

VEHICLE MANAGEMENT & MAINTENANCE



STANDARD OPERATING PROCEDURES

July 27, 2001

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SECTION I - INTRODUCTION

A. Authority

The Guam Economic Development Authority (GEDA) herein after referred to as “the Authority” is a public corporation created under the provisions of Title 12, Guam Code Annotated. The Board of Directors has officially adopted this Standard Operating Procedure on July 27, 2001.

B. Purpose

The purpose of these procedures is to outline the process of maintaining the Guam Economic Development Authority's fleet of vehicles with specific methods and guidelines.

C. Objective

The objective is to establish procedures to efficiently manage the Authority's fleet of vehicles.

D. Policy

All GEDA vehicles are strictly used for official purposes only. Vehicles cannot be used for transportation before and after working hours (8:00am to 5:00pm) without written authorization and approval from the Administrator. When operating any vehicle within the GEDA fleet, the operator must obey and adhere to local traffic laws.

Smoking is strictly prohibited in all GEDA vehicles.

Prior to operating any of GEDA's vehicles, the vehicle driver is required to thoroughly understand this SOP.

E. Applicability

The Standard Operating Procedure for GEDA's Vehicle Management & Maintenance applies to all GEDA employees and authorized operators of GEDA's vehicles. Any employee of the Authority may make recommendations for amending or revising this policy and procedure. Proposed changes shall be submitted in writing to the Administrator for his review and approval. The Administrator shall then submit the proposed change or changes with his recommendation to the Board of Directors for adoption.

F. Proponent

A designated employee shall be appointed by the Administrator to properly maintain GEDA's fleet of vehicles accordingly. This employee is responsible for compliance of policy and ensuring the vehicles are in good mechanical order and neat appearance.

SECTION II - GENERAL PROCEDURES

A. Vehicle Management Designee's Responsibilities

The Vehicle Management Designee is responsible for properly managing and maintaining GEDA's fleet of vehicles. That employee must:

1. Be certain that all related forms are properly filled out (i.e., vehicle log sheets, fuel requisitions, registration renewal, etc.) and processed.
2. Maintain records of usage, servicing, inspection and repair of each vehicle for as long as GEDA owns the vehicle. (See Appendix A – Vehicle Usage Log and Appendix B – Vehicle Maintenance Log)
3. Allow only authorized personnel with valid licenses to operate vehicles.
4. Facilitate the dissemination of information regarding driving rules and regulations, safe driving practices, and hazards of the road.
5. Provide assistance in any accident information or information gathering activity.
6. Ensure that vehicles are maintained in a safe operating condition in accordance with local regulations.
7. Ensure that vehicles are identified and removed from functions not meeting established utilization standards.
8. Properly plan, budget, and secure general servicing requirements within the scheduled maintenance plan.

B. Operator Requirements

1. Conditions For Use of Vehicle

In order to use an official vehicle the operator must meet the following conditions:

- a. Understand and comply with provisions set forth within this policy.
- b. Must possess a valid Guam Driver's License.
- c. Must be physically and mentally able to drive.
- d. Wear seat belts when driving or occupying a GEDA vehicle.
- e. Complete the required vehicle log sheet and return along with the vehicle key.
- f. Operate the vehicle in a safe and prudent manner.
- g. Operate the vehicle in accordance with local traffic laws.
- h. Report any discrepancies that can effect the overall performance of the vehicle.
- i. Never drive under the influence of drugs or alcohol.
- j. Never transport passengers such as hitchhikers, family members, or friends for unauthorized use.
- k. Turning the vehicle ignition off, removing the keys, and locking the vehicle when leaving it unattended.
- l. Never drive the vehicle at speeds that are inappropriate for road conditions.
- m. Report any accident or incident regarding the vehicle.

Any traffic citations, accidents and violations are the responsibility of the operator and must be reported immediately in writing, acknowledged by his/her division manager, to the Vehicle Management Designee and Administration & Operations Manager for further appropriate action and recommendation to the Administrator.

Unauthorized usage, abuses, and unreported incidents not only exposes the Authority to great risk, but also exposes the operator to personal liability, especially in the event of an accident.

2. Requesting A Vehicle

To sign out a vehicle, the employee must coordinate with the vehicle management designee. Upon availability, a vehicle key and an Official Vehicle Log Sheet form will be issued to the employee. (See Appendix "C" for form instructions and a sample. Also see Section II A.3 below for log sheet requirements).

Depending on the route and type of terrain the fieldwork requires, an employee may request for a certain vehicle to use. However, under normal operating circumstances, the next available vehicle will be issued.

3. Official Vehicle Log Sheet Requirements

The information on the Official Vehicle Log Sheet form shall be filled out completely by the operator since the information is vital in managing fuel consumption, servicing, and accountability. An incomplete form will not be accepted and repetitive cases may result in administrative action.

4. Pre and Post Operations Safety Maintenance Check

The vehicle operator is responsible for inspecting the vehicle BEFORE AND AFTER operation. All defects should be noted and reported at the completion of the day. Any defects that would cause further damage to the vehicle/equipment, render it unsafe or present a hazard to the operator, shall be reported immediately. The operator shall perform an overall visual inspection of the vehicle and as a minimum note the:

- a. Tire condition and air pressure.
- b. Leaks (any kind).
- c. Fluid levels: gas, oil, radiator coolant, battery, brake, transmission, and windshield washer.
- d. Headlights, taillights, brake lights and turn/hazard signals.
- e. Horn.
- f. Dents and scratches.
- g. Vehicle's interior condition.
- h. Seat belts.
- i. Any unusual features that may require correction or vehicle servicing.

5. Starting the Engine.

Upon starting the engine:

- a. Remove any objects or items around the vehicle that may prevent it from moving.
- b. Check all gauges.
- c. Check brakes before moving.
- d. Check windshield wipers.

When operator has determined all appears satisfactory and safe, the vehicle may commence operation and travel to official business.

6. Fuel

When the vehicle's fuel meter has reached or is closest to the $\frac{1}{4}$ tank, the employee presently using the vehicle must refuel the vehicle at any of the designated fuel stations prior to returning the vehicle keys and log sheet to the vehicle management designee. The designated fuel stations are stations that secured a service contract with GEDA for a certain period. This information is provided by the Accounting Division at the beginning of each fiscal year and is given to the Vehicle Management Designee to aid in processing fuel requisitions. When a vehicle needs refueling, the Vehicle Management Designee will issue a Fuel Requisition form and inform the operator of the authorized fuel station locations for refueling.

A Fuel Requisition form can be obtained from the Vehicle Management Designee prior to departing the office (see Appendix "D" for form instructions and a sample). When refueling, it is important that the yellow copy of the fuel coupon is brought back with all the necessary information filled out.

7. Reporting of Accidents, Theft, or Damages

Employees must report in writing any accident, theft, or damage involving an official vehicle or a personal vehicle used on official business to the vehicle management designee and Administration & Operations Manager, regardless of the extent of damage or lack of injuries. Such reports must be made immediately, but no later than twenty-four (24) hours after the incident or discovery of the incident.

In the event of an accident the operator shall:

- a. Get immediate medical aid if he/she is injured.
- b. Not make any statements concerning guilt or fault.
- c. Not make any commitments in regards to payment, reimbursement, or fault.
- d. Notify the proper authorities immediately. A police report is necessary for insurance claims and must be submitted with the written report.
- e. Discuss the accident only with the proper authorities, and the third party
- f. Submit a detailed written report through appropriate supervisory channels and to the Administrator, with a copy furnished to the Vehicle Management Designee.

8. Reimbursement for Mileage and Parking Fees

Employees with the Administrator's prior approval to use his/her personally owned vehicles for official business may file a claim reimbursement for parking fees and mileage actually incurred upon presentation of a receipt for payment of such fees (i.e., validated parking tickets w/ receipt, fuel receipts). The employee will need to complete the "Daily Mileage Report of Private Vehicles Used on Official Business." See Appendix "E" for a sample of this form. For more information regarding this form please refer to the "Travel Policy."

All requests for reimbursement must be submitted to the Administrator for approval/disapproval.

9. Breakdowns

In the event of a general breakdown requiring roadside service, the operator:

- a. Must not panic and always think **SAFETY FIRST!**
- b. **If it is safe**, the operator should carefully and safely, drive the vehicle to the shoulder of the road and turn the vehicle off.
- c. Shall contact the Vehicle Management Designee or a representative in the Administration & Operations Division immediately for assistance.
- d. Once contact has been made the operator must remain with the vehicle until assistance arrives.

If any other related incident occurs en route and the vehicle can be driven safely to the destination, the operator shall report the problem immediately upon arrival at the office to the Vehicle Management Designee.

Upon return to work, the operator must submit a detailed written report through appropriate supervisory channels and to the Administration & Operations Manager, with a copy furnished to the Vehicle Management Designee.

The Vehicle Management Designee will coordinate for the proper servicing to the vehicle and declare to the staff that the vehicle will not be available until the necessary repairs are completed.

SECTION III - SERVICING & MAINTENANCE

A. Vehicle Management Designee's Responsibilities

All vehicles shall be maintained and serviced regularly as required by the vehicle's manufacturer's user manual. There are two types of vehicle maintenance systems:

1. Scheduled Maintenance

Scheduled Maintenance is the routine inspection and servicing of motor vehicles and equipment in accordance with the manufacturer-specified warranty maintenance requirements. The method to obtaining such services will be performed in accordance with GEDA's Procurement SOP. The following, although not all inclusive of servicing requirements, is a listing of scheduled maintenance services, which fall under general services. It is used as a guideline when requesting for quotation on services determined by odometer reading or time interval, whichever comes first.

- a. Oil Change – *every six months or 3,000 miles, whichever comes first*
 - 4 to 6 quarts (10w 30 type oil preferred; amount of quarts dependent on number of cylinders. Ratio is 1:1)
 - Oil Filter
 - Air Filter (recommended with every oil change)
- b. Minor tune-up – *every 12 months or 12,000 miles which ever comes first*
 - Replacement of Spark Plugs
 - Inspection of Ignition Components
 - Distributor cap & rotor
 - Spark Plug Wires
 - Timing Belt
 - Labor
- c. Major tune- up – *every 24 months or 24,000 miles which ever comes first*
 - Replacement of Spark Plugs & Wires
 - Replace distributor cap & rotor (if applicable)
 - Replace fuel filter
 - Replace PCV Valve
- d. Lubrications – *every six months*
 - Joints and Hinges
 - Chassis
- e. Fluid replenishments – *as needed*
 - Wiper fluid (inspect every month)
 - Brake fluid (inspect every 6 months)
 - Transmission fluid (inspect every 12 months)
 - Engine Coolant (inspect every month)
- f. Tire balance and rotation – *every 15,000 miles*

These types of scheduled maintenance services fall under general services.

2. Unscheduled Maintenance

Unscheduled Maintenance is any requirement for repairs and services to correct an unanticipated malfunction or failure of a motor vehicle/equipment system or component.

These types of services also require prior authorization and approval by higher authority via a written request with the concurrence from the division manager. The method to obtain these services is also performed in accordance with GEDA's Procurement SOP or Petty Cash SOP.

APPENDIX A – Vehicle Usage Log

Guam Economic Development Authority VEHICLE USAGE LOG				
Name & Division (A)	Vehicle (B)	Destination (C)	Time Out (D)	Time In (E)

SAMPLE

Instructions for Completing Vehicle Usage Log Sheet

- A. Name/Division – Name of operator and the Division he/she is from.
- B. Vehicle – Type of vehicle the person will be utilizing.
- C. Destination – Specify the place/places.
- D. Time Out –Time of departure.
- E. Time In – Exact time upon arrival.

APPENDIX B – Vehicle Maintenance Log

Guam Economic Development Authority					
Vehicle Maintenance Schedule					
P.O.# / P.C.	DATE	LOCATION	DESCRIPTION	TOTAL CHRGS.	NEXT SRVCE. DATE
P76200179	7/15/97	Nissan Motors	First Initial Service	\$46.00	done
	12/9/97	Nissan Motors	Replace and Repair front bumper damage	-	done
Petty Cash	1/6/98	Jackson's Car Wash	Carwash and vacuum	\$26.50	done
Petty Cash	2/17/98	Jackson's Car Wash	Carwash and vacuum	\$26.50	done
Petty Cash	2/17/98	Nissan Motors	Tune-Up	\$69.95	done
Petty Cash	2/27/98	Jackson's Car Wash	Carwash and vacuum	\$26.50	done
Credit Card	2/28/98	NAPA	Auto parts for interior	\$87.38	done
Petty Cash	3/6/98	Rev & Tax	Vehicle Registration	\$40.00	done
Petty Cash	3/23/98	Pacific Tyre	Safety Inspection	\$7.00	done
Petty Cash	4/21/98	Nissan Motors	Oil and filter change	\$29.95	done
Petty Cash	4/24/98	Jackson's Car Wash	Carwash and vacuum	\$26.50	done
Petty Cash	6/2/98			\$29.95	done
Petty Cash	6/15/98			\$45.00	done
Petty Cash	7/23/98	Nissan Motors	Oil and filter change	\$29.95	done
P86200167	7/24/98	Nissan Motors	Replace front and rear brakes	\$323.91	done
P86200137	7/25/98	Atkins Kroll	Vehicle Inspection	\$1,256.00	done
Petty Cash	12/9/98	Jackson's Car Wash	Carwash and vacuum	\$26.50	done
Petty Cash	1/11/99	Nissan Motors	Oil and filter change	\$22.95	done
Petty Cash	1/15/99	Jackson's Car Wash	Carwash and vacuum	\$26.50	done
Petty Cash	2/24/99	Pacific Tyre	Safety Inspection	\$7.00	done
Petty Cash	2/24/99	DMV	Registration Renewal	\$36.00	done
P96200082	5/17/99	Nissan Motors	Annual Tune-up, New CD Player, Replace brakes	\$245.52	5/17/00
Petty Cash	5/21/99	Elegant Reflections	Interior & Exterior wash	\$45.00	done
P96200093	7/26/99	AON Insurance	Vehicle Insurance	\$1,256.00	7/25/00
Petty Cash	11/19/99	AK	Battery	\$68.16	done
				\$3,804.72	

APPENDIX C – Official Vehicle Log Sheet and Instructions

OFFICIAL VEHICLE LOG SHEET									
DATE	NAME/DIVISION	MILEAGE OUT	FUEL OUT	TIME OUT	DESTINATION	MILEAGE IN	FUEL IN	TIME IN	INITIAL
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
			E 1/4 1/2 3/4 F				E 1/4 1/2 3/4 F		
			F 1/4 1/2 3/4 F				E 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			F 1/4 1/2 3/4 F				E 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				E 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			F 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				E 1/4 1/2 3/4 F		
			F 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				E 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			F 1/4 1/2 3/4 F				E 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				E 1/4 1/2 3/4 F		
			F 1/4 1/2 3/4 F				F 1/4 1/2 3/4 F		
			E 1/4 1/2 3/4 F				E 1/4 1/2 3/4 F		

Instructions for Completing Official Vehicle Log Sheet

- A.** Date – The day the assigned vehicle is used.
 - B.** Name/Division – Name of operator and the Division he/she is from.
 - C.** Mileage Out – The number presently reading on the vehicle’s odometer before departure.
 - D.** Fuel Out – The amount of fuel presently in the vehicle before departure. Operator should circle the amount the fuel reading is closer to.
 - E.** Time Out – Time of departure.
 - F.** Destination – Specify the place/places.
 - G.** Mileage In – The number reading on the vehicle’s odometer upon arrival.
 - H.** Fuel In – The amount of fuel in the vehicle upon arrival.. Operator should circle the amount the fuel reading is closer to.
 - I.** Time In – Exact time upon arrival.
 - J.** Initial – Initial of employee after log sheet has been completely filled out.
- Log sheet must accompany operator to complete procedures “C”, “D”, “G” and “H”.
 - Keys must be returned before initializing of log sheet.
 - When fuel amount reaches or is closest to ¼ of a tank, the last operator to use the vehicle is responsible for refueling.

APPENDIX D – Fuel Requisition Form (Instructions and Sample)

Instructions for Completing Fuel Requisition Form

- A. Purchase Order No. – refers to a specific location and vendor who is authorized to accept Government Of Guam Fuel Requisitions for the purchase of fuel. This number varies and is normally issued at the beginning of each Fiscal Year by the Accounting Division.
- B. Department Name – “Guam Economic Development Authority.”
- C. Print Full Name – Name of GEDA’s Certifying Officer.
- D. Signature – Signature of Certifying Officer.
- E. Date – Date of Certifying Officer’s signature.
- F. Job Order No. – Leave blank.
- G. Gallons Authorized – Enter twenty (20) gallons.
- H. Print Full Name – Name of Vehicle Operator.
- I. Official Lic No. – License number of GEDA official vehicle.
- J. Odometer Reading – Leave blank.
- K. Fuel Type – Leave blank.
- L. Location Name – Place where fuel will be purchased.
- M. Location Code – Will be filled out by gas attendant.
- N. Operator’s Signature – To be completed by operator only upon receiving fuel.
- O. Date – Date of receipt of fuel.

The gas attendant will fill out the rest.

Once vehicle has been refueled, the attendant will complete the fuel requisition and will forward the yellow copy to the operator. It is the operator’s responsibility to bring this copy back to the vehicle management designee for processing. Failure to do so will result in the dollar amount being charged against the operator’s payroll check.

GSA CONTROL NO.: 003096	
GSA PURCHASE ORDER NO.: (A)	
GOVERNMENT OF GUAM FUEL REQUISITION	
TO BE FILLED IN BY CERTIFYING OFFICER	
DEPARTMENT NAME: (B)	
PRINT FULL NAME: (C)	SIGNATURE: (D) DATE: (E)
JOB ORDER NO.: (F)	GALLONS AUTHORIZED: (G)
TO BE FILLED IN BY OPERATOR	
PRINT FULL NAME: (H)	
OFFICIAL LIC. NO.: (I)	ODOMETER READING: (J) FUEL TYPE: (K)
LOCATION NAME: (L)	LOCATION CODE: (M)
OPERATOR'S SIGNATURE (SIGN FOR GAS RECEIVED): (N)	DATE: (O)
TO BE FILLED IN BY ATTENDANT	
VERIFIED LIC. NO.: ()	VERIFIED OPERATOR I.D.: ()
ACTUAL GALLONS FUELED:	DATE FILLED:
PRINT NAME:	SIGNATURE:

WHITE - (VENDOR: SEND TO ACCOUNTING FOR PAYMENT)
PINK - (VENDOR COPY)
LT. GREEN - (GAS STATION COPY) YELLOW - (REQUESTING DEPARTMENT COPY)

**APPENDIX E – Daily Mileage Report of Private Vehicles
 Used On Official Business Form**

GUAM ECONOMIC DEVELOPMENT AUTHORITY
 DAILY MILEAGE REPORT OF PRIVATE VEHICLES
 USED ON OFFICIAL BUSINESS

NAME _____		REPORT FOR MONTH OF _____	DIVISION _____
LICENSE NO. _____	TOTAL MILES DRIVEN ON OFFICIAL BUSINESS _____		MILEAGE ALLOWED _____ @ \$ Per Mile

DATE	DESTINATION		PURPOSE/PROJECT	SPEEDOMETER		
	FROM	TO		START	END	MILES

SAMPLE

For Office Use Only:		I hereby certify that the above is a true statement of mileage traveled by me in my personal car on official business of GEDA, for which payment has not been received.	TOTAL _____
Charge	Amount		
_____	\$ _____		
_____	_____		
_____	_____		
TOTAL	\$ _____	Signed _____ / /	Approved _____ / /
		Certified for Payment _____ / /	

MINUTES OF A REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE

GUAM ECONOMIC DEVELOPMENT AUTHORITY

July 27, 2001

Call to order

§1. The regular meeting of the Board of Directors of the **GUAM ECONOMIC DEVELOPMENT AUTHORITY** ("GEDA") was held on the 27th day of July, 2001, at the hour of 10:10 a.m., at the Guam Economic Development Authority Conference Room, Fifth Floor (Suite 511) of the 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:

Chris Murphy
Ron Young
Frances Taitano
Ruby Su E. Huang
Fong Sheng Wu
Dennis Rodriguez

Offices or positions:

Chairman
Vice-Chairman
Secretary

Directors absent and excused:

Also present was:

GEDA officials:

Edward G. Untalan
Joey Cepeda
Arthur B. Clark

Administrator
Deputy Administrator
GEDA legal counsel (Calvo and Clark, LLP)

Pamela Tudela
Bernard Punzalan
David Sasai
Patrick Bamba
Michael Cruz

Executive Assistant to the Administrator
Administration and Operations Manager
Chief Financial Officer

BRAC Project Director

Approval of Agenda

§3. The first item considered was approval of the agenda. On motion duly made and seconded, the agenda was unanimously approved as presented.

Approval of Minutes

§4. The next item on the agenda was approval of Board minutes. The minutes for the meetings of February 1, 2001, February 27, 2001, March 26, 2001, March 29, 2001, April 9, 2001 and April 23, 2001, previously submitted to the Board during the May 25, 2001 Regular Meeting were resubmitted with corrections for Board review and approval. Discussion was postponed until the Board has had the opportunity to review the minutes.

Communications

§5. The next item on the agenda was Communications. Administrator Untalan submitted to the Board for approval Board Resolution Nos. *01-039A* through *01-039EE* commending GEDA's staff who were part of GEDA's success in achieving the fiscal recovery plan objectives for fiscal year 2000. After further discussion, on motion duly made by Director Young and seconded by Director Taitano the following resolution was unanimously passed:

Resolution No. 01 - 039A ~ 039EE

Relative to commending (See Attached List), for exemplary achievement and efforts during Fiscal Year 2000 with the Guam Economic Development Authority.

WHEREAS, during the past eight years, Guam has suffered severe economic hardships as a result of the Asian economic crisis, military downsizing, natural disasters and many other contributing factors, and

WHEREAS, regardless of the negative economic impact, the Authority continued to aggressively market and promote its programs to entice investment opportunities to further aid in Guam's ailing economy by expanding additional resources for new supplies of money and job creation, and

WHEREAS, as a result of the Authority's numerous costs and expenditures to continue to develop Guam's economy, unfortunately the Authority's finances veered to the point of accumulating \$1.77 million in losses by the end of fiscal year 1999, and

WHEREAS, as result of the Authority's losses, the Authority could no longer reasonably continue at that capacity and thus, developed and implemented a fiscal recovery plan within its Strategic Plan, and

WHEREAS, in order for the fiscal recovery plan to work effectively and efficiently, all employees had to willingly and faithfully buy in to the plan calling for severe cost cutting measures within operations, which included a freeze in all salary adjustments and strong collection efforts to recover on bad debts from loans and leases, and

WHEREAS, the conclusion of the fiscal year 2000 financial audit independently conducted by the firm of Deloitte, Touche and Tohmatsu, revealed a 13 percent cut in personnel costs, 46 percent cut in contractual fees, and operation expenses dropped 17 percent, which yielded the Authority a net income of \$103,000 for the year, and,

WHEREAS, subsequent to the release of the financial audit, the Authority has been praised by the Public Auditor, the media such as the Pacific Daily News and Guam Variety for all of its efforts towards fiscal responsibility and improvement.

BE IT THEREFORE

RESOLVED, that GEDA hereby commends (*See Attached List*) for meritorious achievement, while demonstrating professionalism, valor, and devotion to the Authority and the Government of Guam and for contributing to the Authority's fiscal recovery plan objectives for fiscal year 2000.

Administrator Untalan submitted to the Board GEDA's First Quarter Report 2001 (newsletter) and Executive Order Nos. 2001-17 and 2001-18, and recommended that the Board review the materials provided at their leisure.

Old Business

§6. The next item on the agenda was the Hakubotan Lease Agreement. The Compliance and Internal Audit Division's ("CIA") presented to the Board its recommendations as contained in its memorandum dated March 13, 2001 and updated as of June 14, 2001. The floor was then opened to the Directors for discussion. The Board was informed that the potential new tenant who will operate as a duty free shop is Kals Corporation. CIA also recommended that an appraiser be selected by GEDA with the appraisal fee to be paid by the new tenant.

After further discussion, on motion duly made by Director Young and seconded by Director Taitano the following resolution was unanimously passed:

Resolution No. 01 - 040

*Resolution Authorizing GEDA to Consent to the
Assignment of the Hakubotan, Inc. Lease to Kals Corporation
Based upon Certain Stated Terms and Conditions*

BE IT RESOLVED, by this Board:

That GEDA is hereby authorized to consent to the assignment of the Hakubotan, Inc. Lease to Kals Corporation ("Sublessee") to operate

a duty-free store based upon the following terms and conditions: The lease term with options is 53 years. Sublessee will pay \$6,000.00 per month for the first three years, with ten five-year options to extend with a ten percent (10%) or a fair market value escalation per extension, whichever is lower, however, monthly rent shall never fall below the floor rental amount of \$6,000.00 per month. Sublessee may request an appraisal to determine the adjustments of rent for the extension periods, however, GEDA will select the appraiser and Sublessee will be responsible for the costs of the appraisal services and report.

§7. The next item on the agenda was the B&B, Inc. lease. Discussion was held regarding B&B's request to sell and assign its leasehold interest in the property to Duenas & Associate, Inc. and real estate broker Diamond Realty. The Board was presented with CIA's memorandum dated June 11, 2001, updated as of June 14, 2001, for their review, and discussion was held regarding the term and conditions as contained in the memorandum. After further discussion, on motion duly made by Director Young and seconded by Director Taitano the following resolution was unanimously passed:

Resolution No. 01 - 041

Resolution Authorizing GEDA to Consent to the Sale and Assignment of the B&B Lease to Duenas & Associates, Inc. and its Affiliates Based upon Certain Stated Terms and Conditions

BE IT RESOLVED, by this Board:

That GEDA is hereby authorized to consent to the assignment of the B&B, Inc. Lease to Duenas & Associates, Inc., and its affiliates ("Sublessee") based upon the following terms and conditions: The lease term with options is 50 years. Sublessee will pay \$1,500.00 per month for the first five years, with nine five-year options to extend with a ten percent (10%) or a fair market value escalation per extension, whichever is lower, however, monthly rent shall never fall below the floor rental amount of \$1,500.00 per month. Sublessee

may request an appraisal to determine the adjustments of rent for the extension periods, however, GEDA will select the appraiser and Sublessee will be responsible for the costs of the appraisal services and report. If Sublessee sublets to an unaffiliated company, Sublessee must pay GEDA 3% of its gross subrent.

§8. The next item on the agenda was the Guam Fresh lease. The space is currently used by GEDA for storage. Mr. Frank Bee of B&B's is requesting a month-to-month lease for up to six (6) months at the monthly rental rate of One Thousand Five Hundred Dollars (\$1,500.00). It is proposed that Mr. Bee will rent the space while GEDA is preparing a Request for Proposal to lease the former Guam Fresh space on a long term basis.

After further discussion, on motion duly made by Director Wu and seconded by Director Taitano the following resolution was unanimously passed:

Resolution No. 01 - 042

RESOLVED, that the Board authorizes GEDA to enter into negotiations for the lease of the former Guam Fresh space to B&B, Inc. subject to the following terms and conditions: a month-to-month lease for up to six (6) months at the monthly rental rate of One Thousand Five Hundred Dollars (\$1,500.00).

§9. Discussion was held on allowing GEDA and the Administrator to enter into month-to-month leases not to exceed a term of one (1) year with the Chairman and Vice-Chairman's approval.

After further discussion, on motion duly made by Director Wu and seconded by Director Taitano the following resolution was unanimously passed:

Resolution No. 01 - 043

RESOLVED, that the Board authorizes GEDA and its Administrator to enter into month-to-month leases not to exceed a term of one (1) year with the approval of the Chairman and Vice-Chairman.

§10. The next item on the agenda was the First Union Securities, Inc., ("FUSI") contract. The Board was informed that GEDA is waiting for the Guam Power Authority Memorandum of Understanding related to this contract. After discussion, this matter was continued until the next meeting of the Board of Directors.

New Business

§11. The next item on the agenda was Crystal Sand Multimedia Services, Inc. doing business as CyberUP Café ("CyberUP"). Administrator Untalan informed the Board that CyberUP is looking into getting a USDA and/or Bank of Hawaii Loan. GEDA has yet to receive further information on the USDA loan. After discussion, the Board determined that no resolution or action was required.

§12. The next item on the agenda was the Loan Request in the amount of Seventy Thousand Four Hundred Dollars (\$70,000.00) under the Guam Development Fund Act Program by Amphibious Adventures, Mr. and Mrs. Neri S. Carmelita G. Blas, sole proprietors, for the purpose of providing start-up capital. The loan proceeds will be used for equipment, livestock and working capital. The Board was presented with the Agriculture Development Fund Client Loan Analysis and Executive Summary for Amphibious Adventures' loan request with the recommendations for conditional approval.

The floor was then opened to the Directors for discussion. Chairman Chris Murphy recommended that the borrowers give a second mortgage on their home or on their rental property in lieu of business interruption insurance. After further discussion, on motion duly made by Director Young and seconded by Director Taitano the following resolution was unanimously passed:

Resolution No. 01 - 044

RESOLVED, that the Board approves the loan request of Amphibious Adventures, Neri S. Blas and Carmelita G. Blas subject to the Compliance and Internal Audit Division recommendations and amended to require a second mortgage on the Borrower's home or on the Borrowers' rental property in lieu of business interruption insurance.

§13. The next item on the agenda was the Vehicle Maintenance and Management Standard Operating Procedures. The Vehicle Maintenance and Management Standard Operating Procedures, prepared by Christopher Iriarte, Administrative Assistant, was presented to the Board by Bernard Punzalan, Administration and Operations Manager, for the Board's review and discussion.

After further discussion, on motion duly made by Director Young and seconded by Director Wu the following resolution was unanimously passed:

Resolution No. 01 - 045

RESOLVED, that the Board approves the Vehicle Maintenance and Management Standard Operating Procedures as submitted.

§14. The next item on the agenda was the request by the President of the Guam Business Development Corporation ("GBDC"), Administrator Untalan, for an extension of the disbursement period for the remaining balance of the GBDC loan for one year. The Board was

presented with a letter dated July 25, 2001 addressed to Chairman Christopher Murphy from Administrator Untalan requesting an extension of the disbursement period of the loan for the AFDB-8 dry dock and to allow disbursement of the remaining balance of \$17,601.87 to pay for legal expenses and inspection costs associated with the AFDB-8.

After further discussion, on motion duly made by Director Young and seconded by Director Taitano the following resolution was unanimously passed:

Resolution No. 01 - 046

RESOLVED, that the Board approves the extension of the disbursement period of the loan for the AFDB-8 dry dock for one year; and be it

RESOLVED FURTHER, that the Board approves the disbursement of the remaining balance of \$17,601.87 to pay for legal expenses and inspection costs associated with the AFDB-8.

Reports

§15. **Report by Legal Counsel.** Attorney Clark informed the Board that as of the date of this Board meeting there was nothing new to report.

§16. **Administrator's Executive Summary.** Administrator Untalan submitted to the Board his Executive Summary and recommended that the Board review the summary at their leisure.

Others

§17. The next item on the agenda was the Pension Bonds – Request for Proposal for Trustee Services. Lester Carlson reported to the Board the status of the request for proposal for the trustee services. Because of the complexities involved with the trustee services for the pension

bonds there may be the need for an off-island co-trustee. GEDA is currently preparing the request for proposal.

§18. The next item on the agenda was the discussion on the accounts placed on non-accrual. The Board was informed that the following accounts have been placed on Non-Accrual Status:


1. Barry A. Cox and Leslee Huntsman dba Southern Comfort Ranch Loan Nos. GDFA-198-374 (Line of Credit) and GDFA-198-375 (term)
2. Grand Corporation dba Grand Wholesale & Distributors, MDP-198-003 (Line of Credit)
3. Affordable Home Builders, Inc. dba Guam Concrete Builders Loan Nos. GDFA-197-366 (term) and GDFA-196-363 (Line of Credit).
4. M7 Corporation dba I'Chamoru Restaurant, MDP-199-007
5. Guam Fresh, Inc. and Sierra Madre, Inc. dba Balikbayan Express, GDFA-197-367
6. Organic Products, Inc. dba Pacific Mushroom, ADF-193-213

The Board was also presented with a memorandum addressing the results of the public auction held by GEDA on July 13, 2001.

Adjournment

§19. There being no further business to come before the Board, on motion duly made by Director Young, seconded by Director Taitano, and unanimously passed, the meeting was adjourned at the hour of 11:45 a.m. of the same day.

Dated on this 3rd day of December, 2001.



CHRIS MURPHY
Chairman

ATTEST:


FRANCES TAITANO, Secretary