

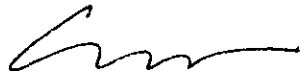
AUG 30 2000

The Honorable Joanne M. S. Brown
Legislative Secretary
I Mina'Bente Singko na Liheslaturan Guåhan
Twenty-Fifth Guam Legislature
Suite 200
130 Aspinal Street
Hagåtña, Guam 96910

Dear Legislative Secretary Brown:

Enclosed please find Substitute Bill No. 470 (COR), "AN ACT TO AUTHORIZE ASSIGNMENT AND DELEGATIONS OF LEASES OF GOVERNMENT OF GUAM LAND AND ASSETS TO SOUTH PACIFIC PETROLEUM CORPORATION FOR AIRPORT-RELATED AND PORT-RELATED USES", which was **signed** into law today as **Public Law No. 25-160**.

Very truly yours,



Carl T. C. Gutierrez
I Maga'Lahen Guåhan
Governor of Guam

Attachment: copy attached for signed bill or overridden bill
original attached for vetoed bill

cc: The Honorable Antonio R. Unpingco
Speaker

Handwritten note:
30 p.m.
1 Aug 2000

01070

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session


CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 470 (COR) "AN ACT TO AUTHORIZE ASSIGNMENT AND DELEGATIONS OF LEASES OF GOVERNMENT OF GUAM LAND AND ASSETS TO SOUTH PACIFIC PETROLEUM CORPORATION FOR AIRPORT-RELATED AND PORT-RELATED USES," was on the 29th day of August 2000, duly and regularly passed.




ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahen Guahan this 29th day of August, 2000,
at 5:55 pm o'clock P.M.



#570
Assistant Staff Officer
Maga'lahi's Office

APPROVED:



CARL T. C. GUTIERREZ
I Maga'lahen Guahan

Date: 8-30-00

Public Law No. 25-160

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
2000 (SECOND) Regular Session

Bill No. 470 (COR)

As substituted by the Committee on
Transportation, Telecommunications
and Micronesian Affairs and amended on the Floor.

Introduced By:

C. A. Leon Guerrero
A. C. Lamorena, V
L. F. Kasperbauer
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
J. M.S. Brown
E. B. Calvo
M. G. Camacho
Mark Forbes
K. S. Moylan
V. C. Pangelinan
J. C. Salas
S. A. Sanchez, II
A. R. Unpingco

**AN ACT TO AUTHORIZE ASSIGNMENT AND
DELEGATIONS OF LEASES OF GOVERNMENT OF
GUAM LAND AND ASSETS TO SOUTH PACIFIC
PETROLEUM CORPORATION FOR AIRPORT-
RELATED AND PORT-RELATED USES.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings.** *I Liheslaturan Guahân* finds that the
3 Guam International Airport Authority ("GIAA") developed certain government
4 real property located at the Guam International Air Terminal Industrial Park
5 ("Industrial Park"). Esso Eastern, Inc., now called ExxonMobil International

1 Holdings Inc., is the holder of a duly authorized lease from GIAA of Lot Number
2 1, Block Number 2, Tract Number 1427, Guam International Air Terminal
3 Industrial Park, Municipalities of Barrigada and Dededo, containing an area of
4 approximately 5,709 square meters or 61,448 square feet, as shown on Drawing
5 Number DS1-S-88-25, dated April 23,1990, prepared by registered land surveyor
6 Nestorio C. Ignacio, RLS Number 65, which lot is now described as Lot Number
7 1NEW-1, Block Number 2, Tract Number 1427, Barrigada, Guam. (Consolidation
8 survey map of Lot Number 10169 and Lot Number 1, Block Number 2, Tract
9 Number 1427) and (for lease purposes only) dated on October 23, 1991 and
10 recorded on October 28, 1991 in the Department of Land Management,
11 Government of Guam, under Instrument Number 462087.

12 The Port Authority of Guam ("PAG") supervises and administers various
13 parcels of real property within the Commercial Port of Guam area. ExxonMobil
14 International Holdings Inc. holds government leases to certain government land
15 and an easement. The real property descriptions are: (i) Lot Number 2, Cabras
16 Island, Piti, Guam; (ii) that certain portion of Lot Number 3, designated as Lot
17 Number 3A, situated in Cabras Island Industrial Park; (iii) Esso Fire Fighting
18 Pump House and Fire Fighting System, Municipality of Piti Land Square 21, §2;
19 *and* (iv) a five foot (5') - wide Pipe Line Easement, Piti, Land Square 21, §2.
20 Pursuant to a consent decree entered into with the U.S. Federal Trade
21 Commission ("FTC") in connection with the merger of Exxon Corporation and
22 Mobil Corporation, ExxonMobil International Holdings Inc., Guam Branch,
23 agreed to sell its assets, which include an assignment of all its interest in the
24 GIAA Lease and the PAG Leases, to South Pacific Petroleum Corporation, a
25 Guam corporation, which is under consideration by the FTC for its approval for

1 South Pacific Petroleum Corporation to purchase such assets; and pursuant to
2 said agreements of sale, ExxonMobil International Holdings Inc. desires to assign
3 all its rights, title and interests in the GIAA Lease and in the PAG Leases to South
4 Pacific Petroleum Corporation.

5 On July 28, 2000, at a meeting of the Board of Directors of PAG, an
6 assignment of the PAG leases from ExxonMobil International Holdings Inc. to
7 South Pacific Petroleum Corporation, was approved, *subject to approval by I*
8 *Liheslaturan Guahån*. On July 27, 2000, at a meeting of the Board of Directors of
9 GIAA, an assignment of the GIAA lease from ExxonMobil International Holdings
10 Inc. to South Pacific Petroleum Corporation, was approved, *subject to approval by*
11 *I Liheslaturan Guahån*. Via this Act, *I Liheslaturan Guahån* authorizes only the
12 assignments of ExxonMobil International Holdings Inc.'s rights it currently holds
13 in the government lands and an easement to South Pacific Petroleum
14 Corporation, as well as the authority to delegate its duties, nothing more.

15 **Section 2. Assignment and Delegation of GIAA Lease.** ExxonMobil
16 International Holdings Inc., ("EIHI") is hereby authorized to assign all rights, title
17 and interest and delegate its obligations in Lot Number 1, Block Number 2, Tract
18 Number 1427, Guam International Air Terminal Industrial Park, Municipalities of
19 Barrigada and Dededo, Guam, containing an area of approximately 5,709 square
20 meters, or 61,448 square feet, as shown on Drawing Number DS1-S-88-25, dated
21 April 23, 1990, prepared by registered land surveyor Nestorio C. Ignacio, RLS
22 Number 65, to South Pacific Petroleum, a Guam corporation, for airport-related
23 uses; provided, however, that as a condition precedent to this approval of such
24 assignment, the assignee shall agree to be bound by all the terms and conditions
25 of the GIAA lease, dated August 15, 1991, between the Guam International

1 government of Guam with respect to the acquisition of ExxonMobil
2 International Holdings Inc. assets by South Pacific Petroleum Corporation.

3 (b) By granting ExxonMobil International Holdings Inc. authority
4 to assign all rights, title and interest, and delegate its duties to South Pacific
5 Petroleum Corporation under this Act, *I Liheslaturan Guahån* does not
6 impliedly nor expressly grant ExxonMobil International Holdings Inc. nor
7 South Pacific Petroleum Corporation any further rights than granted to
8 ExxonMobil International Holdings Inc. in the GIAA and PAG leases and
9 the easement.

10 (c) Neither South Pacific Petroleum Corporation nor ExxonMobil
11 International Holdings Inc. shall use this Act in any official correspondence
12 or capacity with the Federal Trade Commission ("FTC"), or any other
13 Federal or local government agency, to imply government approval with
14 respect to the acquisition of ExxonMobil International Holdings Inc. assets
15 by South Pacific Petroleum Corporation.

16 **Section 5. Severability.** *If* any provision of this Law or its application
17 to any person or circumstance if found to be invalid or contrary to law, such
18 invalidity shall *not* affect other provisions or applications of this Law which can
19 be given effect without the invalid provisions or application, and to this end the
20 provisions of this Law are severable.



MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

August 29, 2000

The Honorable Carl T.C. Gutierrez
I Maga'lahen Guåhan
Ufisinan I Maga'lahi
Hagåtña, Guam 96910


Dear *Maga'lahi* Gutierrez:

Transmitted herewith are Substitute Bill Nos. 470(COR) and 472(COR) which were passed by *I Mina'Bente Singko Na Liheslaturan Guåhan* on August 29, 2000.

Sincerely,


JOANNE M.S. BROWN
Senator and Legislative Secretary

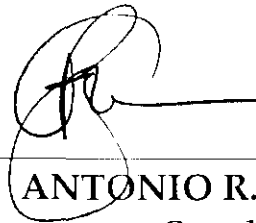
Enclosure (2)


Joseph Shampou
8-29-00
1755 hrs

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session

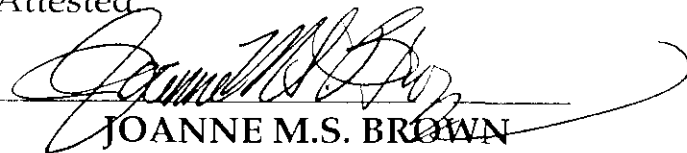
CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 470 (COR) "AN ACT TO AUTHORIZE ASSIGNMENT AND DELEGATIONS OF LEASES OF GOVERNMENT OF GUAM LAND AND ASSETS TO SOUTH PACIFIC PETROLEUM CORPORATION FOR AIRPORT-RELATED AND PORT-RELATED USES," was on the 29th day of August 2000, duly and regularly passed.




ANTONIO R. UNPINGCO
Speaker

Attested:



JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by I Maga'lahaen Guahan this 29th day of August, 2000,
at 5:55 o'clock PM M.



Assistant Staff Officer
Maga'lahaen's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahaen Guahan

Date: _____

Public Law No. _____

MINA'BENTE SINGKO NA LIHESLATURAN GUÅHAN
2000 (SECOND) Regular Session

Bill No. 470 (COR)

As substituted by the Committee on
Transportation, Telecommunications
and Micronesian Affairs and amended on the Floor.

Introduced By:

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A. C. Lamorena, V
L. F. Kasperbauer
F. B. Aguon, Jr.
E. C. Bermudes
A. C. Blaz
J. M.S. Brown
E. B. Calvo
M. G. Camacho
Mark Forbes
K. S. Moylan
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S. A. Sanchez, II
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AN ACT TO AUTHORIZE ASSIGNMENT AND
DELEGATIONS OF LEASES OF GOVERNMENT OF
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14 International Holdings Inc. holds government leases to certain government land
15 and an easement. The real property descriptions are: (i) Lot Number 2, Cabras
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17 Number 3A, situated in Cabras Island Industrial Park; (iii) Esso Fire Fighting
18 Pump House and Fire Fighting System, Municipality of Piti Land Square 21, §2;
19 *and* (iv) a five foot (5') - wide Pipe Line Easement, Piti, Land Square 21, §2.
20 Pursuant to a consent decree entered into with the U.S. Federal Trade
21 Commission ("FTC") in connection with the merger of Exxon Corporation and
22 Mobil Corporation, ExxonMobil International Holdings Inc., Guam Branch,
23 agreed to sell its assets, which include an assignment of all its interest in the
24 GIAA Lease and the PAG Leases, to South Pacific Petroleum Corporation, a
25 Guam corporation, which is under consideration by the FTC for its approval for

1 South Pacific Petroleum Corporation to purchase such assets; and pursuant to
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3 all its rights, title and interests in the GIAA Lease and in the PAG Leases to South
4 Pacific Petroleum Corporation.

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7 South Pacific Petroleum Corporation, was approved, *subject to approval by I*
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9 GIAA, an assignment of the GIAA lease from ExxonMobil International Holdings
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14 Corporation, as well as the authority to delegate its duties, nothing more.

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16 International Holdings Inc., ("EIHI") is hereby authorized to assign all rights, title
17 and interest and delegate its obligations in Lot Number 1, Block Number 2, Tract
18 Number 1427, Guam International Air Terminal Industrial Park, Municipalities of
19 Barrigada and Dededo, Guam, containing an area of approximately 5,709 square
20 meters, or 61,448 square feet, as shown on Drawing Number DS1-S-88-25, dated
21 April 23, 1990, prepared by registered land surveyor Nestorio C. Ignacio, RLS
22 Number 65, to South Pacific Petroleum, a Guam corporation, for airport-related
23 uses; provided, however, that as a condition precedent to this approval of such
24 assignment, the assignee shall agree to be bound by all the terms and conditions
25 of the GIAA lease, dated August 15, 1991, between the Guam International

1 Airport Authority ("GIAA") and EIHI, including, but not limited to, any
2 restrictions upon uses, or otherwise, of the land included in the GIAA lease
3 described herein.

4 **Section 3. Assignment and Delegation of PAG Leases.** ExxonMobil
5 International Holdings Inc. ("EIHI") is hereby authorized to assign all rights, title
6 and interest and delegate its obligations in:

7 (i) Lot Number 2, Cabras Island, Municipality of Piti, Guam;
8 (ii) A portion of Lot Number 3, designated as Lot Number 3A in
9 Cabras Island Industrial Park, Municipality of Piti, Guam;

10 (iii) Esso Fire Fighting Pump House and Fire Fighting System, Piti,
11 Land Square 21, §2, *and*

12 (iv) a five foot (5') - wide Pipe Line Easement, Piti, Land Square 21,
13 §2 to South Pacific Petroleum Corporation, a Guam corporation, for port-
14 related uses; provided, however, that as condition precedent to this
15 approval of such assignment, the assignee shall agree to be bound by all the
16 terms and conditions of the Port Authority of Guam ("PAG") Leases, dated
17 October 1, 1969, January 18, 1971 and July 11, 1986, between PAG and EIHI
18 for the above real properties and easement, including, but not limited to,
19 any restrictions upon uses, or otherwise, of the land and easement included
20 in the PAG leases described herein.

21 **Section 4. Scope.**

22 a. This Act relates solely to the approval of the assignment of the
23 GIAA Lease and the PAG Leases from ExxonMobil International Holdings
24 Inc. to South Pacific Petroleum Corporation, and nothing contained herein
25 shall be considered an approval, tacit or otherwise, or disapproval by the

1 government of Guam with respect to the acquisition of ExxonMobil
2 International Holdings Inc. assets by South Pacific Petroleum Corporation.

3 (b) By granting ExxonMobil International Holdings Inc. authority
4 to assign all rights, title and interest, and delegate its duties to South Pacific
5 Petroleum Corporation under this Act, *I Liheslaturan Guahån* does *not*
6 impliedly nor expressly grant ExxonMobil International Holdings Inc. nor
7 South Pacific Petroleum Corporation any further rights than granted to
8 ExxonMobil International Holdings Inc. in the GIAA and PAG leases and
9 the easement.

10 (c) Neither South Pacific Petroleum Corporation nor ExxonMobil
11 International Holdings Inc. shall use this Act in any official correspondence
12 or capacity with the Federal Trade Commission ("FTC"), or any other
13 Federal or local government agency, to imply government approval with
14 respect to the acquisition of ExxonMobil International Holdings Inc. assets
15 by South Pacific Petroleum Corporation.

16 **Section 5. Severability.** *If any provision of this Law or its application*
17 *to any person or circumstance if found to be invalid or contrary to law, such*
18 *invalidity shall not affect other provisions or applications of this Law which can*
19 *be given effect without the invalid provisions or application, and to this end the*
20 *provisions of this Law are severable.*

MINA'BENTE SINGKO NA LIHESLATURAN GUAHAN
2000 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUAHAN

This is to certify that Substitute Bill No. 470 (COR) "AN ACT TO AUTHORIZE ASSIGNMENT AND DELEGATIONS OF LEASES OF GOVERNMENT OF GUAM LAND AND ASSETS TO SOUTH PACIFIC PETROLEUM CORPORATION FOR AIRPORT-RELATED AND PORT-RELATED USES," was on the 29th day of August 2000, duly and regularly passed.

ANTONIO R. UNPINGCO
Speaker

Attested:

JOANNE M.S. BROWN
Senator and Legislative Secretary

.....
This Act was received by *I Maga'lahen Guahan* this _____ day of _____, 2000,
at _____ o'clock _____ M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

CARL T. C. GUTIERREZ
I Maga'lahen Guahan

Date: _____

Public Law No. _____

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IX TRANSMISSION CHECKLIST TO I MAGA'LAHEN GUAHAN
(Included in File w/ All Bills Transmitted)
BILL NO. 476

- EXHIBITS ATTACHED None
- CONFIRM NUMBER OF PAGES 5
- CAPTION ON CERTIFICATION MATCHES BILL CAPTION ok
- ENGROSSED SIGN "*" REMOVED FROM BILL yes
- 15 SENATORS IN SPONSORSHIP OR CONFIRM OTHERWISE ok
- CERTIFICATION SIGNED BY SPEAKER & LEGIS. SECRETARY
- EMERGENCY DECLARATION, if any no

Confirmed By: [Signature]

Dated: ~~8/24~~ 10

FINAL REVIEW: [Signature]

Dated: [Signature]



FILE
COPY

MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
TWENTY-FIFTH GUAM LEGISLATURE
155 Hesler Street, Hagåtña, Guam 96910

received
(Signature)

August 28, 2000
(DATE)

Memorandum

To: Senator Carlotta A. Leon Guerrero

From: Clerk of the Legislature

Subject: Report on Bill No. 470(COR)

Pursuant to §7.04 of Rule VII of the 25th Standing Rules, transmitted herewith is a copy of the Committee Report on Bill No. 470(COR), for which you are the prime sponsor.

Should you have any questions or need further information, please call the undersigned at 472-3464/5.

Josephine Brennan-Badley
Josephine Brennan-Badley

Attachment



August 23, 2000

The Honorable Antonio R. Unpingco, Speaker
Mina' Bente Singko Na Liheslaturan Guahan
155 Hesler Street
Hagatna, Guam 96910

Dear Mr. Speaker,

The Committee on Transportation, Telecommunications and Micronesian Affairs, to which **Bill No. 470, "AN ACT TO AUTHORIZE ASSIGNMENT AND DELEGATIONS OF LEASE OF GOVERNMENT OF GUAM LAND TO SOUTH PACIFIC PETROLEUM CORPORATION FOR AIRPORT-RELATED AND PORT-RELATED USES"**, has had the same under consideration and now wishes to report back with the recommendation; **To Pass as Substituted by the committee.**

The Committee votes are as follows:

To Pass	<u>7</u>
Not to Pass	_____
Abstain	_____
Inactive File	_____

A Copy of the Committee Report and all pertinent documents are attached for your information and file.

Sincerely,

Carlotta A. Leon Guerrero
Chairperson

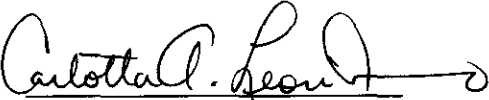
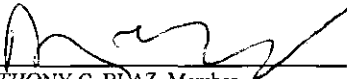
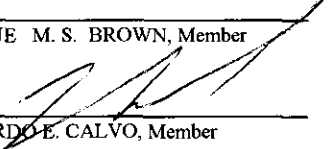
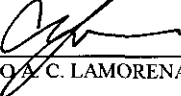

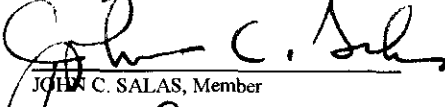
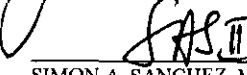
attachments:

Committee on Transportation, Telecommunications and Micronesia Affairs
Mina 'Bente Singko Na Liheslaturan Guahan

Voting Record

BILL NO. 470

“AN ACT TO AUTHORIZE ASSIGNMENT AND DELEGATIONS OF LEASE OF GOVERNMENT OF GUAM LAND TO SOUTH PACIFIC PETROLEUM CORPORATION FOR AIRPORT-RELATED AND PORT-RELATED USES”.

	<u>TO</u> <u>PASS</u>	<u>NOT TO</u> <u>PASS</u>	<u>ABSTAIN</u>	<u>INACTIVE</u> <u>FILE</u>
 CARLOTTA A. LEON GUERRERO, Chair	✓	—	—	—
_____ ANTONIO R. UNPINGCO, Ex-Officio	—	—	—	—
 ANTHONY C. BLAZ, Member	✓	—	—	—
_____ JOANNE M. S. BROWN, Member	—	—	—	—
 EDUARDO E. CALVO, Member	✓	—	—	—
_____ MARK FORBES, Member	—	—	—	—
 ALBERTO A. C. LAMORENA, Member	—	—	—	—
_____ KALEO S. MOYLAN, Member	—	—	—	—
 VICENTE C. PANGELINAN, Member	✓	—	—	—
 JOHN C. SALAS, Member	✓	—	—	—
 SIMON A. SANCHEZ, Member	✓	—	—	—

**COMMITTEE ON TRANSPORTATION, TELECOMMUNICATIONS
AND MICRONESIAN AFFAIRS**

**I Mina' Bente Singko Na Liheslaturan Guahån
Twenty-fifth Guam Legislature
155 Hesler Street, Hagåtña, Guam 96910**

COMMITTEE REPORT

ON

BILL NO. 470

**“AN ACT TO AUTHORIZE ASSIGNMENT AND
DELEGATIONS OF LEASE OF GOVERNMENT OF
GUAM LAND TO SOUTH PACIFIC PETROLEUM
CORPORATION FOR AIRPORT-RELATED AND
PORT- RELATED USES”.**

COMMITTEE MEMBERS

Chairperson:	Sen. Carlotta S. Leon Guerrero
Ex-Officio member:	Speaker Antonio R. Unpingco
Sen. Anthony C. Blaz	Sen. Joanne M.S. Brown
Sen. Eduardo B. Calvo	Sen. Kaleo S. Moylan
Sen. Alberto C. Lamorena V	Sen. Simon A/Sanchez II
Sen. Vicente C. Pangelinan	Sen. John C. Salas

PUBLIC HEARING SCHEDULE

The Committee on Transportation, Telecommunications and Micronesian Affairs conducted a Public Hearing on Tuesday, August 15, 2000, at 4 p.m., in the Public Hearing room of *I Liheslaturan Guahån* temporary building in Hagåtña.

Committee Member present: Sen. Carlotta A. Leon Guerrero, Chairperson
Sen. Lawrence F. Kasperbauer
Sen. Eduardo B. Calvo
Sen. Alberto C. Lamorena V
Sen. Vicente C. Pangelinan
Sen. Simon A. Sanchez
Sen. Frank B. Aguon

SUMMARY OF TESTIMONY

All witnesses that testified at the Public Hearing were all in support of a favorable passage of Bill 470. There were no opposition or negative comments against the bill.

Witnesses who appeared before the Committee and gave oral testimony in favor of Bill 470 were: Mr. Brian Suhr, President, South Pacific Petroleum Corporation (SPPC); Mr. Glenn Leon Guerrero of ExxonMobil International Holdings Inc. (EIHI); Mr. Leon Guerrero also testifying on his own behalf as an employee that was affected by the merger of Exxon and Mobil; and Mr. Phil Tydingco, counsel for the Port Authority of Guam.

Written testimony in favor of Bill 470 was submitted by Mr. Gary H. Johnsen, Branch Manager of ExxonMobil. As stated in Mr. Johnsen's written testimony dated August 15, 2000, it was not a difficult process in complying with the Federal Trade Commission's conditions (FTC) Consent Decree. However, what was paramount to ExxonMobil was "key objectives were not only to enter into agreement with a buyer acceptable to FTC, but also to negotiate terms with the buyer to offer jobs to all employees on terms similar to those enjoyed by them during service with Exxon Guam." These objectives were only met on June 29 upon the signing of agreements to divest the Exxon Guam assets to SPPC whose shareholders and management team are familiar with the island community.

Also submitting favorable written testimony for the passage of Bill 470 was Mr. Jim McDonald, Vice President of SPPC, wherein he stated that "SPPC has pledged and contractually agreed to retain all employees currently employed by Exxon at the same salaries and with the same or better benefits."

Mr. Glenn Leon Guerrero attested to the fact that since the announcement of the merger, from the management standpoint, it was a very difficult task finding a buyer not only acceptable to the FTC, but be willing to retain the current labor force at equal to or better benefits enjoyed with Exxon. As an employee, there were many doubts as to his future employment as shared by all other employees. However, he stated a sense of relief fell upon all the employees with the signing of the agreement on June 29, 2000, between SPPC and Exxon Guam. He further stated that “now life can go knowing there is job security in the future and that Exxon has been very good to him.”

Counsel for the Port Authority of Guam (PAG), Mr. Phil Tydingco, had no objections to the passage of Bill 470 and testified that the Board of Directors of PAG had earlier approved the transfer of all leases that were under Exxon to SPPC. However, he did point out a possible over-sight in the Findings of the Bill and a typographical error; i.e., a property description was overlooked in Section 1, Legislative Findings of the Bill, but was described on page 3, Section 3, (iv), line 24. A minor typographical error on page 4, Section 4, (c), line 20, the word “not” is to read “nor”.

COMMITTEE FINDINGS

The Committee finds that the merger between Exxon and Mobil on November 30, 1999, was subject to conditions agreed under the U.S. Federal Trade Commission’s (FTC) Consent Decree.

The FTC required Exxon to divest its assets wherever the two companies had a combined presence that would be non-competitive in the marketplace.

Under the FTC Consent Decree, it required Exxon Corporation to divest its Guam assets by August 30, 2000.

ExxonMobil began receiving bids in early December, 1999, from qualified buyers for the Exxon Guam assets.

On June 29, 2000, Exxon Guam entered into an agreement divesting its assets to SPPC.

The Port Authority of Guam (PAG) Board of Directors approved, at its meeting of July 28, 2000, an assignment of the PAG leases from ExxonMobil to SPPC, subject to the approval by *I Liheslaturan Guahan*.

The Guam International Airport Authority (GIAA) Board of Directors approved, on July 27, 2000, an assignment of the GIAA lease from ExxonMobil to SPPC, subject to

approval by *I Liheslaturan Guahan*.

The Committee concurs with the recommendations by PAG Legal Counsel, Mr. Phil Tydingco, as to the over-sight and typographical error.

The buyer of Exxon's assets, South Pacific Petroleum Corporation (SPPC), is a locally organized corporation with investors from Guam and California and has satisfactorily met all the terms and conditions set forth by Exxon; key point being the retention of the current labor force at the same or better benefits.

The passage of Bill 470 would authorize the assignment and delegation of leases of Government of Guam lands to SPPC for airport-related and port-related uses, a key component in satisfying one of the FTC's condition for Exxon to divest itself of its Guam assets.

COMMITTEE RECOMMENDATION

The Committee on Transportation, Telecommunications and Micronesian Affairs hereby reports out Bill No. 470 to *I Mina'Bente Singko na Liheslaturan Guahan*, as substituted by the Committee.

MINA' BENTE SINGKO NA LIHESLATURAN GUAHÃN
2000 (SECOND) Regular Session

Bill No. 470 (COR)

As substituted by the Committee on
Transportation, Telecommunications,
and Micronesian Affairs

Introduced By:

C. A. Leon Guerrero
A. C. Lamorena, V
L. F. Kasperbauer

**AN ACT TO AUTHORIZE ASSIGNMENT AND
DELEGATIONS OF LEASE OF GOVERNMENT OF
GUAM LAND TO SOUTH PACIFIC PETROLEUM
CORPORATION FOR AIRPORT-RELATED AND
PORT-RELATED USES.**

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings. *I Liheslaturan Guahãn* finds that
3 the Guam International Airport Authority (“GIAA”) developed certain
4 government real property located at the Guam International Air Terminal Industrial
5 Park (“Industrial Park”). Esso Eastern, Inc., now called ExxonMobil International
6 Holdings Inc., is the holder of a duly authorized lease from GIAA of Lot No. 1,
7 Block No. 2, Tract 1427, Guam International Air Terminal Industrial Park,
8 Municipalities of Barrigada and Dededo, containing an area of approximately 5,709
9 square meters or 61,448 square feet, as shown on Drawing No. DS1-S-88-25 dated
10 April 23, 1990, prepared by registered land surveyor Nestorio C. Ignacio, RLS No.
11 65, which lot is now described as Lot No. INEW-1, Block No. 2, Tract 1427,

1 Barrigada, Guam. (Consolidation survey map of Lot No. 10169 and Lot No. 1,
2 Block 2, Tract 1427) and (For lease purposes only) dated on October 23, 1991 and
3 recorded on October 28, 1991 in the Department of Land Management, Government
4 of Guam, under Instrument No. 462087.

5 The Port Authority of Guam (“PAG”) supervises and administers various
6 parcels of real property within the Commercial Port of Guam area. ExxonMobil
7 International Holdings Inc. holds government leases to certain government land and
8 an easement. The real property descriptions are: (i) Lot Number 2, Cabras Island,
9 Piti, Guam, (ii) that certain portion of Lot No. 3, designated as Lot No. 3A, situated
10 in Cabras Island Industrial Park, (iii) Esso Fire Fighting Pump House and Fire
11 Fighting System, Municipality of Piti Land Square 21, §2, (iv) a five foot (5') - wide
12 Pipe Line Easement, Piti, Land Square 21, §2.

13 Pursuant to a consent decree entered into with the U.S. Federal Trade
14 Commission (“FTC”) in connection with the merger of Exxon Corporation and
15 Mobil Corporation, ExxonMobil International Holdings Inc., Guam Branch, agreed
16 to sell its assets, which include an assignment of all its interest in the GIAA Lease
17 and the PAG Leases, to South Pacific Petroleum Corporation, a Guam corporation,
18 which is under consideration by the FTC for its approval for South Pacific
19 Petroleum Corporation to purchase such assets; and pursuant to said agreements of
20 sale, ExxonMobil International Holdings Inc. desires to assign all its rights, title and
21 interests in the GIAA Lease and in the PAG Leases to South Pacific Petroleum
22 Corporation.

23 On July 28, 2000, at a meeting of the Board of Directors of PAG, an
24 assignment of the PAG leases from ExxonMobil International Holdings Inc. to
25 South Pacific Petroleum Corporation, was approved, *subject* to approval by
26 *I Liheslaturan Guahån*. On July 27, 2000, at meeting of the Board of Directors of
27 GIAA, an assignment of the GIAA lease from ExxonMobil International Holdings

1 Inc. to South Pacific Petroleum Corporation, was approved, subject to approval by
2 *I Liheslaturan Guahån*. Via this Act, *I Liheslaturan Guahån* authorizes only the
3 assignments of ExxonMobil International Holdings Inc.'s rights it currently holds in
4 the government lands and an easement to South Pacific Petroleum Corporation, as
5 well as the authority to delegate its duties, nothing more.

6 **Section 2. Assignment and Delegation of GIAA Lease.** ExxonMobil
7 International Holdings Inc., ("EIHI") is hereby authorized to assign all
8 rights, title and interest and delegate its obligations in Lot Number 1, Block 2, Tract
9 Number 1427, Guam International Air Terminal Industrial Park, Municipalities of
10 Barrigada and Dededo, Guam, containing an area of approximately 5,709 square
11 meters or 61,448 square feet, as shown on Drawing Number DS1-S-88-25, dated
12 April 23, 1990, prepared by registered land surveyor Nestorio C. Ignacio, RLS
13 Number 65, to South Pacific Petroleum, a Guam corporation, for airport-related
14 uses; provided, however, that as a condition precedent to this approval of such
15 assignment, the assignee shall agree to be bound by all the terms and conditions of
16 the GIAA lease, dated August 15, 1991, between the Guam International Airport
17 Authority ("GIAA") and EIHI, including, but not limited to, any restrictions upon
18 uses, or otherwise, of the land included in the GIAA lease described herein.

19 **Section 3. Assignment and Delegation of PAG Leases.** ExxonMobil
20 International Holdings Inc. ("EIHI") is hereby authorized to assign all rights, title
21 and interest and delegate its obligations in:

- 22 (i) Lot Number 2, Cabras Island, Municipality of Piti, Guam;
23 (ii) A portion of Lot Number 3, designated as Lot No. 3A in
24 Cabras Island Industrial Park, Municipality of Piti, Guam;
25 (iii) Esso Fire Fighting Pump House and Fire Fighting System, Piti,
26 Land Square 21, §2, *and*
27 (iv) a five foot (5') - wide Pipe Line Easement, Piti, Land Square 21, §2

1 to South Pacific Petroleum Corporation, a Guam Corporation, for port-related
2 uses; provided, however, that as condition precedent to this approval of such
3 assignment, the assignee shall agree to be bound by all the terms and conditions
4 of the Port Authority of Guam (“PAG”) Leases, dated October 1, 1969, January 18,
5 1971 and July 11, 1986, between PAG and EIHI for the above real properties and
6 easement, including, but not limited to, any restrictions upon uses, or otherwise, of
7 the land and easement included in the PAG leases described herein.

8 **Section 4. Scope.**

- 9 (a) This Act relates *solely* to the approval of the assignment of the
10 GIAA Lease and the PAG Leases from ExxonMobil International
11 Holdings Inc., to South Pacific Petroleum Corporation, and
12 nothing contained herein shall be considered an approval, tacit or
13 otherwise, or disapproval by the government of Guam with
14 respect to the acquisition of ExxonMobil International Holdings
15 Inc. assets by South Pacific Petroleum Corporation.
- 16 (b) By granting ExxonMobil International Holdings Inc. authority to
17 assign all rights, title and interest and delegate its duties to South
18 Pacific Petroleum Corporation under this Act, *I Liheslaturan Guahån*
19 does not impliedly nor expressly grant ExxonMobil International
20 Holdings Inc. nor South Pacific Petroleum Corporation and further
21 rights than granted to ExxonMobil International Holdings Inc.
22 in the GIAA and PAG leases and the easement.
- 23 (c) Neither South Pacific Petroleum Corporation nor ExxonMobil
24 International Holdings Inc. shall use this Act in any official
25 correspondence or capacity with Federal Trade Commission
26 (FTC), or any other Federal or local government agency, to
27 imply government approval with respect to the acquisition of

1 ExxonMobil International Holdings Inc. assets by South Pacific
2 Petroleum Corporation.

3 **Section 5. Severability.** If any provision of this Law or its application
4 to any person or circumstance is found to be invalid or contrary to law, such
5 invalidity shall not affect other provisions or applications of this Law which
6 can be given effect without the invalid provisions or application, and to this
7 end the provisions of this Law are severable.



MINA' BENTE SINGKO NA LIHESLATURAN GUÅHAN
Kumitean Areklamento, Refotman Gubetnamento Siha, Inetnon di Nuebu, yan Asunton Fidirat

*Senador Mark Forbes, Gehilu
Kabisiyon Mayorat*

04 AUG 2000

MEMORANDUM

TO: Chairperson
Committee on Transportation, Telecommunications, and
Micronesian Affairs

FROM: ~~Chairman~~
~~Committee on Rules, Government Reform, Reorganization
and Federal Affairs~~

SUBJECT: Principal Referral - Bill No. 470

The above bill is referred to your Committee as the Principal Committee. In accordance with Section 6.04.05. of the Standing Rules, your Committee "shall be the Committee to perform the public hearing and have the authority to amend or substitute the bill, as well as report the bill out to the Body." It is recommended that you schedule a public hearing at your earliest convenience.

Thank you for your attention to this matter.

MARK FORBES

Attachment

1 recorded on October 28, 1991 in the Department of Land Management, Government
2 of Guam, under Instrument No. 462087.

3 The Port Authority of Guam ("PAG") supervises and administers various
4 parcels of real property within the Commercial Port of Guam area. ExxonMobil
5 International Holdings Inc. holds government leases to certain government land and
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9 Fighting System, Municipality of Piti Land Square 21, § 2.

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11 Commission ("FTC") in connection with the merger of Exxon Corporation and
12 Mobil Corporation, ExxonMobil International Holdings Inc., Guam Branch, agreed
13 to sell its assets, which include an assignment of all its interest in the GIAA Lease
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15 which is under consideration by the FTC for its approval for South Pacific
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19 Corporation.

20 On July 28, 2000, at a meeting of the Board of Directors of PAG, an
21 assignment of the PAG leases from ExxonMobil International Holdings Inc. to
22 South Pacific Petroleum Corporation, was approved, *subject* to approval by
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25 Inc. to South Pacific Petroleum Corporation, was approved, subject to approval by
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27 assignments of ExxonMobil International Holdings Inc.'s rights it currently holds in

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2 well as the authority to delegate its duties, nothing more.

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9 April 23, 1990, prepared by registered land surveyor Nestorio C. Ignacio, RLS
10 Number 65, to South Pacific Petroleum, a Guam corporation, for airport- related
11 uses; provided, however, that as a condition precedent to this approval of such
12 assignment, the assignee shall agree to be bound by all the terms and conditions of
13 the GIAA lease, dated August 15, 1991, between the Guam International Airport
14 Authority (“GIAA”) and EIHI, including, but not limited to, any restrictions upon
15 uses, or otherwise, of the land included in the GIAA lease described herein.

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17 International Holdings Inc. (“EIHI”) is hereby authorized to assign all rights, title
18 and interest and delegate its obligations in:

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20 (ii) A portion of Lot Number 3, designated as Lot No. 3A in
21 Cabras Island Industrial Park, Municipality of Piti, Guam;
22 (iii) Esso Fire Fighting Pump House and Fire Fighting System, Piti,
23 Land Square 21, §2, *and*
24 (iv) a five foot (5') - wide Pipe Line Easement, Piti, Land Square 21, §2
25 to South Pacific Petroleum Corporation, a Guam Corporation, for port-related
26 uses; provided, however, that as condition precedent to this approval of such
27 assignment, the assignee shall agree to be bound by all the terms and conditions

1 of the Port Authority of Guam ("PAG") Leases, dated October 1, 1969, January 18,
2 1971 and July 11, 1986, between PAG and EIHI for the above real properties and
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4 the lands and easement included in the PAG leases described herein.

5 **Section 4. Scope.**

6 (a) This Act relates *solely* to the approval of the assignment of the
7 GIAA Lease and the PAG Leases from ExxonMobil International
8 Holdings Inc., to South Pacific Petroleum Corporation, and
9 nothing contained herein shall be considered an approval, tacit or
10 otherwise, or disapproval by the government of Guam with
11 respect to the acquisition of ExxonMobil International Holdings
12 Inc. assets by South Pacific Petroleum Corporation.

13 (b) By granting ExxonMobil International Holdings Inc. authority to
14 assign all rights, title and interest and delegate its duties to South
15 Pacific Petroleum Corporation under this Act, *I Liheslaturan Guahån*
16 does not impliedly nor expressly grant ExxonMobil International
17 Holdings Inc. nor South Pacific Petroleum Corporation any further
18 rights than granted to ExxonMobil International Holdings Inc.
19 in the GIAA and PAG leases and the easement.

20 (c) Neither South Pacific Petroleum Corporation nor ExxonMobil
21 International Holdings Inc. shall use this Act in any official
22 correspondence or capacity with Federal Trade Commission
23 (FTC), or any other Federal or local government agency, to
24 imply government approval with respect to the acquisition of
25 ExxonMobil International Holdings Inc. assets by South Pacific
26 Petroleum Corporation.

27 **Section 5. Severability.** If any provision of this Law or its application

1 to any person or circumstance if found to be invalid or contrary to law, such
2 invalidity shall not affect other provisions or applications of this Law which
3 can be given effect without the invalid provisions or application, and to this
4 end the provisions of this Law are severable.

Suite 101 (Sunny Plaza), Tamuning, Guam (REF. NO. 2000-0801)

The Department of Labor is currently seeking for individuals w/2 yrs. exp. to fill the following position:

(4) SPECIALTY CHEF (JAPANESE FOOD) \$14.42 p/hr.

DUTIES: Plans menus & cooks, Japanese-style dishes, dinners, desserts, and other foods, according to recipes; prepares meats, soups, sauces, vegetables, and other foods prior to cooking. Seasons and cooks food according to prescribed method. Portions and garnishes food. Serves food to waiters on order. Estimates food consumption and requisitions or purchases supplies.

Interested applicants pls. apply at Guam Employment Service w/the One Stop Career Cntr. 125 Tun Jesus Crisostomo St., Ste. 101 (Sunny Plaza) Tamuning, Gu. 96911 Ref# 2000-0706

REPLY

Person
experienced
to work

NAPA Auto
Apply in person at

**NOTICE OF SALE
MORTGAGE**

NOTICE IS HERE!
pursuant to Section
Civil Code of Guam,
18 GCA §3611

Mortgage execute
MAILLOUX and E
MAILLOUX, Mortgage
HOUSING CORP
Mortgagee, which
dated April 10,
recorded on April 11,
Department of Land
Government of
Instrument No. 045
foreclosed pursuant
sale contained in the
such the premises
such Mortgage, a
described, to the high
public auction at
Office, Dededo, G
p.m., on the 7th day
2000, to satisfy the
such Mortgage on
The terms of the sale
cash, certified or credit

The premises that a
such Mortgage are
sold to satisfy the Mortgage
follow

No. 9, Block No.
Machanao, Guam
14847, Suburban
marked and design
Drawing No. C4-
recorded on July 2
Department of Land
Government of
Document No. 1
improvement
Area: 1.049± sq

PUBLIC HEARING



The Legislative Committee on Transportation, Telecommunications and Micronesian Affairs will conduct hearings at:

4 p.m. August 15, 2000

in the Public Hearing Room of I Mina'Bente Singko na Liheslaturan Guahan Temporary Building in Hagatna.

The agenda is as follows:

Confirmation hearing for Rodney Priest to serve on the Guam Mass Transit Board of Directors, whose term will expire March 18, 2002.

Bill 470: An act to authorize assignments and delegations of lease of Government of Guam land to South Pacific Petroleum Corporation for Airport-related and Port-related uses.

ADA Coordinator: Joseph Torres. The public is welcome to attend. For additional information call the Office of Senator Carlotta A. Leon Guerrero at 472-3416. You may fax your testimony to 477-1323.

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Aug. 8, 2000
PDN -

IN THE SUPERIOR COURT
OF GUAM

IN THE MATTER OF THE
ESTATE OF DOLORES
SAN NICOLAS SAN GIL,
Deceased

IN THE SUPERIOR COURT
OF GUAM

IN THE MATTER OF THE
ESTATE OF
PETER DANICELINIANI CRUIZ

ExxonMobil International Holdings Inc.-Guam Branch

267 South Marine Drive, UIU Building, Suite 3A, Tamuning, Guam 96911

August 15, 2000

Senator Carlotta A. Leon Guerrero
Chairperson
Committee on Transportation, Telecommunications and Micronesian Affairs
Twenty-Fifth Guam Legislature

Dear Senator Leon Guerrero

I am pleased to be here and appreciate the opportunity to urge you to provide approvals for the assignment of two leases which are necessary to permit the divestment of the assets of ExxonMobil International Holdings Inc. (formerly known as Esso Eastern Inc.) Guam Branch ("Exxon Guam") to South Pacific Petroleum Corporation ("SPPC").

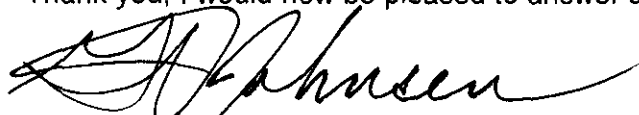
To assist in the approval process, I will be happy to provide some background information on why Exxon had to divest its assets on Guam and the resulting need for the government of Guam to approve the transfer of Exxon Guam's lease on pieces of land hosting the service station near the Guam International Airport and the Cabras product terminal.

Effective November 30, 1999 Exxon Corporation and Mobil Corporation merged subject to conditions agreed under the U.S. Federal Trade Commission's (FTC) Consent Decree. One of conditions under the FTC Consent Decree required Exxon Corporation to divest it's Guam assets by August 30, 2000.

Soon after December 1, 1999, we began to obtain bids from qualified buyers for the Exxon Guam assets. Key objectives were not only to enter into an agreement with a buyer acceptable to the FTC but also to negotiate terms with the buyer to offer jobs to all employees on terms similar to those enjoyed by them during service with Exxon Guam. On June 29, we met both those objectives when we signed agreements to divest the Exxon Guam assets to SPPC, a new corporation with shareholders and management who are familiar to the island community.

From a personal standpoint I'm pleased that each of my fellow employees have been offered jobs by SPPC at substantially the same salaries and similar benefits. In addition, Exxon Guam is providing good financial incentives for employees to stay with SPPC. These past two years since the merger was first announced have been stressful for all of us. In many respects employees had put their lives on hold. Since the agreements of sale were signed, we've been working hard to effect a seamless transition to SPPC by the FTC deadline at the end of this month. We urge that Bill 470 be promptly and favorably considered by the legislature to permit the sale to be finalized with SPPC. SPPC is an acceptable buyer of the Exxon Guam assets and the contract terms are favorable to the Exxon Guam employees.

Thank you, I would now be pleased to answer any questions that you might have.



Gary H. Johnson
Branch Manager

SOUTH PACIFIC PETROLEUM CORP.

www.sppcorp.com

August 15, 2000

Testimony on behalf of Bill 470

Madame Chairwoman, Members of the Committee:

Thank you for allowing me to provide testimony this afternoon on behalf of Bill 470.

My name is Jim McDonald. I am vice president and general manager of South Pacific Petroleum Corporation. I have over 25 years of management and business experience including over 14 years of management experience in petroleum marketing, at the local and regional levels. I also served as director of commerce for almost three years.

South Pacific Petroleum Corporation (SPPC) was formed when its principals were successful in bidding for the assets Exxon and Mobil had agreed to divest in a consent decree with the Federal Trade Commission (FTC) as a result of their proposed merger. The FTC required divestments from Exxon and Mobil wherever the two companies had a combined presence that would be non-competitive in the marketplace. This was obviously true in the Guam market. SPPC will take the FTC's mandate to heart and be a competitor in the petroleum industry on Guam.

SPPC is a locally organized corporation with investors from Guam and California. These investors and other board members have diverse backgrounds in business that enable SPPC with vision and mission and inculcate it with values that are good for Guam, the employees that SPPC will inherit from Exxon and the company's shareholders. SPPC has pledged and contractually agreed to retain all employees currently employed by Exxon at the same salaries and with the same or better benefits. SPPC has also contractually agreed to a commission boost for the contractors who manage the Exxon service stations.

SPPC comes before you today to request your approval of Bill 470 that consents to the assignment of leases that Exxon has with the Port Authority of Guam (PAG) and with the Guam International Airport Authority (GIAA). We believe that approval of these proposed assignments will allow us to be a strong competitor in the Guam market.

Thank you for this opportunity to provide testimony at this hearing.

I will be glad to answer any questions you may have.

CONSENT OF LANDLORD TO ASSIGNMENT

In accordance with Article 9 of the Ground Lease and the approval by the Board of Directors of the Guam International Airport Authority and pursuant to the consent of Governor and Legislature as evidenced by Public Law _____, the Guam International Airport Authority hereby consents to this Assignment of Leasehold.

Dated this ____ day of _____, 2000.

GUAM INTERNATIONAL AIRPORT
AUTHORITY

By: 

Name: GERALD P. YINGLING

Title: Executive Manager

WITNESS:

By: 

Name: Pilar C. Lujan

Title: Chairman of the Board, GIAA



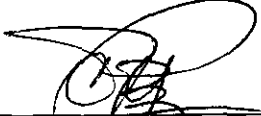
CONSENT OF LANDLORD TO ASSIGNMENT


1. Consent. Port Authority of Guam by execution hereof does hereby consent to the foregoing assignment. The consent herein is expressly conditional on closing under the Purchase Agreement and the approval of the Government of Guam to the assignment hereto.

2. Continuation of Terms. All of the terms and conditions of the Lease shall apply with continued force to Assignee.

IN WITNESS WHEREOF, the parties have executed this Consent to Assignment of Lease this 11 day of August, 2000.

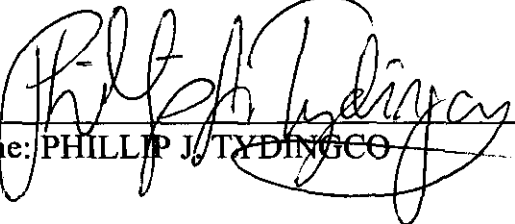
PORT AUTHORITY OF GUAM

BY: 
Name: CHRIS N. PEREZ
Its: Acting General Manager

BY: 
Name: ARLENE P. BORDALLO
Its: Chairman of the Board

APPROVED AS TO FORM:

CARBULLIDO & BROOKS LLP
Attorneys for Port Authority of Guam

BY: 
Name: PHILLIP J. TYDINGCO

**GUAM INTERNATIONAL AIRPORT AUTHORITY
BOARD OF DIRECTORS RESOLUTION NO. _____**

**RELATIVE TO GUAM INTERNATIONAL AIRPORT
AUTHORITY'S APPROVAL AND CONSENT TO THE
ASSIGNMENT OF ESSO EASTERN INC.'S GROUND LEASE
TO THE TO THE SOUTH PACIFIC PETROLEUM
CORPORATION**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GUAM
INTERNATIONAL AIRPORT AUTHORITY:**

WHEREAS, the Guam International Airport Authority entered into a Ground Lease with Esso Eastern Inc. (now known as ExxonMobil International Holdings Inc.) on August 15, 1991, for the real property originally described as Lot No. 1, Block No. 2, Tract No. 1427, Guam International Air Terminal Industrial Park, Municipalities of Barrigada and Dededo, Guam, now known as Lot No.1 NEW -1, Block No. 2, Tract No. 1427, Barrigada, Guam, containing an area of 5,709 square meters, more or less: and

WHEREAS, said Ground Lease was authorized by Public Law 20 -188 subject to certain conditions set forth in Section 2 of said law, including the requirement that no assignment of the Ground Lease or sublease of any portion of the leased premises may be made without the written consent and approval of the Governor and Legislature; and

WHEREAS, pursuant to a consent decree entered into with the U.S. Federal Trade Commission ("FTC") in connection with the merger of Exxon Corporation and Mobil Corporation, ExxonMobil International Holdings Inc. has agreed to divest its assets, which include an assignment of all its interests in the foregoing Ground Lease to South Pacific Petroleum Corporation ("Purchaser"), a Guam corporation, which is being approved by the FTC for purchase of ExxonMobil International Holdings Inc.'s assets, and the parties have entered into an agreement whereby, subject

to certain conditions being met, Purchaser, will acquire the interest of ExxonMobil International Holdings Inc. in the Ground Lease; and

WHEREAS, one of the conditions to the closing of the Purchase and Sale Agreement is that ExxonMobil International Holdings Inc. assign its interest in and to the Ground Lease to the Purchaser, with the consent of Guam International Airport Authority, the Governor and the Legislature,

WHEREAS, the Guam International Airport Authority herein recommends to the board for approval and consent of the EMIHIG's Assignment of said Ground Lease to the Purchaser;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Guam International Airport Authority approves and consents to the Assignment of the Ground Lease from ExxonMobil International Holdings Inc. to the Purchaser in substantially the same form as the Assignment set forth in Exhibit "A" attached hereto; and

BE IT FURTHER RESOLVED, that the Board of Directors of the Guam International Airport Authority respectfully request the Guam Legislature and Governor of Guam to approve and consent to the Assignment.

Duly adopted this 27th day of July, 2000.

GUAM INTERNATIONAL AIRPORT AUTHORITY


PILAR C. LUJAN, Chairwoman

ATTEST:


FRANCES A. GUERRERO, Board Secretary


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AUG 3 2000

**MINA' BENTE SINGKO NA LIHESLATURAN GUAHÂN
2000 (SECOND) Regular Session**

Bill No. 470 (COR)

Introduced By:

C. A. Leon Guerrero
A. C. Lamorena, V 

**AN ACT TO AUTHORIZE ASSIGNMENT AND
DELEGATIONS OF LEASE OF GOVERNMENT OF
GUAM LAND TO SOUTH PACIFIC PETROLEUM
CORPORATION FOR AIRPORT-RELATED AND
PORT-RELATED USES.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings.** *I Liheslaturan Guahân* finds that
3 the Guam International Airport Authority (“GIAA”) developed certain
4 government real property located at the Guam International Air Terminal Industrial
5 Park (“Industrial Park”). Esso Eastern, Inc., now called ExxonMobil International
6 Holdings Inc., is the holder of a duly authorized lease from GIAA of Lot No. 1,
7 Block No. 2, Tract 1427, Guam International Air Terminal Industrial Park,
8 Municipalities of Barrigada and Dededo, containing an area of approximately 5,709
9 square meters or 61,448 square feet, as shown on Drawing No. DS1-S-88-25 dated
10 April 23, 1990, prepared by registered land surveyor Nestorio C. Ignacio, RLS No.
11 65, which lot is now described as Lot No. 1NEW-1, Block No. 2, Tract 1427,
12 Barrigada, Guam. (Consolidation survey map of Lot No. 10169 and Lot No. 1,
13 Block 2, Tract 1427) and (For lease purposes only) dated on October 23, 1991 and
14 recorded on October 28, 1991 in the Department of Land Management, Government

1 recorded on October 28, 1991 in the Department of Land Management, Government
2 of Guam, under Instrument No. 462087.

3 The Port Authority of Guam (“PAG”) supervises and administers various
4 parcels of real property within the Commercial Port of Guam area. ExxonMobil
5 International Holdings Inc. holds government leases to certain government land and
6 an easement. The real property descriptions are: (i) Lot Number 2, Cabras Island,
7 Piti, Guam, (ii) that certain portion of Lot No. 3, designated as Lot No. 3A, situated
8 in Cabras Island Industrial Park, (iii) Esso Fire Fighting Pump House and Fire
9 Fighting System, Municipality of Piti Land Square 21, § 2.

10 Pursuant to a consent decree entered into with the U. S. Federal Trade
11 Commission (“FTC”) in connection with the merger of Exxon Corporation and
12 Mobil Corporation, ExxonMobil International Holdings Inc., Guam Branch, agreed
13 to sell its assets, which include an assignment of all its interest in the GIAA Lease
14 and the PAG Leases, to South Pacific Petroleum Corporation, a Guam corporation,
15 which is under consideration by the FTC for its approval for South Pacific
16 Petroleum Corporation to purchase such assets; and pursuant to said agreements of
17 sale, ExxonMobil International Holdings Inc. desires to assign all its rights, title and
18 interests in the GIAA Lease and in the PAG Leases to South Pacific Petroleum
19 Corporation.

20 On July 28, 2000, at a meeting of the Board of Directors of PAG, an
21 assignment of the PAG leases from ExxonMobil International Holdings Inc. to
22 South Pacific Petroleum Corporation, was approved, *subject* to approval by
23 *I Liheslaturan Guahân*. On July 27, 2000, at a meeting of the Board of Directors of
24 GIAA, an assignment of the GIAA lease from ExxonMobil International Holdings
25 Inc. to South Pacific Petroleum Corporation, was approved, *subject* to approval by
26 *I Liheslaturan Guahân*. Via this Act, *I Liheslaturan Guahân* authorizes only the
27 assignments of ExxonMobil International Holdings Inc.’s rights it currently holds in

1 the government lands and an easement to South Pacific Petroleum Corporation, as
2 well as the authority to delegate its duties, nothing more.

3 **Section 2. Assignment and Delegation of GIAA Lease.** ExxonMobil
4 International Holdings Inc., (“EIHI”) is hereby authorized to assign all
5 rights, title and interest and delegate its obligations in Lot Number 1, Block 2, Tract
6 Number 1427, Guam International Air Terminal Industrial Park, Municipalities of
7 Barrigada and Dededo, Guam, containing an area of approximately 5,709 square
8 meters or 61,448 square feet, as shown on Drawing Number DS1-S-88-25, dated
9 April 23, 1990, prepared by registered land surveyor Nestorio C. Ignacio, RLS
10 Number 65, to South Pacific Petroleum, a Guam corporation, for airport- related
11 uses; provided, however, that as a condition precedent to this approval of such
12 assignment, the assignee shall agree to be bound by all the terms and conditions of
13 the GIAA lease, dated August 15, 1991, between the Guam International Airport
14 Authority (“GIAA”) and EIHI, including, but not limited to, any restrictions upon
15 uses, or otherwise, of the land included in the GIAA lease described herein.

16 **Section 3. Assignment and Delegation of PAG Leases.** ExxonMobil
17 International Holdings Inc. (“EIHI”) is hereby authorized to assign all rights, title
18 and interest and delegate its obligations in:

- 19 (i) Lot Number 2, Cabras Island, Municipality of Piti, Guam;
20 (ii) A portion of Lot Number 3, designated as Lot No. 3A in
21 Cabras Island Industrial Park, Municipality of Piti, Guam;
22 (iii) Esso Fire Fighting Pump House and Fire Fighting System, Piti,
23 Land Square 21, §2, *and*
24 (iv) a five foot (5') - wide Pipe Line Easement, Piti, Land Square 21, §2
25 to South Pacific Petroleum Corporation, a Guam Corporation, for port-related
26 uses; provided, however, that as condition precedent to this approval of such
27 assignment, the assignee shall agree to be bound by all the terms and conditions

1 of the Port Authority of Guam (“PAG”) Leases, dated October 1, 1969, January 18,
2 1971 and July 11, 1986, between PAG and EIHI for the above real properties and
3 easement, including, but not limited to, any restrictions upon uses, or otherwise, of
4 the lands and easement included in the PAG leases described herein.

5 **Section 4. Scope.**

6 (a) This Act relates *solely* to the approval of the assignment of the
7 GIAA Lease and the PAG Leases from ExxonMobil International
8 Holdings Inc., to South Pacific Petroleum Corporation, and
9 nothing contained herein shall be considered an approval, tacit or
10 otherwise, or disapproval by the government of Guam with
11 respect to the acquisition of ExxonMobil International Holdings
12 Inc. assets by South Pacific Petroleum Corporation.

13 (b) By granting ExxonMobil International Holdings Inc. authority to
14 assign all rights, title and interest and delegate its duties to South
15 Pacific Petroleum Corporation under this Act, *I Liheslaturan Guahàn*
16 does not impliedly nor expressly grant ExxonMobil International
17 Holdings Inc. nor South Pacific Petroleum Corporation any further
18 rights than granted to ExxonMobil International Holdings Inc.
19 in the GIAA and PAG leases and the easement.

20 (c) Neither South Pacific Petroleum Corporation nor ExxonMobil
21 International Holdings Inc. shall use this Act in any official
22 correspondence or capacity with Federal Trade Commission
23 (FTC), or any other Federal or local government agency, to
24 imply government approval with respect to the acquisition of
25 ExxonMobil International Holdings Inc. assets by South Pacific
26 Petroleum Corporation.

27 **Section 5. Severability.** If any provision of this Law or its application