

YPAO POINT DEVELOPMENT TASK FORCE

As mandated under Public Law 25-179

Guam Economic Development & Commerce Authority
GEDCA Fifth Floor Conference Room
ITC Building, Tamuning, Guam 96931

June 03, 2004

CHAMORRO LAND TRUST COMMISSION

Government of Guam
P.O. Box 2950 * Hagåtña, Guam 96932
Suite 103, Hagåtña Commercial Center
Anigua, Guam

Re: Ypao Point Development

The Ypao Point Task Force finds that the proposal submitted by Yeu Tzang Tcheng Enterprises Co., Ltd/Himalaya Holding Group (YTT-HHG), satisfies the requirements of applicable sections of Public Law 25-179 and the Request for Development Proposals for the Ypao Point Development Opportunity publicized by the Chamorro Land Trust Commission (CLTC) on August, 2003.

After a series of meetings with the developer to clarify issues raised by the proposal, the Ypao Point Task Force recommends that the Chamorro Land Trust Commission negotiate a development agreement and lease with YTT. The terms, conditions and requirements of both the development agreement and lease shall be consistent with the intent and spirit of Public Law 25-179 and the Request For Development Proposal ("RFDP"), as advertised and solicited for. In addition, both documents should reflect:

- a. Maximize financial revenues to satisfy the financial requirements for infrastructure improvements on CLTC lands, CLTC Home Mortgage, Small Business, Agricultural and Aquacultural Loan Programs, surveying all remaining lands, and other CLTC programs and administrative costs, as mandated by PL 25-179;

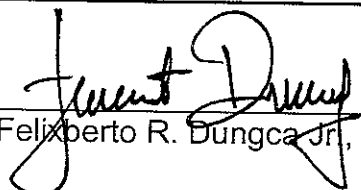
And,

- b. Maximize the opportunity to present, preserve and maintain Chamorro culture and heritage through such mechanisms as the design of the ultimate development, the construction of Naftan Manainata, the establishment of a Cultural Center with Chamorro Culture and Heritage as a primary focus, the use of the Latte Stone as a cultural symbol and such other mechanisms as deemed appropriate.

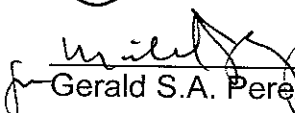
The Task Force further recommends that CLTC create a negotiating committee consisting of technical experts in various fields such as the legal community, Chamorro culture, real estate, marketing, finance, etc. and including at least 2 members of the Task Force to conduct actual negotiations with YTT. Copies of the Task Force's evaluation and minutes of meetings are attached for use by the CLTC.

The Task Force looks forward to your successful negotiation with YTT representatives in the coming weeks, and stands ready to assist the Commission to that end, if required.

YPAO POINT DEVELOPMENT TASK FORCE


Felixberto R. Dungca Jr., Chairman

Date: June 03, 2004


Gerald S.A. Perez, Vice-Chairman

Date: 6/3/04


Doreen Flores Pangelinan, Member

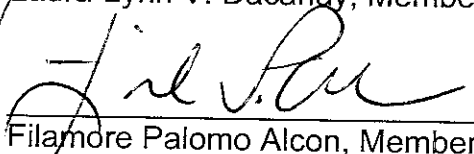
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David J. Matanane, Member

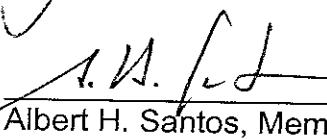
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Laura-Lynn V. Dacanay, Member

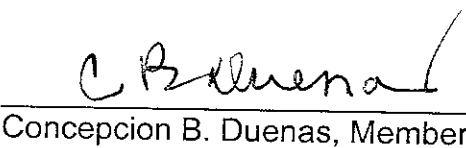
Date: 6/4/04


Filamore Palomo Alcon, Member

Date: 6/3/04


Albert H. Santos, Member

Date: 6/3/04


Concepcion B. Duenas, Member

Date: 6-3-04


Joseph M. Crisostomo, Member

Date: _____