

1 B) Number/Description of Procurement:

2 **Guam Economic Development Authority**
3 **RFP-14-002 Lajuna Point Residential Community, Yigo Guam**

4 Decision being appealed was dated June 28, 2016, by Deputy Administrator, Mana Silva Taijeron,
5 GEDA, in accordance with Chamorro Land Trust Commission Resolution 2016-05, and received by
Appellant on June 28, 2016.

6 C) Appeal is made from:

7 *(Please select one and attach a copy of the Decision to this form)*

8 Decision on Protest of Method, Solicitation or Award

9 Decision on Debarment or Suspension

10 Decision on Contract or Breach of Contract Controversy

11 (Excluding claims of money owed to or by the government)

12 Determination on Award not Stayed Pending Protest or Appeal

13 (Agency decision that award pending protest or appeal was necessary to protect the
14 substantial interests of the government of Guam)

15 E) Names of Competing Bidders, Offerors, or Contractors known to Appellant:

16 Lajuna Point JV, 300 Chalan Padiron Haya Rte. 15, Yigo, Guam 96929
17 Authorized Representative: Stevyn J. Radonich
steve@smithbridge.com.gu
18 (671) 653-5036

19 ** consortium of Hawaiian Rock Products Corporation, Perez-AOG LLC (dba as Perez Bros. and
Smithbridge Guam, Inc., as identified in Lajuna Point JV Proposal dated January 21, 2014*

20 **PART IV Form and Filing**

21 **A. Grounds for Appeal**

22 This Appeal arises out of the decision on Protest of the Method, Solicitation and Award of RFP-14-
23 002 related to the Development Agreement for Lajuna Point.

24 On June 1, GEDA issued its Notice of Cancellation via email; attached hereto as EXHIBIT 1.

25 On June 2, 2016, Appellant Purestone, LLC. lodged its protest (hereinafter "Protest"), via facsimile
26 transmission, attached hereto as EXHIBIT 2.

1 On June 28, 2016, GEDA issued a determination and response to the Protest, attached hereto as
2 EXHIBIT 3, denying the Protest on all grounds. Appellant Purestone appeals the GEDA Determination
3 pursuant to Title 5 Guam Code Annotated, §5425(a). Appellant Purestone, as an actual bidder, aggrieved by
4 the Determination of the award of RFP-14-002 relating to the Development Agreement, specifically appeals
5 to the OPA on the following grounds:

6 (i) GEDA and CLTC's determination that Guam Public Law P.L. 33-95 (codified as §§
7 75122, 75123, 75124 and 75107(g) of Chapter 75 of Title 21 Guam Code Annotated
8 (GCA) mandates the termination of RFP-14-002 was erroneous, as evidenced by the
9 following:

10 a. RFP-14-002 does not require a commercial lease to comply with the
11 provisions of the procurement. The CLTC Resolution No. 2016-005
12 that Public Law 33-95 nullified RFP14-002 was erroneous. CLTC
13 Resolution No. 2016-005 sets forth the basis of the Notice finding that
14 the CLTC "**[C]oncurs that Public Law 33-95 nullifies all**
15 **solicitations or proposals for commercial activity on CLTC land**
16 **prior to the enactment of said law.**" (emphasis added). Specifically,
17 the CLTC cites P.L. 33-95 added §75122(b)(6) to Chapter 75 of Title 21,
18 Guam Code Annotated, which provides:

19 Any solicitation for interest or proposals, prior to the enactment of
20 this Act, **for commercial activity on CLTC land with the intent**
21 **of entering into a commercial lease shall be null and void**
22 (emphasis added.)

23 b. RFP14-002 Section 2.0 provides – CLTC via GEDA “to negotiate a
24 development agreement for the Property [Lot 7163-R1] that allows a
25 prospective developer to prepare the site for residential development
26 using the proceeds of coral extraction to off-set master planning, site
27 development and infrastructure costs.” Section 2.0 RFP14-002 Project
28 Overview.

- 1 c. The proposed Agreement for Infrastructure Development and Mineral
2 Extraction, attached as EXHIBIT 4, sets forth terms for licensing
3 provisions (*See* Section Two) (hereinafter “Development Agreement”)
4 and does not require occupancy or leasing of the premises.
- 5 d. CLTC in substantially similar circumstances have consistently entered
6 into license agreements, as opposed to lease agreements. *See* attached
7 licensing agreements as EXHIBIT 5 (Raceway Racing Federation License
8 Agreement) and EXHIBIT 6 (Hawaiian Rock Products License
9 Agreement).

10 (ii) GEDA and CLTC violated Guam Procurement Law in the cancellation of the
11 procurement without abiding by the mandatory provisions of 5 GCA § 5225 and 2
12 GAR Div. 4 § 3115(d)(2); it is not in the best interests of Guam to cancel RFP-14-
13 002 for the following reasons:

- 14 a. The Development Agreement increases revenue for CLTC from commercial
15 activity from the 2014 value of \$750,505.47 to **a minimum amount of**
16 **\$2,550,505.47, which is a 42% increase of annual revenue to the CLTC;**
- 17 b. The primary purpose of RFP-14-002 and the execution of the Development
18 Agreement is to prepare the land for residential development (proposed as a
19 terraced or benched layout similar to Barrigada Heights), and to provide the
20 necessary revenue for the CLTC to survey the property in anticipation of the
21 construction of no less than three hundred seventy-four quarter acre lots for
22 the development of Lajuna Point Residential Community. Importantly,
23 CLTC currently has at least **8,000** resident applicants anticipating the
24 development of housing, and CLTC lacks the necessary financial resources
25 for the infrastructure and site preparation for a residential community. The
26 revenue acquired through RFP-14-002 also anticipates the use of funding for
27 the survey of other CLTC properties.

- 1 c. RFP-14-002 increases the land value, and thus, the total value of assets held
2 by the CLTC.
- 3 d. RFP-14-002 will not contribute to Guam's debt per capita because no
4 funding would be provided by the Government of Guam or the CLTC for
5 the development of affordable housing; nor does RFP-14-002 utilize any
6 qualifying certificates, or any other government subsidy.
- 7 e. RFP-14-002 contemplates the use of renewable and sustainable natural
8 resources at the development and occupancy stages, which is extremely
9 valuable to environmental consciousness in the northern part of Guam,
10 which sits above the island's only aquifer; it also commits to a conservatory
11 of land to ensure that Lajuna Point is not developed into a concrete jungle.
12 Purestone's environmental consultant, a Region 9 Environmental Scientist,
13 will ensure the highest quality standards and compliances are followed with
14 Environmental Protection Agency (EPA), Guam Environmental Protection
15 Agency (GEPA), Natural Resources Board, and all other government
16 agencies.
- 17 f. RFP-14-002 was completed through competitive sealed bidding; a
18 cancellation of RFP-14-002 would require additional resources to re-bid, in
19 addition to the substantial costs associated with RFP-14-002.
- 20 (iii) GEDA and CLTC violated Guam Procurement Law Procurement Regulations by
21 not acting in good faith in the administration of this procurement.
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EXHIBIT 1
Appellant's Notice of Appeal
RFP-14-002

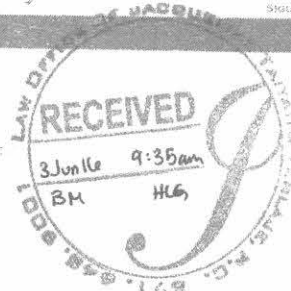


GEDA
Guam Economic Development Authority
Aturidad Inadilantun Ikunumihan Guaban

EDDIE BAZA CALVO
GOVERNOR OF GUAM
EMASO ANON GUAMAN
RAY TENORIO
GOVERNOR OF GUAM
SOLINGO NA MARKET APEN GUAMAN
JAY ROJAS
GOVERNOR OF GUAM
ADMINISTRADOR
MANA SILVA TAIJERON
DEPUTY ADMINISTRATOR
SOLINGO NA ADMINISTRADOR

June 1, 2016

Jacqueline Taitano Terlaje,
Law Office of Jacqueline Taitano Terlaje, P.C.
284 West Chalan Santo Papa
Hagatna, Guam 96910



SUBJECT: CANCELLATION OF GEDA RFP 14-002 ENTITLED "Lajuna Point Residential Community, Yigo, Guam, on behalf of the Chamorro Land Trust Commission".

Attorney Jacqueline Terlaje,

Hafa Adai!

On May 19, 2016 the Chamorro Land Trust Commission (CLTC) voted in favor to pass CLTC Resolution 2016-05 "Declaration and Position on Guam Economic Development Authority Request for Proposal Number 14-002"

In accordance with the CLTC resolution, the Guam Economic Development Authority is issuing this letter to you, informing you that the above mentioned RFP is hereby cancelled.

If you have any question please feel free to contact our office at 1-671-647-4332.

Sincerely,

Mana Silva Taijeron
Deputy Administrator

CC: Pascual A. Sablan, Chairman, Chamorro Land Trust Commission
Michael J.B. Borja, Director, Department of Land Management
Samantha Stern, Latte Stone Holdings, Inc.
James Meckley, Latte Stone Holdings, Inc.





Chamorro Land Trust Commission
(Kumision Inangokkon Tano' Chamoru)
P.O. Box 2950 Hagåtña, Guåhan 96932 Phone: 649-5263 ext. 435 Fax: 649-5383

May 24, 2016

TO: EJ Calvo
Chairman
Guam Economic Development Authority

FR: Michael J.B. Borja
Administrative Director

RE: Chamorro Land Trust Commission Resolution No. 2016-05

Transmitted herewith is the Chamorro Land Trust Commission's declaration and position on Guam Economic Development Authority Request for Proposal Number 14-002.

[Handwritten Signature]
MICHAEL J.B. BORJA
Administrative Director





**CHAMORRO LAND TRUST COMMISSION
RESOLUTION NO. 2016-05**

***Declaration and Position on
Guam Economic Development Authority
Request for Proposal Number 14-002***

WHEREAS, the Chamorro Land Trust Commission (*hereafter CLTC*), in accordance with a Memorandum of Understanding with Guam Economic Development Authority (*hereafter GEDA*), engaged GEDA to issue an Request for Proposal (RFP) for master planning and site preparation (including provision of utility infrastructure) of Lot Number 7163-R1, Yigo, Guam, consisting of approximately 1,634,290 square meters (404 acres) of undeveloped land, and

WHEREAS, GEDA issued RFP 14-002 on November 21, 2013, entitled "Lajuna Point Residential Community, Yigo, Guam, on behalf of the Chamorro Land Trust Commission, and

WHEREAS, GEDA RFP 14-002, Section 3.12, *GEDA/CLTC'S RIGHTS RESERVED* stated:

While GEDA/CLTC has every intention to award a development agreement as a result of this RFP, issuance of the RFP in no way constitutes a commitment by GEDA/CLTC to award and execute a development agreement. Upon a determination such actions would be in its best interest, GEDA/CLTC, in its sole discretion, reserves the right to:

- *Cancel or terminate this RFP;*
- *Reject any or all proposals received in response to this RFP;*
- *Waive any undesirable, inconsequential, or inconsistent provisions of this RFP which would not have significant impact on any proposal;*
- *Waive any minor informalities in proposals received, or have them corrected by the offeror in accordance with applicable regulations;*
- *Not award if it is in the best interest of GEDA/CLTC not to proceed with development agreement execution; or*
- *If awarded, terminate any development agreement if GEDA/CLTC determines adequate funds are not available.*

WHEREAS, *I Liheslaturan Guahan* passed Bill No. 175-33 to create the CLTC Rules and Regulations for commercial use of CLTC properties and *I Maga'Lahen Guahan* signed it into law on November 9, 2015, as Public Law 33-95, and

WHEREAS, Section 2 of Public Law 33-95 added §75122 (b) (6) to Chapter 75 of Title 21, Guam Code Annotated with reads:

(6) Any solicitation for interest or proposals, prior to the enactment of this Act, for commercial activity on CLTC land with the intent of entering into a commercial lease shall be null and void.

Chamorro Land Trust Commission
Resolution 2016-05
Page 2

WHEREAS, GEDA RFP 14-002 did not result an executed agreement with any qualified Offeror prior to the enactment of Public Law 33-95.

NOW THEREFORE BE IT RESOLVED,


1. The Chamorro Land Trust Commission Board of Commissioners concurs that Public Law 33-95 nullifies all solicitations or proposals for commercial activity on CLTC land prior to the enactment of said law.
2. The Chamorro Land Trust Commission Board of Commissioners exercises its reserved right as stated in GEDA RFP 14-002, Section 3.12 to cancel or terminate said RFP.
3. The Chamorro Land Trust Commission Board of Commissioners directs GEDA, by virtue of this resolution, that it is exercising its reserved right as specified in RFP 14-002, Section 3.12 to cancel and terminate GEDA RFP 14-002, effective immediately.
4. The Chamorro Land Trust Commission Board of Commissioners transmits this Resolution to the Guam Economic Development Authority board of directors.

DULY AND REGULARLY ADOPTED BY THE CHAMORRO LAND TRUST COMMISSION THIS 19TH DAY OF MAY 2016.



PASCUAL A. SABLAN, Chairman
Chamorro Land Trust Commission

Date: May 24, 2016



MICHAEL J.B. BORJA, Administrative Director
Chamorro Land Trust Commission

Date: May 20, 2016

EXHIBIT 2
Appellant's Notice of Appeal
RFP14-002

JACQUELINE TAITANO TERLAJE

784 WEST CHALAN SANTO PAPA
HAGATNA, GUAM 96910
PHONE 671.646.0001
FAX 671.646.0002

June 2, 2016

VIA FACSIMILE NO. (671) 649-4146
and VIA EMAIL mstajeron@investguam.com

MANA SILVA TAJJERON
Deputy Administrator
Guam Economic Development Authority
Government of Guam
590 S. Marine Corps Drive STE 511
Tamuning, Guam 96913

Re: PROTEST In Re Cancellation of GEDA RFP 14-002 "Lajuna Point Residential
Community, Yigo, Guam on behalf of the Chamorro Land Trust Commission."

Deputy Administrator Tajjeron,

Hafa Adai! On behalf of Purestone, LLC ("Purestone"), I hereby submit this formal protest of the Notice of Cancellation, dated and received on June 1, 2016 on behalf of the Guam Economic Development Authority (GEDA) in accordance with the directive by the Chamorro Land Trust Commission (CLTC) CLTC Resolution 2016-05 (hereinafter "Notice"). This protest is made pursuant to Title 5 of the Guam Code Annotated, §5425(a). RFP14-002 "Lajuna Point Residential Community, Yigo, Guam on behalf of the Chamorro Land Trust Commission" shall hereinafter be referred to as "RFP 14-002."

Purestone protests the Notice on the following grounds:

- (1) **P.L. 33-95 DID NOT DECLARE RFP14-002 NULL AND VOID AS ASSERTED BY CLTC RESOLUTION NO. 2016-005.**

CLTC Resolution No. 2016-005 that Public Law 33-95 nullified RFP14-002 was erroneous.

CLTC Resolution No. 2016-005 sets forth the basis of the Notice finding that the CLTC "**[C]oncurs that Public Law 33-95 nullifies all solicitations or proposals for commercial activity on CLTC land prior to the enactment of said law.**" (emphasis added). Specifically, the CLTC cites P.L. 33-95 added §75122(b)(6) to Chapter 75 of Title 21, Guam Code Annotated, which provides:

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RFP14-002

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Any solicitation for interest or proposals, prior to the enactment of this Act, **for commercial activity on CLTC land with the intent of entering into a commercial lease shall be null and void** (emphasis added.)

Public Law 33-95 clearly terminated, without any due process, all procurements related to the “intent to enter into a commercial lease”; procurements contemplating commercial licenses were not affected by this termination. § 75122 of Guam Code Annotated (GCA), Title 21 provides:

(a)(1) Commercial lease is a leasehold interest in real property between the CLTC and a tenant (hereinafter referred to as “Commercial Lessee”) for the commercial use of real property under the management of the CLTC.

(a)(2) Commercial license is an agreement between a tenant (hereinafter referred to as the “Commercial Licensee”) and the CLTC which permits certain activity to be conducted upon real property in the inventory of the CLTC, but does not confer upon the licensee any title or leasehold interest, and is terminable upon cessation of the approved activity.

(a)(4) Tenant means an applicant who has been approved for either a commercial lease or license, and can also be referred to as a “Commercial Lessee or Commercial Licensee” in this Act.

GEDA and CLTC’s intention, as evidenced by RFP14-002, was to negotiate and enter into a Development Agreement, which is defined as a commercial license by Public Law 33-95, and would allow a prospective developer to design a master plan and prepare the Lajuna site for residential development.

RFP14-002 Section 2.0 provides – CLTC via GEDA “to negotiate a development agreement for the Property [Lot 7163-R1] that allows a prospective developer to prepare the site for residential development using the proceeds of coral extraction to off-set master planning, site development and infrastructure costs.” Section 2.0 RFP14-002 Project Overview.

Because the CLTC was not in a position to pay for the master plan and significant site development costs, the proceeds of coral extraction would be used to off-set master planning, site development and infrastructure cost. These were the clearly stated intentions of RFP14-002, and clearly did not contemplate any mandatory provision for a “commercial lease” in order to accomplish the scope of work intended by the solicitation.

Neither GEDA, CLTC, nor Purestone intended to enter into a commercial lease for the development of Lajuna Point. Purestone, having met the requirements of RFP14-002 and ranked as the highest offeror, intends on entering into a commercial license by means of the Development Agreement to complete the site planning, preparation and infrastructure development for the Lajuna Point

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PROTEST, RFP14-002
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residential subdivision using the proceeds of coral extraction to off-set the development cost, as required by RFP14-002.

A commercial lease is a leasehold interest in real property between the CLTC and a tenant for the commercial use of real property under the management of the CLTC. 21 GCA § 75122. Because RFP14-002 did not have the intent of entering into a "commercial lease" as defined by P.L. 33-95, CLTC Resolution No. 2016-005 was erroneous and should be revoked.

(2) GEDA/CLTC'S CANCELLATION OF RFP14-002 AFTER BID OPENING FAILS TO COMPLY WITH BOTH STATUTORY AND REGULATORY PROVISIONS.

GEDA/CLTC while having preserved the ability to cancel RFP14-002 failed to comply with the statutory and regulatory provisions requiring a specific finding that cancellation after bid opening is in the best interests of Guam. 5 G.C.A. §5225 provides:

An Invitation for Bids, a Request for Proposals, or other solicitation may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the Territory in accordance with regulations promulgated by the Policy Office. The reasons therefore shall be made part of the contract file.

2 GAR Div. 4 § 3115(d)(2) further provides:

(2) After Opening. (A) After opening, but prior to award, all bids or proposals may be rejected in whole or in part when the Chief Procurement Officer, the Director of Public Works, or the head of a Purchasing Agency determines in writing that such action is in the territory's best interest . . .

Purstone does not contest that Section 3.12 of RFP14-002 provides notification of GEDA/CLTC's ability to cancel RFP14-002. Section 3.12 of RFP14-002 provides:

GEDA/CLTC'S RIGHTS RESERVED

While GEDA/CLTC has every intention to award a development agreement as a result of this RFP, issuance of the RFP in no way constitutes a commitment by GEDA/CLTC to award and execute a development agreement. Upon a determination such actions would be in its best interest, GEDA/CLTC, in its sole discretion, reserves the right to:

- Cancel or terminate this RFP;
- Reject any or all proposals received in response to this RFP;
- Waive any undesirable, inconsequential, or inconsistent provisions of this RFP which would not have significant impact on any proposal;

EXHIBIT 2
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June 2, 2016
Page 4 of 5

- Waive any minor informalities in proposals received, or have them corrected by the offeror in accordance with applicable regulations;
- Not award if it is in the best interest of GEDA/CLTC not to proceed with development agreement execution; or
- If awarded, terminate any development agreement if GEDA/CLTC determines adequate funds are not available.

However, such reservation contained in RFP14-002, was required not only to meet 5 G.C.A. § 5225, but the regulatory provisions in 2 GAR Div. 4 §3115(c) and 2 GAR Div. 4 §3115(d)(2) which govern solicitations for the Government of Guam. None of the provisions were adhered to by GEDA/CLTC upon cancellation, as exhibited by CLTC Resolution No. 2016-05. Moreover, the notification provision contained in Section 3.12 fails to comply with the mandatory notification provisions set forth in 2 GAR Div. 4 §3115(c) and (d).

CLTC Resolution No. 2016-05 does not set forth a clear basis to establish that cancellation of RFP14-002 is in the best interest of Guam. Because GEDA/CLTC failed to make a determination required by statute and regulation, specifically that proceeding with RFP14-002 is not in the best interest of the Territory for GEDA/CLTC, the Notice and CLTC Resolution No. 2016-05 is defective, as a matter of law.

Purestore requests that GEDA/CLTC revoke, and/or declare null and void the Notice and CLTC Resolution No. 2016-05, and proceed with finalization of the Development Agreement negotiated with the Government of Guam.

(3) GEDA/CLTC ARE REQUIRED TO ACT IN GOOD FAITH, AND ITS ASSERTION THAT A DEVELOPMENT AGREEMENT WAS NOT EXECUTED PRIOR TO THE ENACTMENT OF PUBLIC LAW 33-95 IS NOT MADE IN GOOD FAITH.

GEDA/CLTC'S assertion that no Development Agreement was executed prior to the enactment of P.L. 33-95 is not made in good faith. GEDA/CLTC is required to conduct itself in the issuance of all procurements within the Guam Procurement law and regulations. 5 GCA §5003 mandates "that all parties involved in the negotiation, performance, or administration of territorial contracts to act in good faith." In this particular case, it was GEDA/CLTC who requested that the parties await execution of the Development Agreement pending the approval of the implementation of the CLTC Rules and Regulations. Detrimentially relying upon the requirement that all parties to the solicitation were acting in good faith, Purestone did not insist upon the execution of the Development Agreement prior to the enactment of the CLTC Rules and Regulations. After nearly one and a half years of awaiting passage of the CLTC Rules and Regulations, the CLTC now asserts that a basis for the Notice is that no final agreement was executed. Purestone submits that this act does not constitute good faith, as required by statute.

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Appellant's Notice of Appeal
RFP14-002

PROTEST, RFP14-002
June 2, 2016
Page 5 of 5

On behalf of Purestone, LLC., I respectfully submit this PROTEST IN ACCORDANCE WITH 5
GCA § 5425(a), and request that you keep me informed of the status.

I look forward to your prompt response.

Senseramente,



JACQUELINE TAITANO TERLAJE

cc: Thomas Fisher, Fisher and Associates, Legal Counsel for Guam Economic Development
Authority
Kristan Finney, Deputy Attorney General, Department of Land Management, Government
of Guam
Michael J. Borja, Administrative Director, Chamorro Land Trust Commission
Pascual Sablan, Chairman, Chamorro Land Trust Commission

EXHIBIT 2
Appellant's Notice of Appeal
RFP14-002

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P. 01 / 01

TRANSACTION REPORT

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JACQUELINE TAITANO TERLAJE

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June 2, 2016

VIA FACSIMILE NO. (671) 649-4146
and VIA EMAIL mstajeron@investguam.com

MANA SILVA TAJJERON
Deputy Administrator
Guam Economic Development Authority
Government of Guam
590 S. Marine Corps Drive STE 511
Tamuning, Guam 96913

Re: PROTEST In Re Cancellation of GEDA RFP 14-002 "Lajuna Point Residential Community, Yigo, Guam on behalf of the Chamorro Land Trust Commission."

Deputy Administrator Tajjeron,

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Purestone protests the Notice on the following grounds:

- (1) **P.L. 33-95 DID NOT DECLARE RFP14-002 NULL AND VOID AS ASSERTED BY CLTC RESOLUTION NO. 2016-005.**

CLTC Resolution No. 2016-005 that Public Law 33-95 nullified RFP14-002 was erroneous.

CLTC Resolution No. 2016-005 sets forth the basis of the Notice finding that the CLTC "**[C]oncurs that Public Law 33-95 nullifies all solicitations or proposals for commercial activity on CLTC land prior to the enactment of said law.**" (emphasis added). Specifically, the CLTC cites P.L. 33-95 added §75122(b)(6) to Chapter 75 of Title 21, Guam Code Annotated, which provides:

EXHIBIT 2
Appellant's Notice of Appeal
RFP14-002

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P. 01/01

TRANSACTION REPORT

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JACQUELINE TAITANO TERLAJE

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PHONE 671.648.0001
FAX 671.648.0002

June 2, 2016

VIA FACSIMILE NO. (671) 649-4146
and VIA EMAIL mstajeron@investguam.com

MANA SILVA TAIJERON
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Purestone protests the Notice on the following grounds:

- (1) **P.L. 33-95 DID NOT DECLARE RFP14-002 NULL AND VOID AS ASSERTED BY CLTC RESOLUTION NO. 2016-005.**

CLTC Resolution No. 2016-005 that Public Law 33-95 nullified RFP14-002 was erroneous.

CLTC Resolution No. 2016-005 sets forth the basis of the Notice finding that the CLTC "[C]oncurs that Public Law 33-95 nullifies all solicitations or proposals for commercial activity on CLTC land prior to the enactment of said law." (emphasis added). Specifically, the CLTC cites P.L. 33-95 added §75122(b)(6) to Chapter 75 of Title 21, Guam Code Annotated, which provides:

EXHIBIT 2
Appellant's Notice of Appeal
RFP14-002

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P. 01/01

TRANSACTION REPORT

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JACQUELINE TAITANO TERLAJE

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FAX 671.648.0002

June 2, 2016

VIA FACSIMILE NO. (671) 649-4146
and VIA EMAIL mstaijeron@investguam.com

MANA SILVA TAIJERON
Deputy Administrator
Guam Economic Development Authority
Government of Guam
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Re: PROTEST In Re Cancellation of GEDA RFP 14-002 "Lajuna Point Residential
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Hafa Adai! On behalf of Purestone, LLC ("Purestone"), I hereby submit this formal protest of the Notice of Cancellation, dated and received on June 1, 2016 on behalf of the Guam Economic Development Authority (GEDA) in accordance with the directive by the Chamorro Land Trust Commission (CLTC) CLTC Resolution 2016-05 (hereinafter "Notice"). This protest is made pursuant to Title 5 of the Guam Code Annotated, §5425(a). RFP14-002 "Lajuna Point Residential Community, Yigo, Guam on behalf of the Chamorro Land Trust Commission" shall hereinafter be referred to as "RFP 14-002."

Purestone protests the Notice on the following grounds:

- (1) **P.L. 33-95 DID NOT DECLARE RFP14-002 NULL AND VOID AS ASSERTED BY CLTC RESOLUTION NO. 2016-005.**

CLTC Resolution No. 2016-005 that Public Law 33-95 nullified RFP14-002 was erroneous.

CLTC Resolution No. 2016-005 sets forth the basis of the Notice finding that the CLTC "**[C]oncurs that Public Law 33-95 nullifies all solicitations or proposals for commercial activity on CLTC land prior to the enactment of said law.**" (emphasis added). Specifically, the CLTC cites P.L. 33-95 added §75122(b)(6) to Chapter 75 of Title 21, Guam Code Annotated, which provides:

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0502782X00

P. 01/01

TRANSACTION REPORT

JUN/02/2016/THU 05:59 PM

FAX (TX)

#	DATE	START T.	RECEIVER	COM. TIME	PAGE	TYPE/NOTE	FILE
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JACQUELINE TAITANO TERLAJE

284 WEST CHALAN SANTO PAPA
MAGATNA, GUAM 06910
PHONE 671.648.0001
FAX 671.648.0002

June 2, 2016

VIA FACSIMILE NO. (671) 649-4146
and VIA EMAIL mstaijeron@investguam.com

MANA SILVA TAIJERON
Deputy Administrator
Guam Economic Development Authority
Government of Guam
590 S. Marine Corps Drive STE 511
Tamuning, Guam 96913

Re: PROTEST In Re Cancellation of GEDA RFP 14-002 "Lajuna Point Residential
Community, Yigo, Guam on behalf of the Chamorro Land Trust Commission."

Deputy Administrator Taijeron,

Hafa Adai! On behalf of Purestone, LLC ("Purestone"), I hereby submit this formal protest of the Notice of Cancellation, dated and received on June 1, 2016 on behalf of the Guam Economic Development Authority (GEDA) in accordance with the directive by the Chamorro Land Trust Commission (CLTC) CLTC Resolution 2016-05 (hereinafter "Notice"). This protest is made pursuant to Title 5 of the Guam Code Annotated, §5425(a). RFP14-002 "Lajuna Point Residential Community, Yigo, Guam on behalf of the Chamorro Land Trust Commission" shall hereinafter be referred to as "RFP 14-002."

Purestone protests the Notice on the following grounds:

- (1) **P.L. 33-95 DID NOT DECLARE RFP14-002 NULL AND VOID AS ASSERTED BY CLTC RESOLUTION NO. 2016-005.**

CLTC Resolution No. 2016-005 that Public Law 33-95 nullified RFP14-002 was erroneous.

CLTC Resolution No. 2016-005 sets forth the basis of the Notice finding that the CLTC "[C]oncurs that Public Law 33-95 nullifies all solicitations or proposals for commercial activity on CLTC land prior to the enactment of said law." (emphasis added). Specifically, the CLTC cites P.L. 33-95 added §75122(b)(6) to Chapter 75 of Title 21, Guam Code Annotated, which provides:

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EDDIE BAZA CALVO
GOVERNOR OF GUAM
I MAGA LAHEN GUAHAN

RAY TENORIO
LT. GOVERNOR OF GUAM
I SEGUUNDO NA MAGA LAHEN GUAHAN

JAY ROJAS
ADMINISTRATOR
ADMINISTRADOT

MANA SILVA TALJERON
DEPUTY ADMINISTRATOR
SIGUNDO NA ADMINISTRADOT

June 28, 2016

Ms. Jacqueline Taitano Terlaje, Esq.
284 W. Chalan Santo Papa
Hagatna, GU 96910



Dear Ms. Terlaje,

Hafa Adai. The Guam Economic Development Authority (GEDA) is in receipt of Purestone LLC's protest of a cancellation of Request for Proposals 14-002 (Lajuna Point Residential Community) dated 02 June 2016. Purestone LLC's protest is denied.

As you know, recently enacted Public Law 33-95 voided "any solicitation for interest or proposals, ... for commercial activity on CLTC land with the intent of entering into a commercial lease" See 21 Guam Code Ann. §75122(b)(6). GEDA recognizes that Purestone LLC believes the purpose of RFP 14-002 is the creation of commercial activity pursuant to a license and not a lease. We think however that this is much too crabbed a reading of the statute. Where the purpose of the public law is to restrict unregulated use and disposition of Chamorro Land Trust Property, the Legislature's intent surely was to control commercial activity whether it be pursuant to a license or lease. In any case, the type of activity proposed results in a physical alteration of the property. This has many of the attributes of a leasehold and fewer of a license. GEDA understands that the Chamorro Land Trust Commission has come to this conclusion and determined that termination of the Request for Proposals is the proper course.

You also assert that the cancellation of this solicitation violates statute and regulation. This argument misses the mark. The cancellation is attributable to a change in law (*see supra*); the CLTC and GEDA merely comply with that law. Whether this statutory requirement is in the best interest of the Territory is, in this instance, a question best put to the Guam Legislature.

Purestone LLC also states that the "assertion that no Development Agreement was executed prior to the enactment of P.L. 33-95 is not made in good faith". Purestone LLC seems to argue this as giving rise to an estoppel. It may be that CLTC and GEDA requested a delay in execution of the Agreement pending institution of Land Trust rules and regulations but this would have been necessitated by law, not an exercise of discretion. Additionally, please note that neither CLTC nor GEDA had any foreknowledge that the Guam Legislature would enact legislation voiding the solicitation. Your assertion of bad faith simply fails.

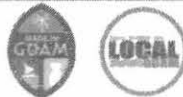
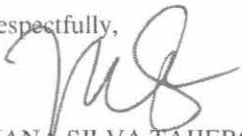


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GEDA is aware that Purestone LLC is disappointed that the project as originally envisioned cannot proceed. We appreciate your interest however and hope that you will participate in future solicitations where appropriate. Please be aware that Purestone LLC has a right to judicial and administrative review of this decision. *See 5 Guam Code Ann. §5425(c)(2).*

Respectfully,


MANA SILVA TAJERÓN
Deputy Administrator

cc: Chairman, Chamorro Land Trust Commission
Director, Department of Land Management

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Jacque Terlaje

From: Jha'Aunie Leon Guerrero <jleonguerrero@investguam.com>
Sent: Tuesday, June 28, 2016 4:20 PM
To: jacque.terlaje@terlajelaw.com
Cc: theresa.topasna@land.guam.gov; michael.borja@land.guam.gov;
sstern@lattestoneholdings.com; jmeckley@lattestoneholdings.com; 'Larry Toves';
'Diego Mendiola'; mcruz@investguam.com; 'Gloria Molo'
Subject: GEDA RFP 14-002
Attachments: 2016 06 28 Ltr to J. Taitano Terlaje re GEDA RFP 14-002 Lajuna Point.pdf

Hafa Adai Ms. Jacqueline Taitano Terlaje,

Please see attached letter from the Guam Economic Development Authority regarding GEDA RFP 14-002 for Lajuna Point Residential Community, Yigo, Guam.

Original letter will be sent via post mail. Si Yu'os Ma'ase.

Senseramente,

Jha'Aunie Leon Guerrero

Guam Economic Development Authority
590 South Marine Corps Drive
ITC Building, Suite 511
Tamuning, Guam 96913
Tel: (671) 647-4332
Fax: (671) 649-4146
www.investguam.com

**AGREEMENT FOR INFRASTRUCTURE DEVELOPMENT
AND MINERAL EXTRACTION**

**Between the
CHAMORRO LAND TRUST COMMISSION
and
PURE STONE, LLC**

This Agreement For Infrastructure Development and Mineral Extraction (hereinafter "Agreement") is made on April __, 2016, between the CHAMORRO LAND TRUST COMMISSION, an agency of the Government of Guam, ("Owner" or "CLTC"), and PURE STONE, LLC, a company organized and existing under the laws of Guam, having its principal office at 30 Wall Street, 8th Floor, New York, NY 10005-2205, ("Developer")(when referring to both Owner and Developer, the "Parties").

RECITALS

WHEREAS, the Guam Economic Development Authority (hereinafter referred to as "GEDA") on behalf of the Chamorro Land Trust Commission ("Owner"), issued a Request for Proposals, RFP-14-002 ("RFP") for the master planning and site preparation (including provision of utility infrastructure) of Lot Number 7163-R1, Municipality of Yigo, Guam [registered land] consisting of FOUR HUNDRED AND FOUR (404) gross acres, more or less (approximately 1,634,290 square meters). In so doing, Owner seeks to negotiate a development agreement for this real property that allows a developer to prepare the site for residential development using the proceeds of coral extraction to off-set master planning, site development and infrastructure costs, with GEDA managing the development agreement on behalf of Owner; and

WHEREAS, a primary consideration of the Owner and the Government of Guam is the benefits to be derived through this development Agreement and development of the valuable asset of the Premises, and Owner has determined that the highest and best use of this real property is residential development which requires a developer to prepare and fund this land use concept in a fashion that satisfies Owner's objectives; and

WHEREAS, this plan allows the Owner, without public funding, to plan and prepare the Premises for CLTC eligible residential development. Owner and the Government of Guam recognize that significant public benefits can be derived through public/private partnerships and other mechanisms that, considered as a whole, will best achieve the goal of preparing the real property for residential development and assist in resolving Guam's need for affordable housing and for increased revenues as required by law; and

WHEREAS in furtherance of these goals, Owner has chosen Developer as the best qualified offeror to prepare a Master Plan for the proposed development; create a specific development schedule and secure development permits therefore; and create for Owner and Developer a Business Plan that contains a project consistent with the "Master Plan" to be developed, covering

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the period of time required for project development and operation in order to plan, implement and fund all infrastructure improvements; and

WHEREAS, Developer has requested a period of time before the Commencement Date of this Agreement to undertake a permitting and testing phase and conduct any studies necessary to determine the overall quality and condition of the Premises, assess the quality and quantity of coral, limestone, other minerals or other aggregate, assess the feasibility of grading and development of the Premises, begin development of a master plan for the Premises, and evaluate the existence of endangered species or archaeological artifacts, if any, in compliance with any applicable laws and agency regulations.

THEREFORE, Owner and Developer agree as follows:

SECTION ONE. DESCRIPTION OF PREMISES

Under the terms of this Contract, the Owner sells to Developer, and Developer agrees to purchase the Surface Substances identified in Section Two and located in the premises described as follows:

Lot Number 7163-R1, Municipality of Yigo, Guam [registered land] consisting of FOUR HUNDRED AND FOUR (404) gross acres, more or less (approximately 1,634,290 square meters) (hereinafter also referred to as the "Premises").

A survey map indicating the location and boundaries of the Premises is attached hereto as **Exhibit "A,"** and is incorporated herein by reference.

SECTION TWO. USE OF PREMISES; ACCESS TO PREMISES

Developer and its designees, which shall include employees, agents, contractors, or sub-contractors as specified by Developer ("Designees"), is granted an exclusive license to access the Premises, shall use the Premises for the purpose of preparing the Premises for residential development, and for extracting and/or excavating sand, rock, gravel, minerals, and clearing and grubbing materials, and for any other purposes reasonably related thereto, including investigating, exploring, prospecting, drilling, grading, excavating and producing any and all limestone, coral, minerals and other surface materials (hereinafter "Surface Substances"). Additionally, Developer shall have access to the Premises for purposes of conducting exploration, geological and geophysical surveys, core tests, gravity and magnetic surveys, for introducing or injecting fire, air, gas, steam, water, salt water, chemicals, and fluids or substances into any subsurface stratum or strata which is not productive of fresh water for primary, secondary and other enhanced recovery operations of the Premises. Owner agrees to provide an access and roadway connecting to the Premises which shall allow Developer to perform its contractual responsibilities as delineated in this Agreement and the Master Development Plan below.

Owner further grants and guarantees all options, contracts, easements, and rights-of-way reserved or subsequent to the effective date of the Agreement, grants and guarantees in or upon and pertaining to the Premises; all and singular, the tenements, hereditaments, and appurtenances

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belonging to or in any way appertaining to the Premises, right of access on, over, across and in any and all portions of Property.

SECTION THREE. MASTER DEVELOPMENT PLAN

A. Master Plan. Owner and Developer hereby agree to incorporate and be bound by a Master Development Plan ("Master Plan") for the development of the Premises to be mutually agreed to by the Parties. Before the Master Plan is fully developed, Developer may submit a mineral removal plan, which will be an interim step to allow for extraction of Surface Substances while the Master Plan is being developed. Removal of Surface Substances is not contingent on completion of the Master Plan, and may go forward during the initial stages of master planning if acceptable to Owner. If Developer is unable to remove Surface Substances before the Master Plan is completed due to Owner's refusal or other permitting or other requirements pursuant to the Master Plan or any Guam or Federal law, the Commencement Date as set forth in Section 5 shall be held in abeyance at no cost to Developer until Surface Substances may be removed in Commercial Quantities. The term "Commercial Quantities" shall be defined as any valuable material removed from the Premises in sufficient quantities to result in products of merchantable form which are marketable by Developer, in quantities larger than those required for the purposes of sampling, testing, analysis, or evaluation. Owner shall cooperate with Developer if action is required by the Owner or other Guam or Federal agencies to obtain permits and/or licenses.

B. Further Development Option. Owner shall give Developer first opportunity to provide cost projections, estimates, and schedules for installation of all infrastructure and improvements connected to or necessary for the Project, at which time the Owner will evaluate and accept or reject the offer. If Owner rejects the offer, Owner shall be free to seek competitive bidding through a further government procurement process. But, in no event shall Owner be permitted to accept an offer which is higher in cost than that offered by Developer.

SECTION FOUR. GRANT AND GUARANTEE

Owner, for good and valuable consideration of the payments and other promises provided for in this Agreement, hereby grants and guarantees all rights it has to convey in the Premises for the purposes of preparing the Premises for residential development, and for any lawful activities reasonably related thereto (collectively, "Activities"): including investigating, exploring, prospecting, drilling, grading and excavating for and producing any Surface Substances, conducting exploration, geological and geophysical surveys, core tests, gravity and magnetic surveys, for introducing or injecting fire, air, gas, steam, water, salt water, chemicals, and fluids or substances into any subsurface stratum or strata which is not productive of fresh water for primary, secondary and other enhanced recovery operations, and future infrastructure development. Developer shall be entitled to exclusive ownership of and removal of all Surface Substances and Developer shall pay the purchase price for such Surface Substances, as set forth in SCHEDULE A, and is incorporated herein by reference.

The "Activities" may also include: (i) the right to sample, map, survey, or conduct any other exploration or investigatory activities; (ii) the free, exclusive, unrestricted and uninterrupted rights of ingress and egress to use the Premises for all purposes reasonably incident to the

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residential development; (ii) the free, exclusive, unrestricted and uninterrupted rights of ingress and egress to use the Premises for all purposes reasonably incident to exploration for, grading and excavating of (by surface grading/excavating or any other surface method, including any method later developed), and extracting, milling, stockpiling, storing, leaching (heap or in-situ), and/or concentrating of Surface Substances from the Premises or from other properties; (iii) the right to place, construct, maintain, use and remove such structures, facilities, equipment, roadways, haulageways, pumps, pipelines, electrical power lines, stockpiles, waste piles, heapleach pads, settling ponds, and other improvements as may be convenient for the full enjoyment of all the rights granted under this Section; (iv) the right to mine and remove Surface Substances by means of openings or pits which may be sunk or made upon adjoining or nearby properties and the right to stockpile Surface Substances on the Premises or upon other properties; (v) the right, after the Surface Substances have been weighed, to commingle Surface Substances from the Premises at any location with Surface Substances from other properties; (vi) the right to temporarily deposit tailings, slurry, waste rock, overburden, surface stripping, process solutions and all other materials on the Premises, whether such materials are from the Premises or from adjoining or nearby properties; (vii) with prior approval of Owner and any regulatory agency with oversight of this issue, the right to divert streams; (viii) the right to remove lateral and subjacent supports, and to use, cave, subside, or consume the surface of the Premises and perform other future infrastructure development; (ix) the right to commit waste; and (x) the right to beneficiate, concentrate, process, or otherwise treat Surface Substances at any location; and (xi) the right to all geologic, drilling and related information concerning the Premises in the possession of Owner, which Owner shall provide Developer upon the execution of this Agreement. The Owner consents to and the parties agree that Developer shall be entitled to clear vegetation and remove topsoil and make standard pit runs as necessary to undertake its Activities, which such activities shall not be considered as unreasonably disrupting the Premises. The parties agree that Developer is not obligated to restore cleared vegetation, topsoil and pit runs.

Developer's right to access the Premises; participate in the Activities; and exclusively own and remove all of the Surface Substances, is defined as the "Surface Substance Rights."

SECTION FIVE. TERM AND OPTION

A. Term. The initial term of this Agreement shall be for FIVE (5) years, commencing on the **Commencement Date** defined below.

B. Option. Before the end of the initial term, Developer shall have the right to exercise an option to extend this Agreement for an additional term of TWENTY-ONE (21) years, subject to any governmental limitations and/or approval required by the laws of Guam in effect at the time of renewal "Option"). Owner agrees to use its best efforts and due diligence, time being of the essence, to either have the Guam Legislature approve the additional Option term, or to approve an extension of the Agreement itself pursuant to Rules and Regulations it is allowed to promulgate by law.

C. Commencement Date. This Agreement shall not commence until the Government of Guam has officially approved Developer's use of the Premises for site development, mineral extraction and accessory usage related to Developer's core business, and Developer has secured all

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necessary permits and is able to extract Surface Substances in Commercial Quantities. The date on whichever last occurs shall be deemed the "**Commencement Date**" of this Agreement, and this shall be the date from which the Term of the Agreement shall run.

D. Initial Commencement Date. The "**Initial Commencement Date**" shall be a date four months after the execution of this Agreement. If Owner agrees that Developer has shown good faith in attempting to obtain permits and any other required documents or approvals before being able to extract Surface Substances in Commercial Quantities, then it shall advance the Initial Commencement Date forward thirty (30) days without limitation upon each request of Developer, subject to the process set forth in Section Six.

SECTION SIX. PAYMENT

- A. Initial Escrow Deposit. Developer has deposited SEVEN HUNDRED FIFTY THOUSAND AND 00/100 US DOLLARS (\$750,000.00) into a third party escrow account pending the execution of this Agreement.
- B. Upon execution of this Agreement, Developer agrees to release THREE HUNDRED AND 00/100 THOUSAND US DOLLARS (\$300,000.00) to Owner immediately as a non-refundable payment under this Agreement.
- C. Owner agrees that the remaining balance of the Initial Escrow Deposit of FOUR HUNDRED, FIFTY THOUSAND AND 00/100 US DOLLARS (\$450,000.00) will be held in escrow as a Security Deposit of the first quarterly payment due on the Purchase Price, as set forth in SCHEDULE A, until the Initial Commencement Date, or as further set forth below in Section 6D, whichever date occurs earlier in time.
- D. Upon payment of the Initial Escrow Deposit, Developer shall exercise good faith in attempting to obtain permits and any other required documents or approvals to extract Surface Substances in Commercial Quantities. Notwithstanding the good faith efforts to obtain the necessary permitting to extract Surface Substances in Commercial Quantities, if one hundred and twenty (120) days have elapsed following the Initial Escrow Deposit in Section 6A, and the Commencement Date has not occurred, the Parties agree that Developer shall be entitled, at its sole election, to substitute the FOUR HUNDRED, FIFTY THOUSAND AND 00/100 US DOLLARS (\$450,000.00) cash Security Deposit with proof of an equivalent line of credit from any United States financial institution, renewable, as requested by Owner. Upon election by Developer, Owner agrees that Developer shall be entitled to immediate release of funds from escrow and Owner consents to the release as set forth herein.
- E. Developer Termination or Continuance of Agreement. On thirty (30) days' written notice, Developer may terminate this Agreement without penalty. If Developer terminates at a time when any amount of the FOUR HUNDRED, FIFTY THOUSAND AND 00/100 US DOLLARS (\$450,000.00) Initial Escrow Payment remains, the Developer shall be refunded the remaining balance of the FOUR HUNDRED, FIFTY

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THOUSAND AND 00/100 US DOLLARS (\$450,000.00) Initial Escrow Payment. If Developer continues this Agreement within thirty (30) days subsequent to the Initial Commencement Date, the FOUR HUNDRED, FIFTY THOUSAND AND 00/100 US DOLLARS (\$450,000.00) Initial Escrow Payment shall be paid to Owner, as the first quarterly payment due following the Initial Commencement Date.

- F. Developer shall be entitled to a license to access the Premises, and exclusive ownership of and removal of all Surface Substances, upon payment of the Purchase Price, as set forth in SCHEDULE A.
- G. Form of Payment. All payments or tenders shall be made by wire transfer, to Owner on or before the due date, as set forth in Schedule A, to an account designated by the Owner. If such depository, or any successor depository, shall fail, liquidate, or be succeeded by another depository, or for any other reasons fail or refuse to accept payments, Developer shall not be held in default for failure to make such payments or tenders until thirty (30) days after Developer has received from Owner notice naming another depository as agent to receive such payments or tenders. If Developer, in good faith and with reasonable diligence, timely attempts to pay the annual Purchase Price but fails to pay, or incorrectly pays, any portion thereof this Agreement shall not terminate if Developer properly pays such amounts due within thirty (30) days after written notice from Owner of Developer's error or failure. Failure to make proper payment shall not affect any other interest under this Agreement for which proper payment was made. The payment of the Initial Escrow Deposit and Purchase Price, as set forth in Schedule A, is consideration for this Agreement according to its terms.

SECTION SEVEN. WARRANTIES OF TITLE AND QUIET POSSESSION

A. Representations and Warranties. Owner covenants and warrants that Owner has full right and authority to make and enter into this Agreement and convey all rights set forth herein, and that Developer is granted the necessary exclusive license to access the Premises during the **Term of this Agreement** for the agreed upon Activities. Owner covenants and warrants to Developer, which covenants and warranties shall survive any expiration or termination of this Agreement, that Owner is in lawful possession of the Premises as set forth in Section One of this Agreement, and **Exhibit "B,"** and according to the laws of the United States and Guam; that Owner has the right and power to convey the same for the purposes of this Agreement; that the same are free from all prior liens or encumbrances, other than as may be described in **Exhibit "B,"** and, with respect to any unpatented federal mining claims, subject only to the paramount title of the United States; that Developer shall have quiet and peaceful possession of the Premises during the term of the license granted herein, and for any renewal option granted; that Owner will defend Owner's title to the Premises against all persons who may claim the same; that Owner has not granted any interest or fractional interest in the Premises to any other parties; that Owner has not committed, nor will Owner in the future commit, any act or acts which will encumber or cause a lien to be placed against the Premises except subject and subordinate to the terms of this Agreement; that Owner has received no notice of violation of any environmental law, regulation or permit; that Owner has no knowledge of the occurrence of any violation of any environmental law, regulation or permit on the Premises; and that Owner has received no notice of claim or

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demand by any person relating to the Premises. Owner agrees to make available to Developer all instruments of title, or other data relating to or containing information with respect to the status of ownership of the Premises. In addition, in the event of any dispute or legal proceeding between Owner and third parties, with respect to title or ownership of the Premises, Developer shall have the right at its sole discretion either to suspend the performance of its obligations under this Agreement until such dispute or legal proceeding has been settled, or, in the alternative, to make such payments due Owner to an escrow agent to hold pending the resolution of the dispute. Any suspended payments or payments made to escrow shall not accrue any interest obligation.

B. Title Defects, Defense and Protection. Owner hereby warrants and agrees to defend title to the Premises and the interest conveyed to Developer by this Agreement, and agrees that Developer, at Developer's option, may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the Premises, which taxes, mortgages or liens are not the responsibility of Developer under Section Six/Fourteen of this Agreement, as Developer deems necessary to defend such interest. If Developer exercises such option, Developer shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any fees or other payments otherwise payable to Owner under this Agreement. At any time, at the request of Developer, and at Developer's cost, Owner shall cause a title search to be made covering all or any part of the Premises. Developer shall be entitled to receive the abstracts and other evidences of title. If: (i) in the opinion of Developer for any reason, Owner's title to all or any part of the Premises is defective or less than as represented in this Section 7; or (ii) Owner's title is contested or questioned by any person or entity, and Owner is unable or unwilling to promptly correct the alleged defects, Developer may, at its option and without obligation, attempt to perfect or defend Owner's title. In that event, Owner shall execute all documents and shall take such other actions as are reasonably necessary to assist Developer in its efforts to perfect or defend Owner's title, time being of the essence. If title is less than as represented, then the costs and expenses of perfecting or defending title shall be deemed a credit against subsequent payments to be made to Owner. Any improvement or perfection of title to the Premises shall inure to the benefit of Developer in the same manner and to the same extent as if such improvement or perfection has been made prior to the execution of this Agreement. In the event Developer is made aware of any claim inconsistent with Owner's title, Developer may suspend the payment of fees, Purchase Price or other payments hereunder, without interest, until Developer has been furnished satisfactory evidence that such claim has been resolved. Developer shall have the right to accept leases or conveyances from others owning or claiming to own interests in the Premises or minerals covered hereby adverse to the rights of Owner. Should Developer become involved in any dispute or litigation arising out of any claim adverse to the title of Owner to the Premises, Developer may recover from Owner its reasonable and necessary expenses and attorney fees incurred in such dispute or litigation, with the right to apply fees accruing hereunder toward satisfying said expenses and attorney fees.

C. Lesser Interest. Should Owner own less than the full mineral estate in all or any part of the Premises, Developer shall have the right, without waiving any other rights it may have, to reduce all payments to be made to Owner so that the amount actually paid is equivalent to the total times the Owner's proportional share expressed as a fraction of the mineral interest in the Premises.

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The following mathematical equation expresses the intention of the Parties in determining the total payment due to Owner in the event of a fractional ownership determination:

[(Total payment) x (Owner's fractional share of ownership) = Payment amount to Owner].

SECTION EIGHT. ANCILLARY RIGHTS

The right of ingress and egress granted and guaranteed by this Agreement shall apply to the entire Premises described in Section One above. Developer shall have the right at any time to remove its fixtures, equipment, Surface Substance inventory, and materials from the Premises during the **Term of this Agreement** or within a reasonable time thereafter. Developer may lay pipelines, build roads, tanks, power stations, and erect power lines, deemed necessary by Developer on and over and across the Premises and other lands owned or claimed by Owner or Developer adjacent and contiguous thereto to produce, save, take care of, treat, transport and own products granted and guaranteed by this Agreement. Prior to the expiration of the Agreement, all fixtures and facilities not necessary for the residential development of the Premises shall be removed by Owner.

SECTION NINE. OWNERSHIP CHANGES

No change in Owner's ownership shall have the effect of reducing the rights or enlarging the obligations of Developer, and no change in ownership shall be binding on Developer until sixty (60) days after Developer has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Developer or until Owner has satisfied the notification requirements contained in Developer's usual form of division order. In the event of a change in ownership to a person, and the death of such person, Developer may pay or tender any required payments to the credit of decedent or decedent's estate. If at any time two or more persons or entities are entitled to payments, Developer may pay or tender such payments to such persons or entities either jointly or separately in proportion to the interest which each owns.

SECTION TEN. PERMITS

Developer shall be responsible for obtaining all permits required for its activities on the Premises, but Developer may seek assistance from Owner in expediting all permits, including environmental permits, licenses, and approvals, and Owner shall make all reasonable efforts to assist Developer. If Developer is unable to procure the necessary permits or approvals in a timely manner, the Developer may terminate this Agreement on thirty (30) days written notice.

SECTION ELEVEN. OWNER'S RIGHT OF ENTRY

Developer shall, subject to prior notice of at least twenty-four (24) hours, permit Owner and the agents and employees of Owner to enter into and on the Premises at all reasonable times for the purpose of inspecting the Premises. Developer further grants Owner and its agents, subject to the minimum twenty-four (24) hour prior notice, the right to inspect the calibration of scales used by Developer to determine the weight of the Surface Substances identified for intended sale in

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Commercial Quantities, to verify the weight of material removed, and for any other reasonable purpose related to the Activities described herein.

SECTION TWELVE. ASSIGNMENTS

Developer shall not assign or transfer this Agreement, or any interest in this Agreement, without the prior, express, and written consent of Owner, and a consent to an assignment shall not be deemed to be a consent to any subsequent assignment. Any assignment without consent shall be void, and shall, at the option of Owner, terminate this Agreement. Neither this Agreement nor any interest of Developer under this Agreement in the Premises or improvements on the Premises shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatever. Any such attempted involuntary assignment, transfer, or sale shall be void and of no effect and shall, at the option of Owner, terminate this Agreement.

SECTION THIRTEEN. NOTICES

A. Written Notice. All notices and other communications pursuant to this Agreement shall be in writing and shall be deemed to have been received only if and when (a) personally delivered with a confirmation receipt of delivery; or (b) when delivered by United States mail, first class, postage prepaid, by certified mail return receipt requested, addressed as follows:

If to Owner:

Chamorro Land Trust Commission
c/o Guam Economic Development Authority
Mr. _____, Acting Administrator
ITC Building, Suite 511 590 S. Marine Corps Drive Tamuning, Guam 96913
Tel: (671) 647-4332
Email:
_@investguam.com

If to Developer:

Pure Stone LLC
c/o Law Office of Jacqueline Taitano Terlaje, PC
Attn: Samantha Stern
284 West Chalan Santo Papa
Hagåtña, Guam 96910
Facsimile: (671) 648-9002
Email: sstern@latterstoneholdings.com
cc: jacque.terlaje@terlajelaw.com Legal Counsel

B. Change of Address. The address to which any notice, demand, or other writing may be given or made or sent to any party as above provided may be changed by written notice given by the party as above provided.

SECTION FOURTEEN. TAXES AND ASSESSMENTS

A. Taxes as Fee. As additional consideration under this Agreement, Developer shall pay and discharge as they become due, promptly and before delinquency, all taxes, assessments, rates, charges, license fees, municipal liens, levies, excises, or imposts, whether general or special, or ordinary or extraordinary, of every name, nature, and kind whatever, including all governmental charges of whatever name, nature, or kind, which may be levied, assessed, charged, or imposed, or which may become a lien or charge on or against the Premises, or any part of the Premises, the interest of Developer in and under this Agreement, the Premises described in this Agreement, any other improvements now or later on the Premises, or on or against Developer's estate created by this Agreement that may be a subject of taxation, or on or against Owner by reason of its ownership of the fee underlying this Agreement, during the entire Term of this Agreement, excepting only those taxes specifically excepted below.

B. Assessments Affecting Improvements. Specifically and without in any way limiting the generality of the provisions of paragraph A of this Section, Developer shall pay all special assessments and levies or charges made by any municipal or political subdivision for local improvements, and shall pay the same in cash as they shall fall due and before they shall become delinquent and as required by the act and proceedings under which any such assessments or levies or charges are made by any municipal or political subdivision. If the right is given to pay either in one sum or in installments, Developer may elect either mode of payment and its election shall be binding on Owner. If, by making any such election to pay in installments, any of the installments shall be payable after the termination of this Agreement or any renewed Term of this Agreement, the unpaid installments shall be prorated as of the date of termination, and amounts payable after that date shall be paid by Owner. All of the taxes and charges under this Section shall be prorated at the commencement and expiration of the Term of this Agreement.

C. Taxes Excepted. Notwithstanding any language in this Section to the contrary, Developer shall not be required to pay any estate, gift, inheritance, succession, franchise, income, or excess profits taxes that may be payable by Owner or Owner's legal representative, successors, or assigns, nor shall Developer be required to pay any tax that might become due on account of ownership of property other than that interest in this Agreement which may become a lien on or collectable out of the property under this Agreement.

D. Contesting Taxes. If Developer shall, in good faith, desire to contest the validity or amount of any tax, assessment, levy, or other governmental charge agreed in this Section to be paid by Developer, Developer shall be permitted to do so, and to defer payment of such tax or charge, the validity or amount of which Developer is so contesting without being subject to interest charges, until a final determination is made, on giving to Owner written notice prior to the commencement of any such contest, which shall be at least 10 days prior to delinquency, and on protecting Owner on demand by a good and sufficient surety bond against any such tax, levy, assessment, rate, or governmental charge, and from any costs, liability, or damage arising out of any such contest.

E. Disposition of Rebates. All rebates on account of any taxes, rates, levies, charges, or assessments required to be paid and paid by Developer under the provisions of this Agreement shall belong to Developer, and Owner will, on the request of Developer, execute any receipts,

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assignments, or other documents that may be necessary to secure the recovery of any rebates, and will pay over to Developer any rebates that may be received by Owner.

F. Receipts. Developer shall obtain and deliver receipts or duplicate receipts for all taxes, assessments, and other items required under this Agreement to be paid by Developer, promptly on payment of any such taxes, assessments, and other items.

SECTION FIFTEEN. MECHANICS' LIENS

A. Developer's Duty to Keep Premises Free of Mechanics' Liens. Developer shall keep all and every part of the Premises and other improvements at any time located on the Premises free and clear of any and all mechanics', material suppliers', and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any activities of Developer, any alteration, improvement, or repairs or additions that Developer may make or permit or cause to be made, or any work or construction, by, for, or permitted by Developer on or about the Premises, or any obligations of any kind incurred by Developer, and at all times promptly and fully to pay and discharge any and all claims on which any such lien may or could be based, and to indemnify Owner and all of the Premises and improvements on the Premises from and against any and all such liens and claims of liens and suits or other proceedings pertaining to the Premises.

B. Contesting Liens. If Developer desires to contest any mechanics' or material suppliers' lien, it shall notify Owner of its intention to do so within ten (10) days after the filing of the lien. In that case, and provided that Developer shall, on demand, protect Owner by a good and sufficient surety bond against any lien and any cost, liability, or damage arising out of such contest, Developer shall not be in default under this Agreement until thirty (30) days after the final determination of the validity of the lien, within which time Developer shall satisfy and discharge the lien to the extent held valid. However, the satisfaction and discharge of any mechanics' or material suppliers' lien shall not, in any case, be delayed until execution is had on any judgment rendered on the lien, and such delay shall be a default of Developer under this Agreement.

C. Indemnification. In the event of any such contest, Developer shall protect and indemnify Owner against any and all loss, expense, and damage resulting from the contest.

SECTION SIXTEEN. INDEMNIFICATION

A. Indemnification by Developer. Developer agrees to release and shall be liable to and indemnify, hold harmless and defend Owner from and against any and all losses to the extent arising out of any property damage or personal injury (including bodily injury and death) to any Person including Developer's Designees or other employees, agents, contractors, or subcontractors, for any Losses arising out of or relating to the Activities by Developer or its Designees at the Premises pursuant to this Agreement, including, without limitation, the violation of any law, except to the extent caused by the misconduct or negligence of the Owner. This indemnity shall survive the termination of this Agreement.

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B. Indemnification by Owner. The Owner agrees to release and shall be liable to and indemnify, hold harmless and defend Developer from and against any and all losses to the extent arising out of any property damage or personal injury (including bodily injury and death) to any Person, including the Owner's and Developer's Designees or other employees, agents, contractors, or subcontractors for any losses arising out of or relating to any Activities by the Owner or its Designees at the Premises pursuant to this Agreement, including, without limitation, the violation of any law, except to the extent caused by the misconduct or negligence of Developer. This indemnity shall survive the termination of this Agreement.

SECTION SEVENTEEN. REDELIVERY OF PREMISES

Developer shall make payments and all other sums required to be paid by Developer under this Agreement in the amounts, at the times, and in the manner provided in this Agreement, and shall keep and perform all the terms and conditions on its part to be kept and performed. At the expiration or earlier termination of this Agreement, Developer shall peaceably and quietly quit and surrender to Owner the Premises in good order and condition subject to the other provisions of this Agreement. In the event of the nonperformance by Developer of any of the covenants of Developer undertaken in this Agreement or the Master Plan, this Agreement may be terminated as provided elsewhere in this instrument.

SECTION EIGHTEEN. PROHIBITION OF INVOLUNTARY ASSIGNMENT; EFFECT OF BANKRUPTCY OR INSOLVENCY

A. Prohibition of Involuntary Assignment. Neither this Agreement nor the interest of Developer under this Agreement in the Premises or in any buildings or improvements on the Premises which are owned by Owner shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatever (except through statutory merger or consolidation, or devise, or intestate succession). Any attempt at involuntary assignment, transfer, or sale shall be void and of no effect.

B. Effect of bankruptcy. Without limiting the generality of the provisions of the preceding paragraph A of this Section, Developer agrees that if any proceedings under the Bankruptcy Act or any amendment to the act be commenced by or against Developer, and, if against Developer, the proceedings shall not be dismissed before either an adjudication in bankruptcy or the confirmation of a composition, arrangement, or plan or reorganization, or if Developer is adjudged insolvent or makes an assignment for the benefit of its creditors, or if a receiver is appointed in any proceeding or action to which Developer is a party, with authority to take possession or control of the Premises or the business conducted on the Premises by Developer, and such receiver is not discharged within a period of sixty (60) days after his or her appointment, any such event or any involuntary assignment prohibited by the provisions of the preceding paragraph A of this Section shall be deemed to constitute a breach of this Agreement by Developer and shall, at the election of Owner, but not otherwise, without notice or entry or other action of Owner, terminate this Agreement and also all rights of Developer under this Agreement and in and to the Premises and also all rights of any and all persons claiming under Developer.

SECTION NINETEEN. NOTICE OF DEFAULT

Developer shall not be deemed to be in default under this Agreement in the payment of the Purchase Price for Surface Substances or the payment of any other moneys as required in this Agreement unless Owner shall first give to Developer thirty (30) days' written notice of the default and Developer fails to cure the default within thirty (30) days after receiving written notice. Developer shall not be deemed to be in default under this Agreement for failure to perform any other term, condition or obligation unless Owner shall first give to Developer thirty (30) days written notice and Developer fails to cure the default within thirty (30) days or, if the default is of such a nature that it cannot be cured within thirty (30) days, Developer fails to proceed to the curing of the default with all possible diligence. If Developer fails to cure any Default within the time set forth herein, Owner may terminate the Agreement, subject to all terms and conditions contained herein.

SECTION TWENTY. WAIVER

The failure of the parties to take action with respect to, any breach of any term, covenant, or condition contained in this Agreement shall not be deemed to be a waiver of such term, covenant, or condition, or subsequent breach of the same, or any other term, covenant, or condition contained in this Agreement. The subsequent acceptance of payments under this Agreement by Owner shall not be deemed to be a waiver of any preceding breach by Developer of any term, covenant, or condition of this Agreement, other than the failure of Developer to pay the particular payment so accepted, regardless of Owner's knowledge of a preceding breach at the time of acceptance of such payment.

SECTION TWENTY-ONE. FORCE MAJEURE

The performance by either Owner or Developer of its respective obligations hereunder shall be deemed suspended and neither party shall be in default or liable in so far as such performance is prevented or hindered by any circumstances beyond its reasonable control, including but not limited to: strikes, lock-out, accidents, insurrections, war, fire, reduction in or unavailability of power, typhoons, floods, natural disasters, adverse weather conditions or any act of God (Force Majeure). The primarily affected party shall promptly notify the other party of such a situation.

SECTION TWENTY-TWO. REGULATION AND DELAY

Developer's obligations under this Agreement, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the production of minerals, and the price of any substances covered hereby. When excavating, drilling, reworking, production or other operations are prevented or delayed or interrupted by such laws, rules, regulations or orders, or by inability to obtain necessary permits, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike, or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Developer's control, this Agreement shall not terminate because of such prevention, delay or interruption, and shall be maintained in force and effect for so long as such delay or Force Majeure continues, and for sixty (60) days

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thereafter, or so long as this Agreement is maintained in force by some other provisions thereof, whichever is the later date. Developer shall not be liable for breach of any express or implied covenants of this Agreement when excavating, drilling, production or other operations are so prevented, delayed or interrupted.

SECTION TWENTY-THREE. CONFIDENTIAL INFORMATION

“Confidential Information” means:

a) All records, data, documents or information disclosed by Developer or any of its Designees, whether in electronic format or otherwise, that are not publicly available or known without breach by Owner of its confidentiality undertaking, except for the site testing reports which will be provided to Owner within 30 days after the Initial Commencement Date;

b) All work products and documents in whichever format prepared or created by or for Developer or any of its Designees during the performance of this Agreement, except a work product or document that has been created for public dissemination and has in fact been publicly disseminated, or is required to be made public by operation of applicable law; or

c) Information concerning Developer’s business, including the RFP proposal submitted by Developer, cost information, profits, sales information, accounting and unpublished financial information, business plans, markets and marketing methods, customer lists and customer information, purchasing techniques, supplier lists and supplier information and advertising strategies; potential purchase of new assets by the Parties; and potential sale or transfer of some or all assets of the Parties; information concerning the Parties’ business and employees, including salaries, strengths, weaknesses and skills; information submitted by the Parties’ customers, suppliers, employees, consultants or co-venture partners with the Parties for study, evaluation or use; and any other information not generally known to the public which, if misused or disclosed, could reasonably be expected to adversely affect Developer’s business.

Owner will not use Confidential Information for any other purposes than the purpose of this Agreement or disclose it to any third party without Developer’s prior written consent, unless required by law. The obligation to keep the Developer’s Confidential Information in confidence shall be binding upon any division, subdivision, subsidiary, shareholder, employee, agent, contractor, assignee, transferee, successor or receiver of either Party who gains access to the Confidential Information of the Parties through either of the Parties. Owner warrants that it may enter this Agreement on behalf of any division, subdivision, subsidiary, shareholder, employee, agent, contractor, assignee, transferee, successor or receiver who may have or gain access to the Confidential Information through Owner and agrees to be responsible for any breach of this Agreement by such other persons. If legally bound to disclose any Confidential Information, Owner will promptly inform Developer so that Developer may seek appropriate remedy. In any such event, Owner will use its best efforts to ensure that the Confidential Information will be accorded confidential treatment. The obligations set forth in this Section shall survive the termination of this Agreement for ten (10) years, regardless of the reason for termination. Upon termination or expiry of this Agreement or at any other time requested by Developer, Owner will return or destroy all Confidential Information as per Developer’s instruction.

SECTION TWENTY-FOUR. PARTIES BOUND

The covenants and conditions contained in this Agreement shall, subject to the provisions as to assignment, and transfer, apply to and bind the heirs, successors, executors, administrators, and assigns of all of the parties to the Agreement. All parties shall be jointly and severally liable under this Agreement.

SECTION TWENTY-FIVE. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior written or oral negotiations, representations, Agreements, commitments, contracts or understandings with respect thereto. Any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding on either party except to the extent incorporated in this Agreement. All schedules, exhibits and/or annexes attached hereto shall be deemed an integral part of this Agreement.

SECTION TWENTY-SIX. CONSTRUCTION OF AGREEMENT

For the purposes of the construction and interpretation of this Agreement, and with respect to any ambiguity contained herein, no party shall be deemed or considered to be the drafter of this Agreement.

SECTION TWENTY-SEVEN. SECTION HEADINGS

All titles and Section headings are inserted only for convenience of reference and are not to be considered in the interpretation or construction of any provision of this Agreement.

SECTION TWENTY-EIGHT. MODIFICATION OF AGREEMENT

Any modification of this Agreement or additional obligation assumed by either party in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

SECTION TWENTY-NINE. SEVERABILITY

In case that any one or more of the provisions contained in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein, and any other applications thereof, shall not in any way be affected or impaired thereby. The invalid part of any portion of this Agreement shall be construed as having never been part of the Agreement, and shall not be deemed to affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as of the date they were executed by both parties prior to the expungement of the invalid provision. For the Option renewal provision in Section Five, in the event that the Option does not comply with the applicable laws of Guam, the portion of the Option which does not comply at the expiration of the original Term shall be stricken and in its

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place a new Option renewal provision shall be inserted which provides for the maximum term up to twenty-one (21) years allowed under the laws of Guam at that time.

SECTION THIRTY. GOVERNING LAW / JURISDICTION

This Agreement shall be governed by, construed, and enforced in accordance with the laws of Guam. Any dispute concerning the interpretation or operation of the terms of this Agreement not resolved by mutual agreement shall be referred to the courts of Guam and both parties shall submit to the exclusive jurisdiction of the courts of Guam over such disputes and matters.

SECTION THIRTY-ONE. ATTORNEY'S FEES

If any action at law or in equity shall be brought to recover any rent under this Agreement, or for or on account of any breach of, or to enforce or interpret any of the covenants, terms, or conditions of this Agreement, or for the recovery of the possession of the Premises, the prevailing party shall be entitled to recover from the other party, as part of the prevailing party's costs, reasonable attorney's fees, the amount of which shall be fixed by the court and shall be made a part of any judgment or decree rendered.

SECTION THIRTY-TWO. ADDITIONAL DOCUMENTS

The parties agree to execute any papers and documents that may be necessary to effectuate the terms of this Agreement.

SECTION THIRTY-THREE. COUNTERPARTS

This Agreement may be executed in any number of counterparts, any of which may be in an electronic format, each of which is deemed an original, but all of which together constitute one and the same Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by the duly authorized representatives of each of the Parties at Hagåtña, Guam on the date indicated below.

CHAMORRO LAND TRUST COMMISSION

PURE STONE, LLC (a limited liability company organized under the laws of Guam)

*Duly Authorized Representative
of the Chamorro Land Trust Commission*

*Duly Authorized Representative
of Pure Stone, LLC*

Date: _____

Date: _____

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GUAM)
) ss.:
CITY OF TAMUNING)

On this ____ day of April, 2016, before me, a notary public in and for Guam, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing **AGREEMENT FOR INFRASTRUCTURE DEVELOPMENT AND MINERAL EXTRACTION** and acknowledged to me that he/she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC

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GUAM)
) ss.:
CITY OF HAGÁTÑA .)

On this ____ day of April, 2016, before me, a notary public in and for Guam, personally appeared _____, known to me to be the person whose name is subscribed to the foregoing **AGREEMENT FOR INFRASTRUCTURE DEVELOPMENT AND MINERAL EXTRACTION** and acknowledged to me that he/she executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC

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SCHEDULE A

Under the terms and conditions of the foregoing AGREEMENT FOR INFRASTRUCTURE DEVELOPMENT AND MINERAL EXTRACTION, the Owner sells and Developer agrees to purchase the Surface Substances listed below, and contained in the Premises described in Section One:

A. DESCRIPTION OF MATERIALS PURCHASED

Surface Substances as described in Section Two. More particularly, however, the purchase set forth in this Schedule shall be limited to the sand, rock, gravel, minerals, coral, limestone, and other aggregate, typically used and processed for use in construction materials and sold in Commercial Quantities (hereinafter referred to as "Minerals").

B. PURCHASE PRICE AND LICENSE FEES

If the Commencement Date begins, and operations for excavating, drilling, or grading for material removal in Commercial Quantities are commenced on the Premises, Developer shall pay or tender, to Owner, or to the credit of Owner, a minimum guaranteed payment amount of ONE MILLION EIGHT HUNDRED THOUSAND AND 00/100 US DOLLARS (\$1,800,000.00) per year, and grants Developer the privilege of drilling, grading or excavating Minerals, and inclusive of the access license fee to the Premises for a period of twelve (12) months, of up to One Million, Eight Hundred Thousand Metric Tons of the Minerals described in Section A above.

The amounts paid under this Agreement shall be defined as the Purchase Price, and shall be at a *pro rata* amount of ONE AND 00/100 US DOLLAR (\$1.00) per metric ton of Minerals. Such Purchase Price will be payable on a quarterly basis, in the amount of FOUR HUNDRED, FIFTY THOUSAND and 00/100 US DOLLARS (\$450,000.00) per quarter, and must be made without setoff or deduction. The first quarterly payment shall be applied thirty (30) days after the Initial Commencement Date, and from the Security Deposit, which is the balance of the Initial Escrow Deposit.

Developer shall be granted the exclusive privilege to excavate, drill and or grade up to a maximum of Three Million Metric Tons (3,000,000) of Minerals on an annual basis, and in consideration of the payment of the *pro rata* amount of ONE AND 00/100 US DOLLAR (\$1.00) per metric ton of Minerals, and inclusive of the access license fee to the Premises in this *pro rata* amount. In the event that Developer excavates, drills, and/or grades Three Million Metric Tons (3,000,000) of Minerals in any given year, pursuant to the agreed upon *pro rata* amount, the amount due to Owner shall be THREE MILLION AND 00/100 US DOLLARS (\$3,000,000.00).

The amounts due to Owner in excess of the minimum guaranteed payment amount described above, shall be calculated on a quarterly basis and shall be due and payable in full on or before the 30th day of the next succeeding calendar month after the end of the quarter, based on the weight of Minerals, exceeding One Million, Eight Hundred Thousand (1,800,000) Metric Tons, during the preceding quarter.

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Title to the Minerals shall vest in Developer and upon extraction from the Premises, as provided for in this Agreement.

C. MINIMUM AND MAXIMUM EXCAVATION OF MINERALS FROM PREMISES,
AND ADDITIONAL PURCHASE PRICE PER METRIC TON OF MINERALS

As set forth in this Schedule, Developer shall be entitled to excavation of a minimum of One Million, Eight Hundred Thousand Metric Tons of Minerals, and a maximum amount of Three Million Metric Tons of Minerals at the *pro rata* amount of ONE AND 00/100 US DOLLAR (\$1.00) per Metric Ton of Minerals.

As consideration for this Agreement, Developer shall pay to Owner an additional fee for Minerals removed from the Premises in Commercial Quantities, which exceeds in weight the amount of Three Million (3,000,000) Metric Tons per Year (hereinafter "Additional Minerals"). The amount of Additional Minerals removed shall be determined from the weight of the raw Mineral loaded into trucks leaving the Premises or the weight of the raw Additional Minerals. All Additional Minerals so removed shall be weighed over scales provided and operated by Developer. If the material removed is in Commercial Quantities which exceed Three Million (3,000,000) Metric Tons, the additional fee payable to Owner shall be based on a *pro rata* amount of ONE AND 25/100 US DOLLARS (\$1.25) Per Metric Ton of Additional Minerals, taking into account generally accepted accounting principles.

Owner shall have the right to verify the weight of Additional Minerals removed or the calibration of the scales at any reasonable time. The term "Year," means a period of twelve months starting with the Commencement Date of this Agreement, and each twelve-month period commencing on the anniversary of the Commencement Date. The additional fee set forth herein shall be calculated on a quarterly basis and shall be due and payable in full on or before the 30th day of the next succeeding calendar month after the end of the quarter, based on the weight of Additional Minerals excavated during the preceding quarter.

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FROM : GUAM RACING FEDERATION

FAX NO. : 671 565 1241

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CHAMORRO LAND TRUST COMMISSION

LICENSE AGREEMENT

THIS AGREEMENT is made effective as of June 1, 1998, by and between the *CHAMORRO LAND TRUST COMMISSION* whose mailing address is Post Office Box 2950, Agana, Guam, 96932 (hereinafter referred to as "Licensor") and *GUAM RACING FEDERATION*, whose mailing address is 997 South Marine Drive, Tamuning, Guam, 96911 (hereinafter referred to as "Licensee").

RECITALS

WHEREAS, Licensor has jurisdiction over Lot No. 7161-R1, Yigo, Guam, by virtue of the "Administrative Transfer of Jurisdiction of Certain Government of Guam Lands" dated January 19, 1994, recorded with the Department of Land Management, Government of Guam, under Document No. 503740, and by virtue of Chapter 75, Title 21 Guam Code Annotated; AND,

WHEREAS, Licensee had demonstrated interest to the Government of Guam for the last five (5) years in commercially leasing Lot No. 7161-R1, Yigo, Guam, (hereinafter referred to as the "Property") for the purpose of a raceway park; AND,

WHEREAS, Licensee realized a need to provide for this raceway park and has organized and registered a non-profit organization composing of the various types of automotive, motorcycle racing endeavors, but not limited to, drags, off-road, motorcycle, grand prix, go-cart, monster trucks, low-rider car shows and other spectator and entertainment events; AND,

CHAMORRO

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FROM : GUAM RACING FEDERATION

FAX NO. : 671 565 1241

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WHEREAS, on May 20, 1998, Licensor received testimony from Licensee outlining their intentions, proposed activities, and physical plant layout within the Property; AND,

WHEREAS, Licensee is particularly interested in the portion of the Property described as follows:

Lot No. 7161-RI, Yigo, as delineated in that certain sketch marked Exhibit "A", attached hereto and incorporated herein by this reference.

WHEREAS, the portion of the Property requested by Licensee is undevelopable for other commercial, agricultural or residential use; AND,

WHEREAS, Licensee has demonstrated public support for their project; AND,

WHEREAS, said portion of the Property can be used effectively by Licensee; AND,

WHEREAS, Licensor has the authority to grant a license to Licensee for such purpose pursuant to 21 Guam Code Annotated §75107(c); AND,

WHEREAS, on May 20, 1998, Licensor voted to approve the grant to such license; AND,

NOW THEREFORE, in consideration of the mutual promises contained in this Agreement, the parties agree as follows:

(1) GRANT OF LICENSE: DESCRIPTION OF PREMISES. Licensor hereby grants to Licensee a license to occupy and use, subject to all of the terms and conditions of this Agreement, the following described real property:

Lot No. 7161-RI, Yigo, as delineated in that certain sketch marked Exhibit "A", attached hereto and incorporated herein by this reference.

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FROM : GUAM RACING FEDERATION

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(2) **LIMITATION TO DESCRIBED PURPOSE.** The above-described real property may be occupied and used by Licensee solely for the activities proposed by Licensee and for incidental purposes related to a raceway park such purpose from June 1, 1998, and continuing for a period of twenty (20) years from such date. In no event shall Licensee begin any required licensed activity without obtaining all requisite authorization and permits from the appropriate Government of Guam Agency or Authority.

(3) **COMPENSATION.**

(a) Licensor and Licensee expressly acknowledge that compensation for this license shall be the flat fee set forth below, or ten percent (10%) of the gross revenues per month, whichever is greater.

1st year:	waived
2nd year:	waived
3rd year:	\$1,000.00 per month
4th year:	\$2,000.00 per month
5th year:	\$3,000.00 per month
6-10 years:	\$3,300.00 per month
11-15 years:	\$3,630.00 per month
16-20 years:	\$4,000.00 per month

(b) Payments will be made on the first day of each month of the effective date of this Agreement, and continuing thereafter until termination of this Agreement pursuant to the statutory requirements of Title 21 Guam Code Annotated §75107 et seq.

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FROM : GUAM RACING FEDERATION

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(4) **TERMINATION**. This Agreement may be terminated by either party on ninety (90) days prior written notice to the other party for cause for the non-compliance of any provisions of the Chamorro Land Trust Act or any adjudicated regulations of Licensor. Upon termination by the notice or expiration of the license, this Agreement shall become null and void, except that Licensor may enforce any and all obligations of Licensee arising out of acts or failure to act, occurring prior to such termination.

(5) **TAXES AND FEES**. Any and all taxes, fees and assessments levied upon the real property and any improvements thereon described herein shall be borne and paid for the Licensee.

(6) **NO INTEREST IN REAL PROPERTY**. Licensee expressly acknowledges and agrees that it does not and shall not claim at any time any interest or estate of any kind or extent whatsoever in the above-described real property of Licensor, by virtue of the rights granted under this Agreement or its occupancy or use granted herein.

(7) **ASSIGNMENT OF RIGHTS**. The rights of Licensee under this Agreement are personal to Licensee and may not be transferred or assigned to any other person, firm, corporation or other entity.

(8) **INDEMNIFICATION OF LICENSOR**. In consideration of the privilege granted by this Agreement, Licensee shall not claim any costs, claims or damages from Licensor in connection with or on account of any injuries or damages arising in or on the real property described above regardless of the fault or negligence of Licensor while under license to and being used by Licensee and Licensee's officers, employees, members, guest or invitees and Licensee and Licensor shall hold indemnify and hold harmless Licensor from any and all costs, losses, claims or damages of any kind or nature arising in connection with the use of the real

EXHIBIT 5
Appellant's Notice of Appeal
RFP-14-002

FROM: HAWAIIAN RACING FEDERATION

FAX NO.: 1671 565 1241

Mar. 05 2014 09:11AM P4

property described above by Licensee and Licensee's officers, employees, members, guests or invites or trespassers.

(9) **INDEMNIFICATION OF CHAMORRO LAND TRUST COMMISSION.**

Notwithstanding anything to the contrary in this License Agreement and irrespective of any insurance carried by Licensee for the benefit of Licensor, Licensee agrees to hold Licensor from any and all claims or demands made by third persons for loss, damage, or injury including claims for property damage, personal injury or wrongful death occurring in, on, or about the Property, including sidewalks and parking areas adjacent thereto, or occasioned by any nuisance made or suffered on the Property, or by any fire thereon, or growing out of, or cause by any failure on the part of Licensee to maintain the Property in a safe condition and will reimburse Licensor for all costs and attorney's fees in connection with the defense of any such claim.

(10) **PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE.** Licensee

will procure, at its own cost and expense and keep in force during said term for the mutual benefit of Licensor and Licensee, a policy of comprehensive liability insurance in such form and with such insurance company as Licensor shall approve, with minimum limits of not less than \$300,000.00 for injury or death to one person and not less than \$1,000,000.00 for any one occurrence, and a policy in the sum of \$1,000,000.00 insuring against claims of third persons for property damage. Said policy or policies or copies thereof must be deposited with Licensor and must cover the Property, including entrances to the Property and sidewalks and parking areas adjacent to the Property. Licensor may review the foregoing limits of coverage and require increases therein but shall not require increases more frequently than annually. Said policy or policies shall also contain a clause stating that the insurer will not cancel or change the insurance coverage without first giving Licensor thirty (30) days prior written notice of such change or cancellation.

EXHIBIT 5
Appellant's Notice of Appeal
RFP-14-002

FROM : GUAM RACING FEDERATION

FAX NO. : 671 555 1241

Mar. 05 2014 09:12AM PS

(a) Casualty Insurance. Licensee, at its sole cost, shall maintain on Licensee's personal property and leasehold improvements, a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements, to the extent of at least ninety percent (90%) of full replacement value. Such insurance shall be issued in the name of Licensee and shall provide that all proceeds shall be made payable to Licensee.

(b) Policy Form. Policies shall be for the mutual and joint benefit and protection of Licensor, Licensee and Licensor's mortgagee, if any, and executed copies of such policies of insurance or certificates thereof shall be delivered to Licensor within ten (10) days after delivery of possession of the Premises to Licensee and thereafter within thirty (30) days prior to the expiration of the term of each such policy. All public liability and property damage policies shall name Licensor as an additional insured or loss payee, and shall contain a provision that Licensor, although named as an additional insured or loss payee shall nevertheless be entitled to recover under said policies for any loss occasioned to it, its servants, agents and employees by reason of the acts, omissions and/or negligence of Licensee. As often as any such policy shall expire or terminate, renewal or additional policies shall be procured and maintained by Licensee in like manner and to like extent. All policies of insurance delivered to Licensor must contain a provision that the company issuing said policy will give to Licensor thirty (30) days notice in writing in advance of any cancellation or lapse of insurance or the effective date of any reduction in the amounts of insurance. All public liability, property damage or other casualty policies shall be written as primary policies, not contributing with and not in excess of coverage which Licensor may carry.

(11) USE OF PROPERTY. Licensee may alter the property in order to make it usable for the purposes stated herein. This alteration will include but is not limited to the removal of top soil and/or coral from the Property, re-contouring the Property, and constructing

EXHIBIT 5
Appellant's Notice of Appeal
RFP-14-002

FROM: GUAM PACING FEDERATION

FAX NO.: 1671 565 1241

Mar. 05 2014 09:12AM PG

appropriate facilities upon the Property. Fifty percent (50%) of the materials which are extracted from the Property, or the value thereof, shall be the property of Licensor. If Licensor desires to use those materials for other projects, Licensee must make them available for such uses. If Licensor does not desire to use the materials, Licensee may sell the materials, and (i) deliver the proceeds to Licensor for use by Licensor as is permitted under the Chamorro Land Trust Act; or (ii) if Licensor so desires, Licensee may create a credit on the book of the buyer in the name of the Chamorro Land Trust Commission for the future use of the Commission.

At the time of the termination of the license, Licensor will determine whether or not it desires to have the property returned to its pristine condition. If that is the desire of Licensor, it is the responsibility and the sole cost of Licensee to remove any and all improvements placed upon the Property. Should Licensor desire to take the Property "as is", they must advise Licensee within sixty (60) days of the termination of the License Agreement of their desire to take the Property back, as is.

(12) **NO WARRANTY.** Licensor does not warrant or represent that the real property described above is suitable for the purposes for which it is permitted to be used, nor that Licensee is specifically entitled to the issuance of any permits necessary to carry out any activity on said real property.

(13) **ENTIRE AGREEMENT.** This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

(14) **MODIFICATION OF AGREEMENT.** Any modification of this Agreement or additional obligation shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

EXHIBIT 5
Appellant's Notice of Appeal
RFP-14-002

FROM : GUAM RACING FEDERATION

FAX NO. : 671 565 1241

Mar. 05 2014 09:12AM P7

(15) **GOVERNING LAW.** It is agreed that this Agreement shall be governed by, constructed, and enforced in accordance with the laws of the Territory of Guam.

(16) **NO WAIVER.** The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same continue and remain in full force and effect as if no such forbearance or waiver had occurred.

(17) **BINDING EFFECT.** This Agreement shall bind and inure to the benefit of the successors of Licensor, but is personal to Licensee and cannot be transferred or insure to the benefit or any successors.

(18) **NOTICES.** Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail is sent to the respective address of each party as set forth at the beginning of this Agreement.

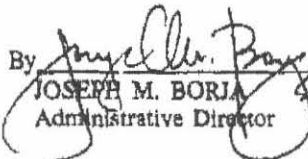
IN WITNESS WHEREOF, each party to this Agreement has caused it to be executed at Agaña, Guam, on the date and year first above written.


LICENSOR:

LICENSEE:

CHAMORRO LAND TRUST COMMISSION

GUAM RACING FEDERATION

By 
JOSEPH M. BORJA
Administrative Director

By 
Its Authorized Representative

PRC:rb C1203 C-0177

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**Chamorro Land Trust Commission
License Agreement for Portion of Lot 5412
with Hawaiian Rock Products**

February 13, 2006

THIS LICENSE AGREEMENT is made effective as of January 1, 2006 by and between the Chamorro Land Trust Commission whose mailing address is P.O. Box 2950, Agana, Guam 96910 ("Licensor") and Hawaiian Rock Products whose mailing address 1402 Route 15, Mangilao, Guam 96913 "Licensee").

RECITALS

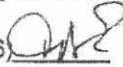
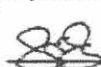
WHEREAS, Licensor has jurisdiction over Lot No. 5412, Municipality of Mangilao, Guam, by virtue of the "Administrative Transfer of Jurisdiction of Certain Government of Guam Lands" dated January 19, 1994, recorded under Document No. 503740 at the Department of Land Management; and

WHEREAS, Licensee realized a need to identify additional resources to implement quarry facilities for providing aggregate products to support Guam's construction industry; and;

WHEREAS, Licensee had demonstrated interest to the government of Guam in commercially licensing a portion of Lot No. 5412 Municipality of Mangilao, Guam, more accurately described and delineated in Exhibit "A" of this Agreement, hereinafter referred to as the "PROPERTY" for the purpose of conducting various assessments and studies necessary for determining the economic feasibility and environmental impact for implementation of quarrying activities on the property and;

WHEREAS, if the Licensee determines that such assessments and studies prove favorable for conducting quarrying activities on the property, the Licensor will negotiate with Licensee a final mass grading plan for the purposes of accommodating future development

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Page 1 of 7.

development on the property while yielding the maximum volume of quarried materials and a royalty paid by the Licensee to the Licensor; and

WHEREAS, such studies and, if so determined, negotiations will be bound by terms and conditions for quarrying prescribed in this Agreement; and

WHEREAS, Licensor received testimony from Licensee, outlining its intentions, proposed activities and physical plant layout within the PROPERTY; and

WHEREAS, Licensor has the authority to grant a commercial license for such purposes pursuant to §75107(c) of Title 21, Guam Code Annotated; and

WHEREAS, on December 1 2005, during its regularly scheduled Board Meeting, Licensor voted to approve the license;

NOW THEREFORE, in consideration of these recitals, the parties agree as follows:



I. GRANT OF LICENSE; DESCRIPTION OF PROPERTY

Licensor hereby grants to Licensee a license to occupy and use, subject to all of the terms and conditions of this Agreement, the following described real PROPERTY:

Lot No. 5412 Municipality of Mangilao Guam, containing an area of approximately 80 acres, as delineated in that certain sketch marked Exhibit "A," attached and made a part hereof.

In order to comply with federal law and regulations, and to protect public safety, Licensee may use any and all reasonably appropriate means of restricting public access to Licensee's equipment and/or tower; provided, however, the Licensor shall have the right to itself and to the agents and representatives of the government in which said licensed PROPERTY are situated, to enter and cross any portion of said licensed PROPERTY for the purpose of performing any public or official duties; provided, further, in the exercise of

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such rights, the Licensor shall not unreasonably interfere with the Licensee's use and enjoyment of the PROPERTY.

II. TERMS AND CONDITIONS

Step 1

A. Within the first 12 months or less:

1. Licensee shall conduct at its expense certain pre-mass grading activities such as surveying, geo-technical, engineering, environmental and archaeological investigations which may include but are not limited to cadastral and topographical surveys, soils borings, environmental and archaeological baseline surveys and similar activities on the Phase 1 footprint area.
2. Licensee shall submit a monthly report outlining the overall progress to date and the nature of activities to be conducted during the following month.
3. Licensee shall pay the Licensor a monthly fee of \$500, but no less than \$6,000 for the first 12 months or less.
4. Licensee shall conclude this work as soon as practical.

B. Licensee shall have the right to extend the term of Step 1, above, of this Agreement upon the same terms, covenants and conditions as herein contained, except as otherwise provided herein, for an additional period of six (6) month period from and after the Termination Date hereof. In order to exercise said option to extend; Licensee shall deliver to Licensor written notice of the intent to extend the term, no later than thirty (30) days before the end of the then-current term of the Agreement. In no event shall the term of this Agreement and any extensions thereof exceed a period of eighteen (18) months.

C. Within 60 days of the conclusion of the pre-mass grading activities at Phase 1, Licensee shall determine whether to pursue mass grading of the Phase 1 footprint area within Lot 5412.

Step 2

In the event that Licensee decides to pursue mass grading activities within the Phase 1 footprint area of Lot 5412, it shall negotiate in good faith with Licensor such terms and conditions that provide for the exclusive right to conduct mass grading operations. Such terms and conditions shall include:

- A. a royalty paid to Licensor for all extracted materials; and
- B. a final mass grading plan which results in a landform that Licensor determines will result in the greatest value added for the area, while providing for the greatest possible yield of extracted materials.

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Page 3 of 7.

In no event shall licensee begin any required and or authorized licensed activity without obtaining all requisite authorization and permits from the appropriate Government of Guam or federal agency or authority.

III. TERMINATION

This Agreement may be terminated by either party on sixty (60) days prior written notice to the other party without cause, or on thirty (30) days written notice for cause. For purposes of this Agreement, cause shall mean the non-compliance of any provisions of this Agreement, the Chamorro Land Trust Act, or any adjudicated regulations of the Licensor. Pursuant to 21 Guam Code Annotated Section 75107(c), the term of this Agreement shall be for a period not to exceed eighteen (18) months. Upon termination by notice for cause for non-compliance of any provisions of this Agreement, the Chamorro Land Trust Act, any adjudicated regulations of the Licensor, or expiration of eighteen (18) months, this Agreement shall become null and void, except that either party may enforce any and all obligations of Licensee arising out of acts or failure to act, occurring prior to such termination.

IV. NO INTEREST IN REAL PROPERTY

Licensee expressly acknowledges and agrees that it does not and shall not claim at any time any interest or estate of any kind or extent whatsoever in the above described real property of Licensor, by virtue of the rights granted under this Agreement or its occupancy or use granted herein.

V. ASSIGNMENT OF RIGHTS

The rights of Licensee under this Agreement are personal to Licensee and may not be transferred or assigned to any other person, firm, corporation or other entity.

VI. INDEMNIFICATION OF LICENSOR

In consideration of the privilege granted by this Agreement, Licensee shall not claim any costs, claims or damages from Licensor in connection with or on account of any

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injuries or damages arising in or on the real property described above while being used by Licensee and Licensee's Officers, employees, members, guest(s) or invitees and Licensee shall indemnify Licensor from any and all costs, losses, claims or damages of any kind or nature arising in connection with the use of the real property described above by Licensee and Licensee's officers, employees, members, guest(s) or invitees.

VII. NO WARRANTY

Licensor does not warrant or represent that the real property described above is suitable for the purposes for which it is permitted to be used, nor that the Licensee is specifically entitled to the issuance of any permits necessary to carry out any activity on said real property.

VIII. ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this Agreement shall not be binding upon either party except to the extent incorporated in this Agreement.

IX. MODIFICATION OF AGREEMENT

Any modification of this Agreement or additional obligation shall be binding only if evidenced in writing signed by each party or an authorized representative of each party.

X. GOVERNING LAW

It is agreed that this Agreement shall be governed by, constructed, and enforced in accordance with 21 GCA, Chapter 75, and the laws of Guam.

XI. NO WAIVER

The failure of either party to this Agreement to insist upon the performance of any of the terms and conditions of this Agreement, or the waiver of any breach of any of the terms and conditions of this Agreement, shall not be construed as thereafter waiving any such terms and conditions, but the same continue and remain in full force and effect as if no such forbearance or waiver had occurred.

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XII. BINDING EFFECT

This Agreement shall bind and inure to the benefit of any respective successors of the parties.

XIII. NOTICES

Any notice provided for or concerning this Agreement shall be in writing and shall be deemed sufficiently given when sent by certified or registered mail to the respective address of each party as set forth at the beginning of this Agreement.

XIV. REMOVAL OF IMPROVEMENTS UPON TERMINATION

Upon termination, if Licensor so requests, Licensee at Licensee's sole expense, shall remove all facilities constructed or erected on the real property described herein.


XV. INDEMNIFICATION OF CHAMORRO LAND TRUST COMMISSION


Notwithstanding anything to the contrary in this license and irrespective of any insurance carried by Licensee for the benefit of Chamorro Land Trust Commission, Licensee agrees to hold Chamorro Land Trust Commission harmless from any claim or demand by third persons for loss, damage, or injury including claims for property damage, personal injury or wrongful death occurring in, on, or about the PROPERTY, including sidewalks and parking areas adjacent thereto, or occasioned by any nuisance made or suffered on the PROPERTY, or by any fire thereon, or growing out of, or cause by any failure on the part of the Licensee to maintain the PROPERTY in a safe condition and will reimburse Chamorro Land Trust Commission for all costs and attorneys' fees in connection with the defense of any such claim.

XVI. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE

Licensee will procure, at its own cost and expense and keep in force during said term for the mutual benefit of Chamorro Land Trust Commission and Licensee, a policy of comprehensive liability insurance in such form and with such insurance company as Chamorro Land Trust Commission shall approve, with minimum limits of not less than \$300,000.00 for injury or death to one person and not less than \$100,000.00 for any one

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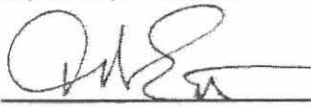
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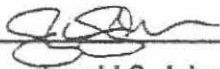
\$300,000.00 for injury or death to one person and not less than \$100,000.00 for any one occurrence, and a policy in the sum of \$100,000.00 insuring against the claims of third persons for property damage. Said policy or policies or copies thereof must be deposited with the Chamorro Land Trust Commission and must cover the PROPERTY, including entrances to the PROPERTY and sidewalks and parking areas adjacent to the PROPERTY. Chamorro Land Trust Commission may review the foregoing limits of coverage and require increases therein but shall not require increases more frequently than annually. Said policy or policies shall also contain a clause stating that the insurer will not cancel or change insurance coverage without first giving Chamorro Land Trust Commission and Licensee thirty (30) days prior written notice of such change or cancellation.

XVII. PRE-EXISTING CONDITIONS AND RELEASE OF LIABILITY

Parties recognize there may be known or unknown pre-existing conditions on subject property, and agree to hold each other harmless from any liability arising out of such conditions.

IN WITNESS THEREOF, each party to this Agreement has caused it to be executed at Agana, Guam, on the due date and year first above written.

By: 
Thomas A. Elliott
Administrative Director
Chamorro Land Trust Commission
Date: 3/6/06

By: 
Jerrold C. Johnson
President
Hawaiian Rock Products
Date: 2/27/06



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EXHIBIT 6
Appellant's Notice of Appeal
RFP-14-002

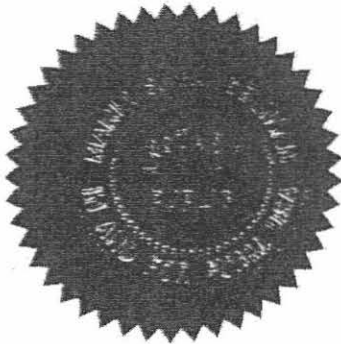
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February 27, 2006

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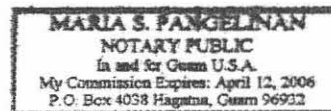
On this 27th day of February, 2006, before me, the undersigned notary, personally appeared, Jerrold C. Johnson, President of Hawaiian Rock Products to be the person whose name is signed on the attached document, (CLTC License Agreement for Portion of Lot 5412 with Hawaiian Rock Products) and acknowledged to me that he signed it voluntarily for its stated purpose.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in Mangilao, Guam, the day and year first above written.



Maria S. Pangelinan

NOTARY

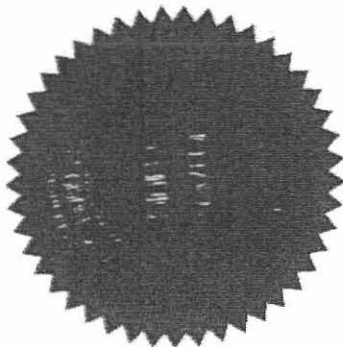


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ACKNOWLEDGEMENT

On this 6th day of March, 2008, before me the undersigned notary personally appeared Thomas A. Elliott, Administrative Director, known to me to be the person whose name is subscribed to the within instrument and for it's stated purpose.

In witness whereof I have hereunto affixed my name and official seal.



Notary Public Teresa Topasna
My Commission Expires July 28, 2009

Teresa T. Topasna
NOTARY PUBLIC
In and for Guam U.S.A.
My Commission Expires: July 28, 2009
P.O. Box 2950, Hagåtña, Guam 96932

