

MINUTES OF A REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
**GUAM ECONOMIC DEVELOPMENT AUTHORITY**

May 11, 2012

*Call to Order*

§ 1. The regular meeting of the Board of Directors of the **GUAM ECONOMIC DEVELOPMENT AUTHORITY** (referred to as “GEDA” or the “Authority”) was held on May 11, 2012, at the hour of 1:35p.m. at the Guam Economic Development Authority Conference Room, Fifth Floor, Suite 511, ITC Building, Tamuning, Guam. The meeting was called to order to consider several items on the agenda.

*Attendance and quorum*

§ 2. **Roll call.** As determined by the roll call, the following directors were present:

*Directors:*

Ricardo C. Duenas  
Edward J. Calvo  
Arlene P. Bordallo  
David J. John  
Robert P. Salas

*Offices or positions:*

Chairman  
Vice Chairman  
Assistant Secretary

*Absent and excused:*

Ramona L.E. Jones  
George Chiu

Secretary

*Also present were:*

*GEDA officials:*

Karl A. Pangelinan  
Christina D. Garcia  
Janalynn Damian

Administrator  
Acting Deputy Administrator  
GEDA Legal Counsel  
(Calvo Fisher & Jacob LLP)

Larry Toves  
Lester L. Carlson Jr.

Real Property Manager  
Business Development & Marketing Manager

Claire Cruz	Programs & Compliance Manager
Bernice Torres	Admin. & Operations Manager
Mike Cruz	Project Director
Antoinette Leon Guerrero	Public Finance Officer
Jha'Aunie Leon Guerrero	Administrative Aide
Charlene Concepcion	Executive Assistant
Maree Pelkey	Management Analyst

### ***Approval of Agenda***

§ 3. The first item considered was approval of the agenda. There was discussion on moving Executive Session to the beginning of the meeting. On motion duly made by Director John and seconded by Director Calvo, the agenda was unanimously approved as amended.

### ***Approval of Minutes***

§ 4. The next item on the agenda was approval of the minutes of the April 17, 2012 Board meeting. On motion duly made by Director Bordallo and seconded by Director John, the following resolution was unanimously approved:

### ***Resolution No. 12-020***

RESOLVED, that the Board approves the minutes of the April 17, 2012 Board meeting.

### ***Communications***

§ 5. The next item considered was Communications. Karl Pangelinan, Administrator, briefed the Board on Public Law 31-196 relative to the authorizing the issuance of Business Privilege Tax Series B Bonds and for other purposes. Administrator Pangelinan then informed the Board about Senator Benjamin J.F. Cruz's request to audit the Qualifying Certificate ("QC") program. He informed the Board that he will provide to Senator Cruz a spreadsheet of the QC Beneficiaries. Chairman Duenas noted that the jobs created by QCs and other benefits of QCs should also be included in the information provided to Senator Cruz.

***Executive Session***

§ 6. On motion duly made by Director Bordallo and seconded by Director Calvo, at 1:46 p.m. the board recessed for Executive Session to discuss case CV1279-06.

At 1:54 p.m., on motion duly made by Director Calvo and seconded by Director Bordallo the Board reconvened regular session.

On motion duly made by Director Bordallo and seconded by Director Calvo, the following resolution was unanimously passed:

***Resolution No. 12-026***

RESOLVED, that the Board approves the final settlement in Civil Case 1279-06 as recommended by counsel during executive session.

Director John excused himself from the meeting.

***Old Business***

§ 7. The next item discussed was Old Business. There first item of discussion was Resolution No. 10-046 from the December 28, 2010 Board Meeting relating to the purchase of Lot 306-9 by Joyce and George Bamba. After further discussion, on motion duly made by Director Bordallo and seconded by Director Calvo, the following resolution was unanimously passed:

***Resolution No. 12-022***

RESOLVED, that the Board approves the sale of Lot 306-9 to Joseph G. Bamba and Joyce C. Bamba for \$83,000.00 plus an additional payment of \$5,000.00, all of which shall be paid in cash in full in complete settlement of all matter between the parties. Closing shall occur within 90 days.

§ 8. The next item of Old Business was the Program Management Office (PMO) Update. Mike Cruz, Project Director, and Larry Toves, Real Property Manager, briefed the Board on the status of several projects. 1) Guam and Chamorro Educational Facility design services project -

Architects Laguana and Cristobal were selected and the contract has been approved by Budget of Bureau and Management Research (“BBMR”) and has been transmitted to the Attorney General for review and signature. 2) Plaza de España project - three bids were submitted and GEDA staff will be seeking the Board’s approval of a contract award. Contract award is projected for the first week of June 2012. 3) Inarajan Community Center- priced bids are due on May 15. 4) Marine Drive Connection between Skinner Plaza and Chamorro Village - the method of procurement will be design-bid-build. For the Guam Preservation Trust (“GPT”) reimbursement of \$4.7 million to GPT, the matter has been forwarded to the Department of Administration for further clarification and for evidence of the indebtedness. 5) Hagatna Master Plan - DOA staff will need to confirm with BBMR on whether the transfer of HOT Bond funds is allowable. 6) San Vitores Flooding - a public meeting facilitated by Department of Public Works was held on May 10 to discuss the Storm Water Management within the Tumon Tourism District. A follow-up meeting will be taking place with the technical and environmental specialists and the Government of Guam.

Mr. Toves referred the Board to the May 8 memorandum included as part of their packet. Mr. Toves discussed the Plaza de España design build contract and recommended that the Board authorize the Administrator to execute a design-build contract with Reliable Builders in an amount not to exceed \$1,341,000.00 upon final approval of the contract by Legal Counsel. After discussion, on motion duly made by Director Bordallo and seconded by Director Calvo, the following resolution was unanimously passed:

***Resolution No. 12-023***

RESOLVED, that the Board authorizes the Administrator to execute a design-build contract for the Plaza de España procured under IFB No. 12-001 with Reliable Builders in an amount not to exceed \$1,341,000.00 upon final approval of the contract by Legal Counsel.

***New Business***

§ 9. The next item on the agenda was New Business. The first item for discussion was a request to hire a Program Coordinator III for the State Small Business Credit Initiative (SSBCI). Christina D. Garcia, Acting Deputy Administrator, briefed the Board on the SSBCI program and the Program Coordinator position, which is funded by SSBCI funds. After discussion, on motion duly made by Director Salas and seconded by Director Bordallo, the following resolution was unanimously passed:

***Resolution No. 12-024***

RESOLVED, that the Board approves the request to hire a Program Coordinator III (Pay-grade M) to focus only on the SSBCI program.

§ 10. The next item of new business for discussion was a resolution relating to the revenue bonds financing for the Ironwood Lada Senior Village Affordable Multifamily Rental Housing Development, a Private Activity Bond Project. Ms. Garcia referred the Board to the April 30 Staff Report included in their packets. Ms. Garcia explained to the Board that the requested approval is not a commitment by GEDA to issue the bonds, but an expression of intent by GEDA to issue and sell revenue bonds in an amount up to \$20,000,00 for the project. After discussion, on motion duly made by Director Calvo and seconded by Director Bordallo, the following resolution was unanimously passed:

*Resolution No. 12-018*

RESOLUTION SETTING FORTH THE OFFICIAL INTENT OF THE GUAM ECONOMIC DEVELOPMENT AUTHORITY TO ISSUE AND SELL REVENUE BONDS FOR THE FINANCING OF THE IRONWOOD LADA SENIOR VILLAGE AFFORDABLE MULTIFAMILY RENTAL HOUSING DEVELOPMENT, AND THE TAKING OF RELATED ACTIONS

WHEREAS, pursuant to the GEDA Project Revenue Bonds Act of 1982, as amended, constituting Chapter 64 of Division 2 of Title 12 of Guam Code Annotated (as so amended, the “Act”), the Guam Economic Development Authority (“GEDA”) is authorized to issue bonds for the purpose of providing funds, among other things, to make loans and to pay or cause to be paid all or any part of the costs of any project (as defined in the Act);

WHEREAS, under federal and Guam law, a number of conditions remain to be met before any Bonds are issued, including but not limited to the holding of a Tax Equity and Fiscal Responsibility Act (“TEFRA”) hearing, the allocation of volume cap to the Project, the approval of the terms and conditions of the Bonds by the Guam Legislature and GEDA pursuant to Section 50103(k) of Title 12 of the Guam Code Annotated, and authorization of the issuance of the Bonds by GEDA and the Governor of Guam;

WHEREAS, the Ironwood Estates Guam Development/Micronesia Community Development Corporation and/or related entities (collectively, the “Borrower”) has requested that GEDA, as issuer, issue and sell bonds (the “Bonds”) in an amount not to exceed \$[20,000,000] (the “Principal Amount”) pursuant to the Act for the purpose of financing the acquisition and construction of an approximately 200-unit multifamily rental housing development to be located in the village of Dededo, Guam, and to be known as Ironwood Lada Senior Village (the “Project”);

WHEREAS, GEDA, in the course of assisting the Borrower in financing the Project, expects that the Borrower has paid or may pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Project within 60 days prior to the adoption of this Resolution, and prior to the issuance of the Bonds, for the purpose of financing costs associated with the Project on a long-term basis;

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require GEDA to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, GEDA wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and conditions as may then be agreed upon by GEDA, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed the Principal Amount;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Guam Economic Development Authority as follows:

Section 1. The above recitals, and each of them, are true and correct.

Section 2. GEDA hereby determines that it is necessary and desirable to declare its intention to provide financing for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act, as and to the extent authorized by a subsequent resolution of GEDA at a meeting to be held for such purpose, in an aggregate principal amount not to exceed the Principal Amount. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with any planning, zoning, subdivision and building laws or ordinances applicable thereto or to suggest that GEDA or any officer or agent of GEDA will grant any approval, consent or permit that may be required in connection with the acquisition and construction of the Project, or that GEDA will make any expenditures, incur any indebtedness, issue bonds, approve any allocation of volume cap, or otherwise proceed with the financing of the Project.

Section 3. This resolution is being adopted by GEDA for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, GEDA hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 4. This resolution shall take effect from and after its adoption.

RESOLVED FURTHER, that the Chairman certify and the Assistant Secretary attest to the adoption of this resolution.

§ 11. The next item of new business for discussion was the approval of the issuance and sell

of the Business Privilege Tax Series B Bonds. Administrator Pangelinan informed the Board that the Bonds would be used to pay the Retirement Fund and 2011 tax refunds. After discussion, on motion duly made by Director Bordallo and seconded by Director Calvo, the following resolution was unanimously passed:

***Resolution No. 12-019***

RESOLUTION APPROVING THE ISSUANCE AND SALE OF GOVERNMENT OF GUAM BONDS; APPROVING A SECOND SUPPLEMENTAL INDENTURE; APPROVING THE DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT AND OTHER RELATED DOCUMENTS; AND THE TAKING OF RELATED ACTIONS

WHEREAS, §1512.3 of Article 5 of Chapter 1 of Title 5 of the Guam Code Annotated (as amended, the “Act”) authorizes the Governor of Guam (the “Governor”) to issue on behalf of the Government of Guam (the “Government”), through the agency of the Guam Economic Development Authority (“GEDA”), two series of bonds (the “Bonds”) in an aggregate principal amount not to exceed \$343,700,000 for the purposes described in the Act, including providing for payment of certain expenses and projects of the Government (the “Eligible Expenses”), capitalizing interest on the Bonds and paying expenses incurred in connection with the issuance of the Bonds;

WHEREAS, pursuant to Section 50103(k) of Title 12 of the Guam Code Annotated, agencies and instrumentalities of the Government shall issue bonds and other obligations only by means of and through the agency of GEDA and only with the approval of the Legislature of Guam (the “Legislature”) of the terms and conditions of such bonds;

WHEREAS, the Legislature approved the terms and conditions of the issuance of the Bonds as set forth in §1512.3(n) of the Act, subject to certain findings of an independent analysis to be provided by the University of Guam to the Legislature concerning the pledge to be made to secure the repayment of the Bonds;

WHEREAS, the University of Guam provided to the Legislature and to GEDA its independent analysis, which made the requisite findings concerning the pledge to be made to secure the Bonds;

WHEREAS, on December 1, 2011, pursuant to the Act and an Indenture, dated as of December 1, 2011 (the “General Indenture”), as supplemented by a First Supplemental Indenture, dated as of December 1, 2011, by and among the Government, Bank of Guam, as Trustee, and U.S. Bank National Association, as Co-Trustee, the Government issued the first series of Bonds in the aggregate principal amount of \$235,000,000, designated Government of Guam Business Privilege Tax Bonds, Series 2011A;

WHEREAS, the Government has determined to issue the second series of the Bonds (hereinafter, the “Series B Bonds”) for the purposes and in an aggregate principal amount not to exceed the remaining authorization therefor, all as set forth in the Act;

WHEREAS, the Governor has requested that GEDA approve the issuance and sale of such Series B Bonds in accordance with Section 50103(k) of Title 12 of the Guam Code Annotated and the Act;

WHEREAS, this Board of Directors has determined that it is in the public interest for the Government to issue and sell the Series B Bonds, or such portion thereof as may be advisable as determined by the Governor upon consultation with the Administrator or Chairman of GEDA, for the purpose of financing the Eligible Expenses payable from the proceeds of such Series B Bonds pursuant to the Act; and

WHEREAS, there have been presented to this Board of Directors the proposed forms of a second supplemental indenture (the “Second Supplemental Indenture”), supplemental to the General Indenture, pursuant to which the Series B Bonds would be issued, an Official Statement (the “Official Statement”) pursuant to which the Series B Bonds would be described to potential investors, and a bond purchase agreement (the “Bond Purchase Agreement”) pursuant to which the Series B Bonds would be sold;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Guam Economic Development Authority as follows:

Section 1. The issuance and sale of the Series B Bonds, or such portion thereof as may be advisable as determined by the Governor upon consultation with the Administrator or Chairman of GEDA (each, an “Authorized Representative”), are hereby approved in accordance with Section 50103(k) of Title 12 of the Guam Code Annotated and the Act.

Section 2. The form of Second Supplemental Indenture presented to this meeting in substantially final form, relating to the Series B Bonds and to be executed and delivered by the Governor on behalf of the

Government, is hereby approved, with such additions, changes and modifications as the Governor may approve upon consultation with an Authorized Representative and legal counsel, such approval to be conclusively evidenced by the execution and delivery of the Second Supplemental Indenture.

Section 3. The form of Bond Purchase Agreement presented to this meeting in substantially final form, relating to the Series B Bonds and to be executed and delivered by the Governor on behalf of the Government and by an Authorized Representative on behalf of GEDA, is hereby approved for execution and delivery on behalf of the Government and GEDA, with such additions, changes and modifications as the Governor and such Authorized Representative may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement on behalf of the Government and GEDA; *provided, however,* that the Series B Bonds shall be issued in an aggregate principal amount not to exceed One Hundred Eight Million Seven Hundred Thousand Dollars (\$108,700,000), shall have a final maturity not later than 35 years after their date of issuance, shall require interest only payments for fiscal years 2012 to and including 2014, and shall be sold for such price or prices as shall result in a yield to the bondholders not exceeding six and one half percent (6.5%) per annum. The Series B Bonds shall not be issued in an amount that would create a violation of the debt limitation imposed by 48 U.S.C. §1423(a), or that would create a violation of §1512.3(a) of Article 5 of Chapter 1 of Title 5 of the Guam Code Annotated.

Section 4. The distribution of the form of Official Statement presented to this meeting, relating to the Series B Bonds and to be executed and delivered by the Governor on behalf of the Government upon consultation with an Authorized Representative and legal counsel (such approval to be conclusively evidenced by the execution of the final Official Statement by the Governor), is hereby approved. The Governor on behalf of the Government upon consultation with an Authorized Representative and legal counsel is hereby authorized to certify to the underwriters of the Series B Bonds that the Official Statement in preliminary form was deemed final as of its date within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The underwriters of the Series B Bonds are hereby authorized and directed to deliver copies of the final Official Statement to all subsequent purchasers of the Series B Bonds.

Section 5. Each Authorized Representative is hereby authorized and directed to do any and all things and to execute and deliver any and all documents or certificates which he may deem necessary or advisable

in order to consummate the sale of the Series B Bonds and otherwise to effectuate the purposes of this resolution. Such actions may include, but are not limited to, the distribution of material relating to the Series B Bonds and the holding of any appropriate information meetings concerning the Series B Bonds.

Section 6. This resolution shall take effect from and after its adoption.

RESOLVED FURTHER, that the Chairman certify and the Assistant Secretary attest to the adoption of this resolution.

§ 12. The next item of new business for discussion was the election of an Assistant Secretary. Director Bordallo was nominated. On motion duly made by Director Salas and seconded by Director Calvo, the following resolution was unanimously passed:

***Resolution No. 12-025***

RESOLVED, that the Board elects Director Arlene P. Bordallo to serve as the Assistant Secretary of the Board of Directors of GEDA.

***Public Comments***

§ 13. The next item on the agenda was Public Comments. There were no comments.

***Reports***

§ 14. The next item on the agenda was Reports. Lester Carlson provided an informational briefing to the Board on the recently completed Taiwan trade mission. There was no further discussion.

***Others***

§ 15. The next item on the agenda was Others. There were no items for discussion.

*Adjournment*

§ 16. After further discussion, there was a recommendation to adjourn the meeting. On motion duly made by Director Calvo and seconded by Director Bordallo at 2:48 p.m., the meeting was adjourned.

Dated this 21<sup>st</sup> day of June, 2012



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Ricardo C. Duenas  
Chairman

ATTEST:



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Arlene P. Bordallo  
Assistant Secretary