

Leonardo M. Rapadas  
Attorney General

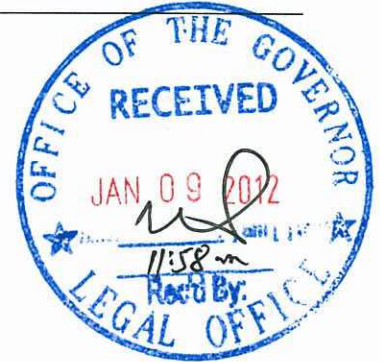


Phillip J. Tydingco  
Chief Deputy Attorney General

## OFFICE OF THE ATTORNEY GENERAL

January 9, 2012

The Honorable Edward J.B. Calvo  
Governor of Guam  
Office of the Governor of Guam  
Ricardo J. Bordallo Governor's Complex  
Adelup, Guam



Subject: **Core Tech Amendment**

Dear Governor Calvo,

*Buenas yan Håfa Adai!* First, I want to commend your legal counsel who was very helpful in expediting the legal review and approval of the Core Tech Lease Amendment attached herein. There are however three important points I would like to highlight about the Amendment:

1. It clarified and included the provision that the rent payment going forward will be through tax credits for the lease of the premises and purchase of collateral equipment.
2. We also brought to your legal counsel's attention our concern about deleting in its entirety the notice to terminate provision; however, we were informed that this was part of the negotiation and agreement between the parties.
3. It has also been represented to me that the Government of Guam and Governor of Guam agree to enter into subsequent MOA's or MOU's with DOE or any other agencies who occupy and use the Core Tech premises in accordance with the relevant laws and terms and conditions of the lease.

Should you have any questions, please feel free to contact me. *Dångkolo na Agradesimiento!*

Sincerely,

**LEONARDO M. RAPADAS**  
Attorney General of Guam

cc: Governor's Legal Counsel

**FIRST AMENDMENT TO LEASE AGREEMENT WITH  
OPTION TO PURCHASE**

11-1217  
4:00  
DEC 30 2011  
Bureau of Budget and  
Management Research

This First Amendment to Lease Agreement with Option to Purchase (the "Amendment") is made and entered into as of this 30<sup>th</sup> day of December, 2011 by and between CORE TECH INTERNATIONAL CORPORATION ("Landlord"), whose address is 500 Mariner Avenue, Tiyan, Barrigada, Guam 96913 and GOVERNMENT OF GUAM ("Tenant"), whose address is P.O. Box 2950, Hagatna, Guam 96932. Each of Landlord and Tenant is sometimes referred to herein individually as a "Party" and together as the "Parties."

**RECITALS:**

WHEREAS, pursuant to Public Law 30-37, the Parties entered into a Lease Agreement with Option to Purchase dated June 23, 2009 (the "Lease"), for certain land, buildings and structures located in Tiyan, Guam and described in the Lease as the Premises (capitalized terms used herein and not otherwise defined herein have the meanings ascribed to them in the Lease) for the purpose of securing Interim Facilities for JFK High School and for the purchase of Collateral Equipment (the "Tiyan Campus"); and,

WHEREAS, John F. Kennedy High School ("JFK") relocated to its original campus in Tumon, Guam in August, 2011, vacating the Tiyan Campus; and,

WHEREAS, on September 15, 2011, Public Law 31-76 was enacted into law, which amended certain provisions of Public Law 30-37 and allowed for the use of the Tiyan Campus for interim school facilities other than by JFK High School, as well as for the use by other government of Guam agencies, divisions and departments for other than school facilities; and,

WHEREAS, after careful deliberation and analysis it is determined to be in the best interest of the school children of Guam that the Tiyan Campus continue to serve as an interim school facility as well as a complex that would consolidate the educational and operational functions of the Guam school system in a single accessible area; and,

WHEREAS, the Parties further desire to update the Premises description as required under Section 1 of the Lease following the recordation of a final map with the Department of Land Management. Accordingly, Section 1 of the Lease is amended by this Amendment to the Lease;

NOW THEREFORE, in consideration of the mutual promises and covenants of the Parties hereto and for other good and valuable consideration exchanged, the Parties hereto agree to amend the Lease as set forth below:

1. **PREMISES.** Landlord hereby leases to Tenant and Tenant hereby takes of and from Landlord, a certain premises ("Premises") described as follows:



That certain land, and all buildings and structures located thereon, located in Tiyan, Guam; said land being more particularly described as:

A Lot shown on Exhibit A to this Amendment, which is located along Mariner Avenue, Tiyan, Barrigada, Guam, said lot shall have an area of 99,776+/-SM

1. TERM AND RENT ABATEMENT. Pursuant to Section 3 of the Lease and IFB No. GSA-025-09, Tenant exercises its option to extend the initial term of the Lease to October 31, 2024. However, the Landlord has agreed to provide Tenant a four (4) month rent abatement from October 1st, 2011 through January 31, 2012 in order for Tenant to conduct renovation and transition work on the Premises. Rent under the Lease will resume again on February 1, 2012, at the rate set forth in Section 5(a) until September 30, 2014, and then increase on the dates as set forth in Section 5(b) and 5(c), accordingly, until October 31, 2024.

2. TAX CREDIT. The Parties agree that rent payments under the Lease (inclusive of collateral equipment payments) will be made in the form of tax credits, pursuant to Section 6(c) of the Lease agreement and as authorized by Public Law 30-37 and Public Law 31-76. All other provisions of Section 6 of the Lease remain unchanged.

3. RIGHT OF EARLY TERMINATION. The parties agree that a significant consideration has been given by the Landlord to outfit the Premises for continued use by school children on a permanent basis and in a most expedited fashion as well as commitment by the Tenant to continue to use the facility to its best purposes, including as interim school facilities as the needs dictate through the extended term, should not be compromised by either parties' right to terminate on notice. Therefore, the parties agree that Section 7 of the Lease granting either party the right to terminate the Lease upon one hundred twenty (120) days' prior written notice is hereby deleted in its entirety.

4. OPTION TO PURCHASE. Section 8 of the Lease regarding the option to purchase is hereby deleted in its entirety and replaced with the following language:

Tenant shall have the option to purchase the Premises for a purchase price of Forty Three Million Five Hundred Thousand Dollars (\$43,500,000.00) (the "Purchase Price"), which option must be exercised by written notice to Landlord no later than December 31, 2013. The purchase shall be financed by Landlord on the following terms: Purchase Price shall be payable over a period of twenty-five (25) years and shall accrue interest at a rate of 7.193% per annum, resulting in annual payments as set forth in the attached Exhibit B which is incorporated herein by reference. Until payment in full of the Purchase Price and transfer of fee simple title to Tenant, Tenant shall pay an annual insurance and maintenance fees to Landlord in the amounts as set forth in Exhibit B. Landlord agrees that Tenant may make annual payments of as shown as Exhibit B by giving cash or tax credits to Landlord in said amount, as permitted under Section 6 of the Lease.

6. COLLATERAL EQUIPMENT AND IMPROVEMENTS. During the the relocation of JFK from the Interim Campus to its current site, certain Collateral Equipment which had been installed at the Premises was removed and relocated to the current JFK Campus, leaving the Premises without equipment to fully function as an interim school. As a consequence, Landlord has committed to reinstall collateral equipment which shall remain permanently on the Premises regardless of what school or agency or division shall occupy the Premises. Section 9 of the Lease is amended therefore as follows:

- a. Collateral Equipment. Collateral equipment is certain personal property which Tenant required Landlord to purchase for Tenant's use, such as furniture, computer systems, band equipment, and other items identified in Exhibit C. Landlord has committed to spend and will spend \$3,241,678.75 for collateral equipment for the Tenant, as set forth in Exhibit C, which is incorporated herein and made a part of this Amendment. All Collateral Equipment shall be the property of Tenant. The costs of any and all such work and items shall be due and payable by Tenant to Landlord as additional rent on February 1, 2012.

All other provisions of Section 9 of the Lease remain unchanged.

7. Should Tenant desire to use the Premises or any part thereof for purposes which restrict, limit, or prevent the payment of rents and expenses under the Lease through the use of tax credits then Tenant shall act to effectuate such use of tax credits, including the issuance and award of an Invitation for Bid for use of the Lease Premises or any part thereof. Nothing herein shall in any way be interpreted or deemed to relieve Tenant of its rent and expense payment obligations under the Lease.

8. This Amendment has been entered into in Guam, and shall be governed by, construed, and enforced in accordance with the laws of Guam. The Parties further agree that the prevailing party in any proceeding to enforce this Amendment shall be entitled to recover all reasonable costs and expenses, including without limitation, reasonable attorneys fees and costs, in addition to any other relief to which that Party may be entitled. Any action to interpret or enforce the terms of this Amendment shall be filed in Guam.

9. If any portion or term of this Amendment is held unenforceable by a court of competent jurisdiction, the remainder of this Amendment shall not be affected and shall remain fully in force and enforceable.

10. Each Party represents and warrants that it has the authority to enter into this Amendment and fully bind such Party, and that the individual executing this Amendment is authorized to do so on behalf of the Party.

11. This Amendment may be executed in counterparts, and if so executed, each counterpart shall have the force and effect of an original, which together shall constitute one and the same instrument.



11-1217

12. Except as modified herein, all other terms, conditions, provisions and stipulations of the original Lease shall continue to remain unchanged and in full force and effect, and the Parties shall be bound by all terms and conditions thereof. The Parties hereby ratify and affirm the Lease, as amended hereby. In the event of any conflict between the terms of this Amendment and the terms of the Lease, the terms of this Amendment shall prevail.

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to Lease with Option to Purchase to be executed effective as of the day and year first above written.

**CORE TECH INTERNATIONAL  
CORPORATION**

By: [Signature]  
HO SANG EUN  
Its President  
Date: 12-30-2011

**GOVERNMENT OF GUAM**

By: [Signature]  
EDWARD J.B. CALVO  
Governor of Guam  
Date: 12/30/11

**APPROVED:**

**APPROVED AS TO FORM AND  
LEGALITY:**

**OFFICE OF THE ATTORNEY  
GENERAL**

By: [Signature]  
EDWARD J.B. CALVO  
Governor of Guam  
Date: 12/30/11

By: [Signature]  
LEONARDO RAPADAS  
Attorney General of Guam  
Date: 1/9/12

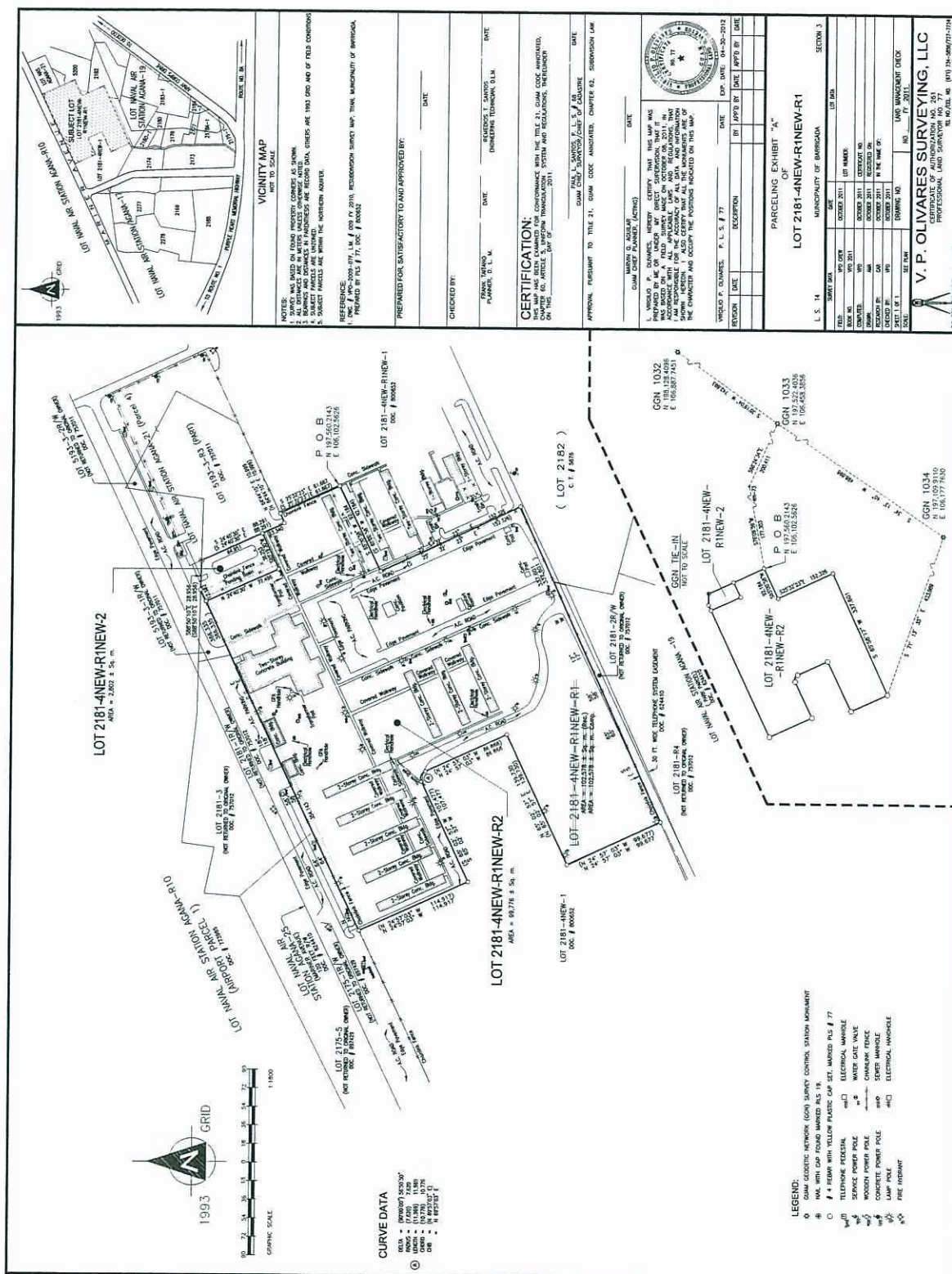
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CERTIFIED FUNDS AVAILABLE:

P.L. 30-37 and

\*TAX CREDITS IN LIEU OF CASH PAYMENTS AUTHORIZED BY P.L. 31-76\*

By: [Signature] **CLEARED PER  
BBMR'S REVIEW**  
JOHN RIOS  
Director, Bureau of Budget Management Research  
Date: 12/30/11





## EXHIBIT B

**Tiyan Campus**

Purchase Amount	\$	43,500,000
Rate		7.193%
Term		25

Year	Property	Insurance & Maintenance*	Total Payment
1	\$ 3,986,743.84	\$ 1,013,256.16	\$ 5,000,000.00
2	\$ 3,986,743.84	\$ 1,013,256.16	\$ 5,000,000.00
3	\$ 3,986,743.84	\$ 1,013,256.16	\$ 5,000,000.00
4	\$ 3,885,418.22	\$ 1,114,581.78	\$ 5,000,000.00
5	\$ 3,885,418.22	\$ 1,114,581.78	\$ 5,000,000.00
6	\$ 3,885,418.22	\$ 1,114,581.78	\$ 5,000,000.00
7	\$ 3,885,418.22	\$ 1,114,581.78	\$ 5,000,000.00
8	\$ 3,885,418.22	\$ 1,114,581.78	\$ 5,000,000.00
9	\$ 3,773,960.05	\$ 1,226,039.95	\$ 5,000,000.00
10	\$ 3,773,960.05	\$ 1,226,039.95	\$ 5,000,000.00
11	\$ 3,773,960.05	\$ 1,226,039.95	\$ 5,000,000.00
12	\$ 3,773,960.05	\$ 1,226,039.95	\$ 5,000,000.00
13	\$ 3,773,960.05	\$ 1,226,039.95	\$ 5,000,000.00
14	\$ 3,651,356.05	\$ 1,348,643.95	\$ 5,000,000.00
15	\$ 3,651,356.05	\$ 1,348,643.95	\$ 5,000,000.00
16	\$ 3,651,356.05	\$ 1,348,643.95	\$ 5,000,000.00
17	\$ 3,651,356.05	\$ 1,348,643.95	\$ 5,000,000.00
18	\$ 3,651,356.05	\$ 1,348,643.95	\$ 5,000,000.00
19	\$ 3,516,491.66	\$ 1,483,508.34	\$ 5,000,000.00
20	\$ 3,516,491.66	\$ 1,483,508.34	\$ 5,000,000.00
21	\$ 3,516,491.66	\$ 1,483,508.34	\$ 5,000,000.00
22	\$ 3,516,491.66	\$ 1,483,508.34	\$ 5,000,000.00
23	\$ 3,516,491.66	\$ 1,483,508.34	\$ 5,000,000.00
24	\$ 3,368,140.82	\$ 1,631,859.18	\$ 5,000,000.00
25	\$ 3,368,140.82	\$ 1,631,859.18	\$ 5,000,000.00
	\$ 92,832,643.05	\$ 32,167,356.95	\$ 125,000,000.00

\* Insurance and Maintenance cost escalate 10% at every 5 years as per original lease agreement

# EXHIBIT C: Luis Untalan Middle School

Revised as of 12/30/2011

No	Work Description	Qty	Amount		Remark
			Unit Cost	Sum	
1	Equipments				
	Classroom:				
	Student Desk, Combo (36")	830	237.13	196,819.98	
	Student Chair, Stacking	330	65.83	21,724.73	
	Science Table	170	735.54	125,041.80	
	Teacher Desk, 1 Pedestal w/ Lock	76	521.05	39,599.99	
	Teacher Chair w/ Casters, Cushion	76	455.52	34,619.33	
	2 Dwr Filing Cabinet w/ Lock	0	461.20	0.00	
	4 Dwr Filing Cabinet w/ Lock	76	679.24	51,622.24	
	Storage Cabinet, Metal w/ Lock	76	706.78	53,715.17	
	Whiteboard 16'	76	446.05	33,899.88	
	Bulletin Board 8'	76	1,049.94	79,795.14	
	Projector Screen, Portable	20	113.74	2,274.85	
	Projector Screen, Wall Mount	56	199.58	11,176.48	
	Computer Station, Student	0	1,437.55	0.00	
	Student Chair, Stacking	60	65.83	3,949.95	
	Office - Admin, Nurse, Counselor, Crt:				
	Office Desk, 2 Pedestal w/ Lock	18	1,042.16	18,758.93	
	Office Chair w/ Casters, Cushion	18	455.52	8,199.32	
	2 Dwr Filing Cabinet w/ Lock	0	240.79	0.00	
	4 Dwr Filing Cabinet w/ Lock	18	298.89	5,379.93	
	4 Storage Cabinet, Metal w/ Lock	4	706.78	2,827.11	
	Library:				
	Office Desk, 2 Pedestal w/ Lock	2	1,042.16	2,084.33	
	2 Dwr Filing Cabinet w/ Lock	0	461.20	0.00	
	4 Dwr Filing Cabinet w/ Lock	2	679.24	1,358.48	
	Book Shelve, 5 Tier	60	179.69	10,781.40	
	Library Table	10	359.39	3,593.90	
	Library Chair, Folding w/ Cushion	60	239.59	14,375.40	
	Check In-Out Counter	1	1,796.93	1,796.93	
	Cafeteria:				
	Dining Table, Folding w/ Bench	20	1,333.32	26,666.40	
	Metal Folding Chair	300	82.66	24,798.00	
	TOTAL EX-FACTORY			774,859.64	
	Expediting fee	1	232,458.29	232,458.29	



No	Work Description	Qty	Amount		Remark
			Unit Cost	Sum	
	Ocean Freight	6			
	Airfreight	1	215,631.90	215,631.90	
	TOTAL VIA AIR			<b>1,222,949.83</b>	
	Installation	1	29,949.74	29,949.74	
	Total equipment			\$ 1,252,899.57	
2	Kitchen Equipments	1	297,495.73	\$ 297,495.73	
3	Covered Walkway	1	256,188.25	\$ 256,188.25	
4	Internet Network System	1	462,395.05	\$ 462,395.05	
5	Parking Lot Improvement	1	550,325.05	\$ 550,325.05	187 new parking stalls
6	CCTV System	1	66,107.60	\$ 66,107.60	9channel/bldg
7	Intercom & Paging System	1	30,128.50	\$ 30,128.50	
8	Fire Extinguishers	1	26,139.00	\$ 26,139.00	
9	Contingency	1	300,000.00	\$ 300,000.00	
	<b>Grand Total</b>			<b>\$ 3,241,678.75</b>	