of written requests of one third of the members.

Section 6.07. Whenever a matter is required to be submitted to the vote of the members of the Corporation, whether by virtue of the provisions of the Trust Territory Code, regulations adopted by the Registrar of Corporations or the provisions of these Articles or of the By-Laws of the Corporation, such vote may be taken at a meeting of members or by written consent of the members. Each member shall be entitled to cast one vote on each matter submitted to a vote of members. A member entitled to vote on any matter at a meeting may vote in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. Such proxy shall not be voted at any meeting of members other than the meeting, and any adjournment thereof, specified in such proxy.

Section 6.08. At each meeting of members, the presence of two thirds of the members shall constitute a quorum for the transaction of business, and except as otherwise specifically provided by law, these Articles or the By-Laws

of the Corporation, the assent of two thirds of the members present, in person or by proxy, at a meeting at which a quorum is present shall be required for action on any matter. The By-Laws of the Corporation may specify such additional requirements relating to these matters as appear appropriate to ensure that the members of a particular municipality have every opportunity to participate and vote on questions which directly affect land in their municipality.

Section 6.09. By signing and devlivering to the Corporation, a declaration of intent to become a member, each member will be deemed to have agreed to be bound by the provisions of these Articles, including but not limited to Articles VIII and IX, and those of the By-Laws of the Corporation.

ARTICLE VII: BOARD OF DIRECTORS AND OFFICERS

Section 7.01. The affairs of the Corporation shall be managed by a Board of Directors (hereinafter called the Board of Directors), elected by the members of the Corporation. Candidates for the Board of Directors shall have the same qualifications as members of the Corporation but need not be members of the Corporation.

Section 7.02. The number of Directors constituting the whole Board of Directors shall be eleven; provided, however, that such a number may be increased without amendment of these Articles by the adoption of a By-Law by the affirmative vote of two thirds of the members of the Corporation.

Section 7.03. (a) Eleven Directors shall be elected at the first meeting of members from a slate of not

less than fifteen nominees recommended to the members by the Interim Directors, and from nominees proposed by the members. Such slate of nominees shall include not less than two residents of the island of Saipan or the northern islands, not less than two residents of the island of Rota and not less than two residents of the island of Tinian. The first Board of Directors of the Corporation shall be composed of the following individuals:

(1) The two nominees who are residents of either the island of Saipan or the northern islands who receive the highest and second highest number of votes received by all nominees who are residents of Saipan or the northern islands;

(2) The two nominees who are residents of the island of Rota who receive the highest and second highest numbers of votes of the votes received by all nominees who are residents of Rota;

(3) The two nominees who are residents of the island of Tinian who receive the highest and second highest numbers of votes of the votes received by all nominees who are residents of Tinian; and

(4) The five nominees not elected by virtue of clauses (1) through (3) of this paragraph (a) who receive the five highest numbers of votes of the votes received by all nominees other than those elected pursuant to clauses (1) through (3) of this paragraph (a).

(b) The terms of the following Directors shall expire at the first annual meeting of members:

(1) The Directors elected pursuant to clauses (1) through (3) of paragraph (a) of

this Section who received the lowest number of votes of the two Directors elected pursuant to each of such clauses; and

(2) The Directors elected pursuant to clause (4) of paragraph (a) of this Section who received the two lowest numbers of votes of the Directors elected pursuant to such clause.

The terms of the remaining members of the first Board of Directors shall expire at the second annual meeting of members.

(c) Except as provided in paragraph (b) of this Section and in Section 7.04, each Director shall serve a term that expires on the date of the second annual meeting of members next succeeding the date of such Director's election.

(d) Six Directors shall be elected in each even-numbered year and five Directors shall be elected in each odd-numbered year at the annual meeting of members. The slate of nominees recommended to each annual meeting of members shall include not less than one resident of either the island of Saipan or the northern islands, not less than one resident of the island of Rota and not less than one resident of the island of Tinian. The Directors elected at such annual meeting shall be the following individuals:

(1) The nominee who is a resident of either the island of Saipan or the northern islands who receives the highest number of votes of the votes received by all nominees who are residents of either Saipan or the northern islands;

(2) The nominee who is a resident of the island of Rota who receives the highest number of votes of the votes received by all nominees who are residents of Rota;

(3) The two nominees in an odd-numbered year or the three nominees in an even-numbered year not elected by virtue of clauses (1)

through (3) of this paragraph (d) who receive the two or three, as the case may be, highest numbers of votes of the votes received by all nominees other than those elected pursuant to clauses (1) through (3) of this paragraph (d).

(e) Directors shall be elected and balloting shall be conducted in the manner specified in the By-Laws of the Corporation.

Section 7.04. Any Director elected by the members may be removed for cause by the Board of Directors in the manner specified in the By-Laws of the Corporation, and any Director elected by the members may be removed, with or without cause, by the members; provided, however, that any vacancy on the Board created by any such removal of Directors shall be filled in the manner specified in this Article.

Section 7.05. (a) Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of Directors may be filled by the affirmative vote of a majority of the remaining Directors, though less than a quorum of the Board of Directors, provided, however, that if the seat to be filled was previously occupied by a Director elected pursuant to either clauses (1) through (3) of Section 7.03 (a) or clauses (1) through (3) of Section 7.03 (d), the Director elected to such vacant seat shall be a resident of the same island as his predecessor in office.

(b) A Director elected or appointed, as the case may be, to fill a vacancy shall be elected or appointed for the unexpired term of his predecessor in office.

(c) Any Director to be elected by reason of an increase in the number of directors may be elected by the Board of Directors for a term of office continuing only until the next election of Directors by the members.

Section 7.06. Except as otherwise provided in these Articles, a majority of the whole Board of Directors shall constitute a quorum for the transaction of business at a meeting of the Board of Directors; provided, however, that such quorum may be increased or decreased, from time to time, without amendment of these Articles by a By-Law adopted by the members of the Corporation.

Section 7.07. (a) The Board of Directors, by resolution adopted by two thirds of the Directors in office, may designate and appoint one or more committees each of which shall consist of two or more Directors, which committees, to the extent provided in such resolution and in these Articles, shall have and exercise all the authority of the Board of Directors, except that no such committee shall have the authority of the Board of Directors in reference to (i) amending, altering or repealing the By-Laws; (ii) electing, appointing or removing any member of any such Committee or any director or officer of the Corporation; (iii) amending these Articles, restating these Articles, adopting a plan or merger or adopting a plan of consolidation with another corporation; (iv) authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; (v) authorizing the voluntary dissolution of the Corporation; or revoking proceedings

therefor; (vi) adopting a plan for the distribution of the assets of the Corporation; or (vii) amending, altering or repealing any resolution of the Board of Directors which by its terms provide that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual Director, of any responsibility imposed on such person.

(b) The Board of Directors or any committee of the Board constituted pursuant to paragraph (a) hereof may designate and appoint advisory committees, the members of which need not be members, officers or directors of the Corporation.

Section 7.08. Meetings of the Board of Directors, regular or special, may be held either within or without the Mariana Islands, and upon such notice as the By-Laws may prescribe. Attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting unless these Articles or the By-Laws so require.

Section 7.09. (a) The officers of the Corporation shall consist of a president, one or more vice presidents, a

secretary, a treasurer and such other officers and assistant officers as the Board of Directors may deem necessary. Officers shall be elected or appointed annually by the Board of Directors in accordance with the provisions of the By-Laws of the Corporation. The By-Laws of the Corporation may provide that any two or more offices may be held by the same person, except the offices of president and secretary. The duties and responsibilities of the officers of the Corporation shall be described in the By-Laws of the Corporation.

(b) The president of the Corporation shall be ex officio a member of the Board of Directors unless he has been elected to the Board pursuant to the provisions of this Article.

(c) The officers of the Corporation may be designated by such additional titles as may be provided in the By-Laws of the Corporation or in resolutions adopted by the Board of Directors or the members.

ARTICLE VIII: LIMITATIONS ON ACTIONS OF THE CORPORATION AND DISTRIBUTION OF INCOME

Section 8.01. The Corporation has been organized by representatives of the people of the Mariana Islands to receive and administer the Trust Lands in trust for the people, all as contemplated by the Public Land Policy Statement and the mandate of the chartered district legislature of the Mariana Islands. The Corporation shall receive, hold, administer and develop the Trust Lands for the benefit of the people. The members, directors and officers of the

Corporation shall be bound to the duty of undivided loyalty that prohibits transactions that involve conflicts of interest or self-dealing and the duty to exercise that degree of care and skill in administering the Trust Lands that a prudent man in the position of the member, director or officer would employ in the management of his own property.

Section 8.02. The Trust Lands are the most valuable physical asset of the people of the Mariana Islands. The Corporation recognizes that a government organized pursuant to a constitution ratified by the people of the Mariana Islands may require that all right, title and interest in and to the Trust Lands then held by the Corporation be transferred in accordance with the provisions of Section 11.02 of these Articles.

Section 8.03. The Interim Directors of the Corporation shall propose to the members at the first meeting policy guidelines setting forth limitations on land dispositions and outlining the procedures to be followed in connection therewith (hereinafter called the Trust Policy Guidelines). The proposed Trust Policy Guidelines shall be published in a newspaper of general circulation in the Mariana Islands once each week for three successive weeks prior to the first meeting, and the Interim Directors shall seek, compile and present to the members at the first meeting, comments received from the people. At the first meeting the members shall adopt the initial Trust Policy Guidelines of the Corporation. Adoption of the Trust Policy Guidelines shall require the affirmative vote of 75% of the

members of the Corporation. Until the members adopt Trust Policy Guidelines, the Corporation shall have no power to dispose of any interest in the Trust Lands except for dispositions which are required in order to meet the conditions of the Public Land Policy Statement, including the transfer of lands to the United States Government in accordance with an agreement approved by the people governing the future political status of the Mariana Islands. The Trust Policy Guidelines can be amended in whole or in part from time to time by the members. Upon the recommendation of the Board of Directors or the written requests of 10% of the members, a proposal to amend the Trust Policy Guidelines shall be published once each week for three consecutive weeks in a newspaper of general circulation in the Mariana Islands. Thereafter, the proposed amendment shall be submitted to the members, the notice of meeting shall be accompanied by the text of the proposed amendment and a summary of the comments received. If action is to be taken by consent, such consent shall not be solicited until the text of the proposed amendment and a summary of the comments received have been sent to members. Amendment of the Trust Policy Guidelines shall require the affirmative vote of 75% of the members.

Section 8.04. Anything in the Trust Policy Guidelines to the contrary notwithstanding, the Corporation and its members, directors and officers shall deal with the Trust Lands with the goal of conserving the Trust Lands and the revenues derived therefrom for the people. To that end, the Corporation:

(a) Shall not have the power to transfer all its right, title and interest in and to any portion of the Trust Lands except pursuant to paragraphs (b) and (c) of this Section; provided, however, that the power to transfer such interests in the Trust Lands pursuant to paragraphs (b) and (c) of this Section shall not be exercised for a period of two years after the Corporation comes into existence;

(b) Shall have the power, subject to satisfaction of the requirements, if any, of the Trust Policy Guidelines, to transfer all its right, title and interest in and to any portion of the Trust Lands to any governmental unit or agency for any public purpose;

(c) Shall have the power, subject to satisfaction of the requirements, if any, of the Trust Policy Guidelines, to establish general land development programs, including a homesteading program, and to transfer to persons eligible to participate in such program all its right, title and interest in and to any part of the Trust Lands set aside for such program; provided, however, that only individuals of Marianas ancestry and those legal persons defined in the Trust Policy Guidelines shall be eligible to receive fee title to any portion of the Trust Lands under any such general land development program;

(d) Shall not have the power to enter into any lease or agreement respecting the Trust Lands which could be renewed in perpetuity.

(e) Shall have the power to enter into an agreement with the United States Government which makes available

to the United States certain of the Trust Lands in accord with the terms of an agreement governing the future status of the Mariana Islands approved by the people of the Mariana Islands and the United States Congress.

Section 8.05. The Corporation shall collect all rents, royalties, use and license fees and other revenues derived from the Trust Lands. The Corporation shall pay all its expenses out of any funds available to the Corporation, including revenues derived from the Trust Lands. The Corporation shall appoint a firm of independent certified public accountants to audit its books and records and to certify its financial statements. Within ninety days after the end of each fiscal year, the Corporation shall submit to its members a balance sheet and statement of operations, certified by such auditors, that fairly and accurately present the financial condition of the Corporation and the results of its operations. The Corporation's financial statements shall be published once each week for two consecutive weeks in a newspaper of general circulation in the Mariana Islands.

Section 8.06. The Board of Directors of the Corporation shall review the financial statements of the Corporation at the end of each fiscal year. If the operations of the Corporation at the end of each fiscal year have generated net income, computed in accordance with generally accepted accounting principles consistently applied, the Board of Directors shall review the projections for the future operations of the Corporation and shall determine what portion, if any, of the net income of the Corporation should be reserved

against obligations that will mature within a reasonable period of time or to provide funds for future programs of the Corporation. The excess, if any, of the net income of the Corporation over the funds so reserved shall constitute Distributable Trust Income. The Board of Directors shall report the amount of any Distributable Trust Income to the members of the Corporation. The Board of Directors shall recommend to the members of the Corporation a proposal for disbursement of such Distributable Trust Income at the next succeeding meeting of members.

Section 8.07. The Corporation shall disburse Distributable Trust Income for the benefit of the people of the Mariana Islands. In disbursing Distributable Trust Income, the Corporation shall, if the chartered district legislature of the Mariana Islands, or any successor legislative body thereof, has enacted a law designating political, social, economic or other programs for the benefit of the people to receive Distributable Trust Income, make disbursements in accordance with the provisions of such law. If no such law is in force and effect at the time of any disbursement, the members of the Corporation shall adopt a resolution providing for the disbursement of Distributable Trust Income for the benefit of the people.

ARTICLE IX: PROHIBITED TRANSACTIONS

Section 9.01. The Trust Policy Guidelines shall specify the categories of transactions in connection with

the Trust Lands and the revenues derived therefrom that are inconsistent with the duty of undivided loyalty of the members, directors and officers of the Corporation.

Section 9.02. The By-Laws of the Corporation shall specify the procedures that shall govern a complaint against a member, director or officer for breaching his duty of loyalty to the Corporation and the people of the Mariana Islands and may provide for the removal of any member, director or officer, after a hearing on the merits of such complaint.

Section 9.03. Anything in these Articles to the contrary notwithstanding, the liability of any member, director or officer who has been adjudged by a court of competent jurisdiction to have willfully breached his duty of loyalty to the Corporation shall be absolute and not limited.

ARTICLE X: AMENDMENTS OF THE ARTICLES OF INCORPORATION

Section 10.01. The Corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles, in any and as many respects as may be desired, in accordance with the provisions of these Articles and in the manner now or hereafter prescribed by law or duly promulgated regulation, and all rights and duties conferred hereby, are granted subject to this reservation.

Section. 10.02. Amendments to the Articles of Incorporation shall be made in the following manner:

(a) The Board of Directors shall adopt by a vote of not less than two thirds of the whole Board of

Directors a resolution setting forth the proposed amendment or amendments and directing that it or they be submitted to the vote of members entitled to vote thereon, either at a special or annual meeting of members or by consent of members.

(b) Written notice setting forth the proposed amendment or amendments and a summary of the changes to be affected thereby shall be given to each member entitled to vote thereon within the time and in the manner provided in the By-Laws of the Corporation for the giving of notice of meetings of members.

(c) The Corporation in the period between the date of such notice and the date of such meeting or action by members shall cause a summary of the changes to be made by such amendment to be publicly announced to the people of the Mariana Islands in the manner specified in the By-Laws of the Corporation.

(d) Any amendment to these Articles shall be adopted by the Corporation upon receiving at least three quarters of the votes which members present at such meeting or represented by proxy are entitled to cast or upon receiving the written consents of at least two thirds of the members.

(e) The secretary of the Corporation shall give written notice to the President of the chartered district legislature, or of the popularly elected legislative body succeeding the chartered district legislature, of each amendment to these Articles adopted by the members of the

Corporation. Such notice shall set forth the text of the amendment and a summary of the changes effected thereby. Unless such legislative body disapproves such amendment within the 60-day period succeeding the date of such notice, any amendment to these Articles shall be deemed to be approved by such legislative body.

(f) After compliance with paragraphs (d) and (e) of this Section, the Corporation shall cause Articles of Amendment to be filed with the Registrar of Corporations of the Trust Territory of the Pacific Islands, or the official of a government of the Mariana Islands performing substantially the duties performed by the Registrar of Corporations on the date of these Articles.

(g) An amendment to these Articles shall become effective on the date approved by the High Commissioner, or if the duties of the High Commissioner over corporations domiciled in the Mariana Islands have been superseded, on the date of acceptance by the appropriate official of the government of the Mariana Islands, of the Articles of Amendment.

ARTICLE XI: CORPORATE CHANGES

Section 11.01. Except in accordance with the provisions of Article VIII or this Article, the Corporation shall not transfer any of its assets, including the Trust Lands, or any interest therein.

Section 11.02. The Corporation shall transfer all its assets, including the Trust Lands and any right to

revenue or income derived therefrom, in accordance with the provisions of any law validly enacted by a government of the Mariana Islands organized under a constitution submitted to and ratified by a vote of the people of the Mariana Islands; provided, however, that if such law does not make adequate provision, in the opinion of the Board of Directors of the Corporation existing on the date designated for such transfer, to satisfy the Corporation's existing obligations, the Corporation shall at its option either retain sufficient assets to satisfy such obligations or require the person receiving the assets to assume expressly the Corporation's obligations and to indemnify the Corporation, and its Directors, officers and members against any liability in connection therewith.

Section 11.03. Except for the transfer of assets referred to in Section 11.02, the Corporation shall not agree to sell or dispose of substantially all the assets of the Corporation, merge the Corporation into another corporation or permit the merger of another corporation into the Corporation or dissolve the Corporation voluntarily unless any such action has been approved in the manner specified in Section 11.04 of these Articles.

Section 11.04. The sale, lease, exchange or mortgage of all or substantially all the property and assets of the Corporation, or the merger or consolidation of the Corporation into or with another corporation or the voluntary dissolution of the Corporation shall be authorized in the manner hereinafter set forth.

(a) The Board of Directors of the Corporation shall adopt by the affirmative vote of two thirds of the whole Board of Directors a resolution recommending any such action to a vote of the members of the Corporation. Such resolution shall include the plan pursuant to which the Corporation would take such action.

(b) The Corporation shall cause notice of a special meeting of members, convened for the sole purpose of action on such resolution and such plan, to be given promptly to the members of the Corporation entitled to vote thereon.

(c) The Corporation shall cause its recommendation and the plan proposed to the members by the Board of Directors to be published to the people of the Mariana Islands in the manner specified in the by-laws of the Corporation.

(d) The quorum for the special meeting shall be two thirds of the members of the Corporation entitled to vote on such action and such action and plan shall be approved only with the affirmative vote of two thirds of the members present, in person or by proxy, at such meeting.

(e) The Secretary of the Corporation shall give written notice to the President of the chartered district legislature or of the popularly elected legislative body succeeding the chartered district legislature of such action by the members of the Corporation. Such notice shall set forth the members' approval of the transaction adopted by such members.

(f) Unless the chartered district legislature, or a successor legislative body, approves such action and plan,

the Corporation shall not take any steps to implement such plan or to consummate such transaction. Upon the approval of the transaction and the plan by the chartered district legislature, or by a successor legislative body, the Corporation shall implement the plan and consummate the transactions thus approved.

(g) Anything in paragraph (f) of this Section to the contrary notwithstanding, if any such action is subject to the approval of an official of the Trust Territory of the Pacific Islands, or of a government of the Mariana Islands organized under a constitution ratified by the people of the Mariana Islands, the Corporation shall not consummate such transaction until any official action required has been taken or approval has been obtained.

Section 11.05. The Corporation hereby recognizes the jurisdiction of the High Court of the Trust Territory, or, if a government of the Mariana Islands has been constituted, of the highest tribunal of such government, in any proceedings in which the dissolution of the Corporation is sought without the recommendation of its Board of Directors and approval of its members; provided, however, that any court-ordered receivership or decree of dissolution shall contain adequate provisions insuring that the Trust Lands, together with all revenue and income derived therefrom, shall be administered for the benefit of all the people of the Mariana Islands and be consistent with the terms of the agreement between the Corporation and the High Commissioner pursuant to which the Trust Lands become assets

of the Corporation, the Public Land Policy Statement of November 2, 1973, and any laws enacted by the chartered district legislature of the Mariana Islands, or by any successor legislative body of the government of the Mariana Islands.

ARTICLE XII: BY-LAWS AND INSPECTION OF RECORDS

Section 12.01. The By-Laws of the Corporation may provide that any provision thereof may not be amended without the approval of a specified percentage of the members of the Corporation. Any other provision of the By-Laws, or, if the By-Laws do not so provide, any By-Law provision, may be made, altered, amended or repealed by the Board of Directors.

Section 12.02. The By-Laws of the Corporation shall provide, in a manner consistent with Article VIII of these Articles, whether and to what extent and at what times and places and under what conditions and regulations the books, accounts and documents of the Corporation, or any of them, shall be open to the inspection of the members.

(Signatures of incorporators, and other formalities required under TTPI law.)