

(6) Secretary's Certificate. A certificate of the Secretary of each of the Companies dated as of the Closing: setting forth a copy of the resolutions adopted by the Board of Directors of the Companies to authorize and approve the execution and delivery of this Agreement, the Related Documents and the consummation of the transactions contemplated herein.

(F) All representations and warranties by Seller and the Majority Shareholders shall be true and correct on and as of the Closing Date.

(G) Seller shall have performed, satisfied and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Seller on or before the Closing Date.

(H) During the period from the date hereof to Closing Date, the Companies shall not have sustained any material loss or damage, whether or not insured, that materially affects the Business.

(I) There shall have been no material adverse change in the Business operations or condition. The Seller represents that Seller has notified the distributors whose names appear on Exhibit 2.2(I)(1) and Exhibit 2.2(I)(2) hereto of the intended sale of the Purchased Assets. In the event that more than one of the Major Distributors listed on Exhibit 2.2(I)(1) fails to execute an assignment to Buyer of its existing franchise or distributorship agreement with Seller, or enter into a new franchise or distributorship agreement with Buyer, in each case containing all of the same terms other than credit terms as the written contract or unwritten arrangement now in effect between Seller and such Major Distributor, then the Buyer may rescind this Agreement prior to the Closing, and Buyer's deposit paid into escrow in accordance with paragraph 2.5 shall be refunded to Buyer, whereupon neither the Seller nor the Buyer shall have any further right or claim against the other. With respect to the non-major distributorships listed on Exhibit 2.2(I)(2), Seller agrees to use its best efforts in promoting the awarding of such distributorships to Buyer, but does not guarantee that all of such non-major distributorships will be awarded to Buyer. It is further agreed that the distributor known as OTTAWA has been excluded from the list of Major Distributors by agreement of the parties, and that MPI shall remain OTTAWA's exclusive distributor. Seller and MPI agree, however, that Buyer shall have the unlimited right to purchase OTTAWA equipment and vehicles at Seller's and MPI's factory direct prices, subject to the terms of the Working Agreement herein. Should MPI and OTTAWA discontinue the export marketing agreement, MPI will introduce OTTAWA directly to Buyer, and recommend that Buyer be

awarded the OTTAWA distributorship for Guam, CNMI, Micronesia, Belau and the Marshall Islands.

(J) The Buyer shall have discovered no materially adverse information pertaining to the operations or condition of the Business during its review and investigation of the books and records of the Companies.

(K) The Buyer shall have obtained an assignment of Seller's contract with MPDR in the form of Exhibit 2.2(K) hereto.

2.3 Conditions of Seller's Obligations to Close. The obligation of the Seller to close under this Agreement is, subject to delivery at the Closing of the items set forth below, provided that any of such conditions may be waived by Seller prior to the Closing in its sole discretion.

(A) Opinion of Buyer's Counsel. An opinion of Robert J. Torres, Esq., counsel for the Buyer, in the form of Exhibit 2.3(A) hereto and dated as of the Closing Date.

(B) Buyer's Certificate. A certificate dated as of the Closing Date executed by the Buyer to the effect that the representations and warranties of the Buyer contained in this Agreement are true and correct in all material respects as of the Closing Date.

(C) Buyers's Secretary's Certificate. A certificate dated as of the Closing Date of the Secretary of Buyer setting forth a copy of the resolutions adopted by the Board of Directors of Buyer authorizing and approving the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

(D) Buyer's Good Standing Certificate. A good standing certificate, dated no more than thirty (30) business days prior to the Closing Date, from the Guam Department of Revenue and Taxation, showing the legal existence and good standing of Buyer.

(E) Incumbency Certificate. An Incumbency Certificate setting forth and attesting to who holds the offices of President and Secretary of Buyer and the signatures of such officers as of the Closing Date.

2.4 Seller's Liabilities. The Buyer does not assume, and the Seller shall indemnify and hold the Buyer harmless from and against, all of the liabilities and obligations of the Seller to whomever of whatever kind and nature, now existing or hereafter arising, absolute or contingent, direct or indirect, including without limitation:

(A) all liabilities to trade creditors, unions, employees and respecting pension, severance or other employee benefits whether or not shown on the books of Seller or required by statute or otherwise and pursuant to any existing employment arrangements or union contracts between Seller and its employees;

(B) all liabilities of Seller arising out of or in connection with this Agreement or the transactions contemplated hereby, including without limitation, liabilities arising with respect to applicable bulk sales laws;

(C) all liabilities of Seller for counsels' and accountants' fees and for its expenses, taxes and fees incident to the preparation of this Agreement or the consummation of the transactions contemplated hereby, including without limitation, all broker's, finder's, counsel's and accountant's fees, if any;

(D) all liabilities of Seller for taxes of any kind, including without limitation, payroll, employment, gross receipts tax, real estate taxes, social security and income taxes for the period ending at the close of business on the Closing Date, whether or not reflected or reserved against on Seller's balance sheets, and any taxes which are due upon or arise as a result of the sale of the Purchased Assets or the Guam Building or otherwise in connection with the consummation of this Agreement and the Related Documents, including without limitation, any interest and penalties with respect thereto; and

(E) all environmental liabilities arising at any time due to the release or threat of release of oil or hazardous materials affecting the Guam Premises, the Saipan Premises, and in the event the California Lease Option is exercised, the California Premises, existing at any time prior to the Closing Date, whether or not reflected or reserved against on the Seller's balance sheets, and whether caused by actions or omissions of Seller or others (including, without limitation, MPDR) such liabilities to include without limitation any interest and penalties with respect thereto.

2.5 Purchase Price. The Purchase Price ("Purchase Price") for the Purchased Assets shall be the sum of (1) the value of the items of Equipment Buyer will purchase upon reaching an agreement with Seller as to value, (2) the value of the Inventory as of the Closing Date which the parties agree shall be the landed cost of such items at Guam or Saipan, as applicable, determined by the parties taking of a physical inventory prior to the Closing Date, and (3) \$300.00, allocated among the remaining Purchased Assets as follows:

Intellectual Property \$100.00

Miscellaneous Assets	\$100.00
Goodwill	\$100.00

2.6 Deposit. Upon the execution of this Agreement, Buyer will deposit the sum of one hundred thousand dollars (U.S. \$100,000) (the "Deposit") into an escrow account to be opened and maintained by Baumann & Hull (the "Escrow Agent"), whose address is Suite 903, Pacific News building, 238 Archbishop Flores Street, Agana, Guam 96910. If for any reason the sale contemplated herein does not take place, the full amount of the Deposit, and all interest accrued thereon, shall be returned by the Escrow Agent to Buyer.

2.7 Closing; Payment of Purchase Price. The closing for the sale of the Purchased Assets (the "Closing") shall take place on August 1, 1994 (the "Closing Date") at the offices of Robert J. Torres. P.C., located at Suite 101, 410 W. O'Brien Drive, Agana, Guam. The Purchase Price is to be paid as follows. Subject to the provisions of paragraph 2.2, at the Closing, the Escrow Agent shall pay over to Seller the Deposit, and the balance of the Purchase Price shall be paid by cashier's or certified check or wire transfer.

In the event of any breach by Seller of any representation, warranty, agreement, covenant or provision hereunder, subject to paragraph 5.2 of this Agreement, Buyer may at its option, in its sole discretion, in addition to any other rights and remedies, at law, in equity or pursuant to this Agreement which Buyer may have, offset its damages as a result of any such breach against any amounts owing to Seller or any of the Majority Shareholders: (1) under this Agreement, (2) under any other agreements relating to the purchase of the Purchased Assets, including without limitation, the Consulting Agreement, the Noncompetition Agreement, the Working Agreement, the Saipan Sublease, the lease of the California Premises, the Sublease of the GAA Industrial Park Ground Lease, the Agreement of Purchase for the Guam Building, or (3) otherwise. The order of application of Buyer's damages against the foregoing shall be at the sole discretion of Buyer.

2.8 Agreement Regarding Guam Airport Authority Ground Lease. Upon the execution of this Agreement, the Seller agrees to use its best efforts to obtain the approvals necessary for the assignment to Buyer of its lease agreement with the Guam Airport Authority (entitled the "GAA Industrial Park Ground Lease" with respect to the land where the Guam Premises is located, on the same or more favorable terms as those set forth in such lease agreement. In the event that the GAA Industrial Park Ground Lease is not assigned to Buyer effective as of the Closing Date, the Seller agrees that the Buyer shall sublease said ground lease from Seller from and after the Closing Date at a rental of seven thousand dollars (\$7,000.00)

per month, and Seller shall execute and deliver at the Closing a Sublease of the GAA Industrial Park Ground Lease in the form of Exhibit 2.2(C)(2) hereto (the "GAA Sublease"). The parties acknowledge that the GAA Sublease may not be recognized by the Guam Airport Authority prior to the assignment of the GAA Industrial Park Ground Lease, but that Seller shall in any event give to Buyer full use and possession of the land subject thereto on the Closing Date in accordance with the terms of the GAA Sublease.

2.9 Care and Use of Ground Lease Premises. Buyer warrants and agrees that, upon the sublease or assignment of the GAA Ground Lease, it will make no substantial alteration of the use or exterior of the existing building on the premises without the prior written consent of the Guam Airport Authority and will keep such building and surrounding grounds in a neat and clean condition. Buyer shall continue to conduct substantially the same type of business as has been conducted by Seller prior to closing unless otherwise agreed to in writing by the Guam Airport Authority.

ARTICLE 3

Collection of Seller's Receivables; Agreement

as to Work in Progress

3.1 Accounts Receivable. Seller shall retain all of its right, title and interest in and to its accounts receivable. Beginning on the Closing Date and ending ninety (90) days thereafter, Buyer will use reasonable efforts to collect the accounts receivable of MPFE and MPM which are outstanding on the Closing Date, a list of which shall be delivered to Buyer at the Closing (and entitled Schedule 3.1). The Buyer shall remit to Seller by deposit into Seller's bank accounts as Seller shall designate the proceeds of such collections as soon as practicable following receipt. Buyer shall not be obligated to institute any litigation or any like proceeding in connection with such collections, and Seller shall be responsible for the payment of all taxes due on the sale, including without limitation, gross receipts taxes. Those of MPFE's and MPM's accounts receivable that have not been collected within said ninety (90) day period shall be turned over to Seller and Buyer shall have no further responsibility with respect thereto, unless the parties agree in writing to an alternative arrangement at or prior to such time.

3.2 Whole Goods Sales in Progress. For purposes of this paragraph, "Whole Goods" shall be defined as any goods or equipment having an identifying serial number, and "Sales in Progress" shall mean those sales of Whole Goods which have been invoiced by the manufacturer prior to the Closing Date. With respect to any Sales in Progress, the profit from such sales (determined by factoring in

all costs, including but not limited to, the MPI quoted CIF Guam or Saipan price, port charges, commissions, and "get ready" expenses, including service accrual rates, the amount of which shall be agreed upon between Buyer and Seller) will be shared equally between Buyer and Seller. The Buyer will remit to Seller his 50% share of such profits upon the receipt by Buyer of payment of the purchase price for such whole goods, and Seller shall be responsible for the payment of all taxes due on Seller's share of the sale, including without limitation, gross receipts taxes.

3.3 Completed Government Whole Goods Sales. Various whole goods sales to government entities will have been completed by Seller prior to the Closing Date. Service requests for such completed whole goods sales with respect to which one-year free service contracts have been provided shall be billed for by MPDR and paid directly by Seller.

3.4 Manufacturer's Warranties. Buyer shall be responsible for honoring, processing, and servicing all warranty claims for goods sold both prior and subsequent to the Closing Date, provided, however that such responsibility shall be co-extensive with and shall not exceed the warranty of the applicable manufacturer.

3.5 Warranties Not Covered by Manufacturer. For purposes of Whole Goods Sales in Progress, as provided in Article 3.2, if the manufacturer refuses to honor all or part of a warranty claim, the Buyer and Seller shall allocate the costs incurred in honoring the warranty claim on an equal basis. Seller shall not be responsible for warranty claims rejected by the manufacturer solely because of Buyer's late, incorrect, or incomplete submission of such warranty claim to the manufacturer.

ARTICLE 4

Representations and Warranties

4.1 Conduct of Business Pending Closing.

(A) Seller covenants and agrees that, pending the Closing the Companies will:

(1) carry on their business only in the ordinary course in substantially the same manner as presently conducted; and

(2) promptly advise the Buyer in writing of any material adverse change in the condition (financial or otherwise), properties, assets, liabilities or prospects of the Companies.

(B) During the period from the date hereof through the Closing Date the Seller will cause the Companies not to:

(1) sell, mortgage, pledge, assign or subject to any encumbrance any of their properties or assets, tangible or intangible, except in the ordinary course of business; and

(2) solicit, encourage or authorize any individual or entity to solicit, directly or indirectly, inquires, discussions or proposals for, or enter into any discussion or agreements with, any other person relating to a merger, consolidation, acquisition or similar transaction concerning the Companies, the assets of the Companies, or the capital stock of the Companies.

(3) take any other action which is specifically contrary to the provisions of this Agreement or the consummation of the transactions contemplated hereunder.

4.2. Risk of Loss. Seller assumes all risk of destruction, loss or damage due to fire or other casualty up to the time of the Closing.

4.3 Representations, Warranties and Covenants of Seller and the Majority Shareholders. Seller and the Majority Shareholders jointly and severally make, as of the date of the execution of this Agreement, and as of the Closing Date, the following representations, warranties and covenants:

(A) MPFE is a corporation duly organized, validly existing and in good standing under the laws of the Territory of Guam, with full authority to conduct business in each jurisdiction in which it operates. MPM is a corporation duly organized, validly existing and in good standing under the laws of the Northern Mariana Islands, with full authority to conduct business in each jurisdiction in which it operates. MPI is a corporation duly organized, validly existing and in good standing under the laws of the State of Oregon, with full authority to conduct business in each jurisdiction in which it operates. There has been no resolution passed for the winding up of any of the Companies and there is not any actual or potential petition for the winding up or receivership of any of the Companies.

(B) Each of the Companies and the Majority Shareholders has full right, power and authority to enter into and perform its, his or her obligations under this Agreement; this Agreement is valid and binding upon and enforceable against the Companies and the Majority Shareholders in accordance with its terms; and the execution and delivery of this Agreement and the consummation of

the transactions herein provided for will not violate any federal, state, territorial, local or other law or ordinance, result in a material breach of any term or condition of, or constitute a default under, any contract or agreement or other obligation of any kind or nature to which any of the Companies or any of the Majority Shareholders is a party, or by which Seller or the Business may be bound or affected.

(C) All corporate actions necessary to make this Agreement a valid, binding and enforceable obligation of the Companies have been taken. The execution, delivery and performance of this Agreement will not, with or without the giving of notice or the passage of time, result in the breach or termination of any provision of, or constitute a default under any indenture, mortgage, or deed of trust, or conflict with the Articles of Incorporation or By-Laws of any of the Companies.

(D) All liabilities of the Business or of Seller as of the Closing Date, whether actual or contingent, asserted or unasserted, are and shall continue to be Seller's sole and exclusive obligation and responsibility. Seller agrees that all of Seller's accounts payable at the time of the Closing will be timely paid.

(E) To best of Seller's knowledge, there is no claim, action, proceeding or investigation pending or threatened against Seller or the Business, before any court or before any governmental department, commission, board, agency or instrumentality, nor does Seller know, or have reasonable grounds to know, of any basis for any action, proceeding or investigation which may result in any order, injunction or decree against Seller which would materially affect the Business or its operation.

(F) With respect to the Purchased Assets and the Business, the Seller will not be, at the time of the Closing, a party to any written or oral contract for employment which is not terminable at will without liability to Seller; or to any lease or license of personal property used or otherwise relating to the Business other than the lease agreements listed in Schedule 4.3(F) hereto, including two Brown Bear Leases and contracts with Wilton Acta, Paciano Fuentes, and James Ripple, which shall be assumed by Buyer by the execution of Assignment and Assumption Agreements in the form of Exhibits 4.3(F)(1), (2), (3) and (4) hereto.

(G) Seller is not, nor will it be at the time of the Closing, in default under any contract, lease, agreement or other instrument related to the Business or the Purchased Assets to which it is a party. Except as described on Schedule 4.3 (G) hereto or in paragraph 4.3(F) above, Seller is not a party to any contract or agreement, oral or written, affecting the Purchased Assets.

(H) Seller has and will have on the Closing Date good and marketable title to all of the Purchased Assets, subject to no mortgage, pledge, claim, lien, security interest, charge or encumbrance of any nature.

(I) Seller has filed all territorial and other income tax returns and all other applicable tax returns required to have been filed by it (unless the time for filing has been properly extended), and has paid the taxes shown to be due on any such returns filed. Seller is not presently involved in any active or outstanding dispute with any tax authority as to the amount of taxes due, nor has Seller received any notice of any deficiency or audit from any tax authority. There are no agreements, waivers or other arrangements providing for an extension of time with respect to the assessment of any tax or deficiency against Seller. All taxes, franchises, and other charges required to be paid to governmental agencies or deposited with depositaries by Seller with respect to its operations prior to the Closing Date will be paid on a timely basis as they become due and all required payroll tax deposits with respect to the period prior to the Closing Date have been made or will be made on a timely basis.

(J) All negotiations relative to this Agreement have been carried on by Seller directly with Buyer. Seller has not entered into any contract, agreement or commitment with respect to the payment of any brokers, finders or similar commission or fee, nor are any such commissions or fees otherwise payable to any third party in connection with the negotiation, execution, delivery or performance of, or otherwise in connection with, this Agreement.

(K) Seller agrees that any of its employees may be hired by Buyer without limitation, and Seller shall waive (i) the provisions of any non-competition or other agreement Seller may have with any such employee that may restrict such employee's right to be employed by Seller, and (ii) all rights to damages in connection therewith. Seller shall execute any and all documents necessary to effect such waiver.

(L) Prior to the Closing Date, the Companies, their officers, directors, and the Majority Shareholders shall not discuss or negotiate with any other person or entity for the sale or disposition of the stock of any of the Companies, or all or any portion of the Business or the Purchased Assets.

(M) Seller, to the best of its knowledge, information and belief, is in compliance with all laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours, the failure to comply with which could have a material adverse effect upon Seller or the Purchased Assets. Seller is not a party to any collective

bargaining agreement, and there is no labor strike, dispute, or, to the best of Seller's knowledge, information and belief, controversy or other labor trouble, pending or threatened, which may have a material adverse effect upon the Seller or the Purchased Assets.

(N) The compilation and review of Seller's financial for the most recent completed fiscal year, attached as Exhibit 4.3(N) hereto, are true, accurate and complete and contain no material omission.

4.4 Representations and Warranties of Buyer. Buyer does hereby make, as of the date of the execution of this Agreement, and as of the Closing Date, the following representations and warranties:

(A) Buyer is a corporation duly organized, validly existing and in good standing under the laws of the territory of Guam.

(B) Buyer has full right, power and authority to enter into and perform its obligations under this Agreement; this Agreement is valid and binding upon and enforceable against Buyer in accordance with its terms; and the execution and delivery of this Agreement and the consummation of the transactions herein provided for will not violate any territorial or local law or ordinance, result in a material breach of any term or condition of, or constitute a default under, any contract or agreement or other obligation of any kind or nature to which Buyer is a party, or by which Buyer or the Business may be bound or affected.

(C) All corporate action necessary to make this Agreement a valid, binding and enforceable obligation of Buyer has been taken. The execution, delivery and performance of this Agreement will not, with or without the giving of notice or the passage of time, result in the breach or termination of any provision of, or constitute a default under any indenture, mortgage, or deed of trust, or conflict with the Articles of Incorporation or By-Laws of Buyer.

(D) Buyer has not incurred any liability for a broker's commission or finder's fee relating to or in connection with the transaction contemplated by this Agreement. All negotiations relative to this Agreement have been carried on by Buyer directly with Seller. Buyer has not entered into any contract, agreement or commitment with respect to the payment of any brokers, finders or similar commission or fee, nor are any such commissions or fees otherwise payable to any third party in connection with the negotiation, execution, delivery or performance of, or otherwise in connection with, this Agreement.

4.5 Survival of Warranties. All representations, warranties, agreements, covenants and obligations herein or in any of the Related Documents delivered by any party to another party incident to the transactions contemplated hereby shall be deemed to have been relied upon by the other parties and shall survive the Closing regardless of any investigation and shall not merge in the performance of any obligation by any party hereto.

ARTICLE 5

Indemnification

5.1 Indemnification for Breach of Representation, Warranty, Agreement, Covenant or Provisions. Subject to the terms of this Agreement, the Companies and each of the Majority Shareholders jointly and severally agree to and hereby do indemnify, defend and hold harmless Buyer from and against all losses, liabilities, damages, deficiencies, demands, claims, actions, judgments, causes of action, assessments, costs or expenses (including, without limitation, interest penalties, reasonable attorney's fees and disbursements) (all of the foregoing hereinafter being referred to in the aggregate as "Indemnity Items") that arise or result from any breach of, failure to perform by it of, or otherwise in respect of the inaccuracy of, any representation, warranty, covenant, provision or agreement of Seller set forth in this Agreement or any of the Related Documents, or by reason of any claim, action or proceeding asserted or instituted or growing out of any matter or thing covered by any such representation, warranty, covenant, provision or agreement. The Buyer may proceed against any one or more of the Companies and/or the Majority Shareholders for the full amount of any of such Indemnity Items, regardless of the nature or the source thereof. The parties agree that manufacturers' warranties shall not be deemed to be warranties of Seller for purposes of Buyer's right to indemnity, provided that Seller shall assign to Buyer all of the rights and benefits inuring under any manufacturer's warranties regarding the Purchased Assets.

5.2 Notice of Indemnification or Set-Off. Notwithstanding anything to the contrary herein, in the event that Buyer becomes aware of the existence of any Indemnity Items or any breach of any representation, warranty, agreement, covenant or provisions hereunder (excluding manufacturer's warranties) for which Buyer suffers any damages and for which it may seek indemnification from Seller and/or the Majority Shareholders or to offset amounts due to Seller and/or the Majority Shareholders, the Buyer shall deliver notice of such Indemnity Item or breach, and provide the Seller and the Majority Shareholders with twenty (20) days to cure or defend the same at their own expense and with counsel of their own selection; provided, however, that Buyer shall at all times also have the right to fully participate in the defense of any such

matter at its own expense. If Seller and the Majority Shareholders shall fail to cure any such breach or defend any Indemnity Item, as applicable, to the satisfaction of Buyer within twenty (20) days, Buyer shall have all of its rights and remedies under this Agreement and otherwise.

ARTICLE 6

Miscellaneous

6.1 Fees and Expenses. Each of the parties will bear its own expenses in connection with the negotiation and the consummation of the transactions contemplated by this Agreement.

6.2 Law Governing. This Agreement and the Related Documents shall be construed under and governed by the laws of the Territory of Guam.

6.3 Notices. All notices, requests, demands and other communications hereunder shall be deemed to have been duly given if delivered or mailed by certified mail:

If to Seller: MID-PAC FAR EAST, INC.
MID-PAC MICRONESIA, INC.
MID-PAC INDUSTRIES, INC.
c/o JAMES S. MOIR, SR.
One Waterfront, #1904
425 South Street
Honolulu, Hawaii 96813
Phone: (808) 537-2715
Fax: (808) 596-7573

With a copy to: BAUMANN & HULL
Suite 903, Pacific News Building
238 Archbishop Flores St.
Agana, Guam 96910

If to Buyer: BISNES-MAMI, INC.
133-B Harmon Industrial Park
Harmon, Guam 96912

With a copy to: ROBERT J. TORRES, P.C.
Suite 101, 410 W. O'Brien Dr.
Agana, Guam 96910

If to the Majority Shareholders:
James S. Moir, Sr.
At address above.

James S. Moir, Jr.
1500 Case Place
Woodland, CA 95776

With a copy to: BAUMANN & HULL
At address above.

6.4 Successors and Assigns. This Agreement shall be binding upon inure to the benefit of the parties hereto and their respective successors, assigns, transferees, executors, administrators, heirs, and legal representatives.

6.5 Entire Agreement. This Agreement, including the Related Documents, is complete. All promises, representations, conditions, understandings, warranties and agreements with reference to the subject matter hereof, whether written or oral, and all inducements to the making of this Agreement relied upon by any party hereto, have been expressed herein or in the Related Documents. Any representation, promise, or condition not incorporated herein shall not be binding upon either party.

6.6 Amendment. This Agreement may not be amended or modified except by a written instrument signed by all of the parties.

IN WITNESS WHEREOF, the parties have caused these presents to be executed as of the date first set forth above.

MID-PAC FAR EAST, INC.

By: 

hereunto duly authorized

MID-PAC MICRONESIA, INC.

By: 

hereunto duly authorized

MID-PACIFIC INDUSTRIES, INC.

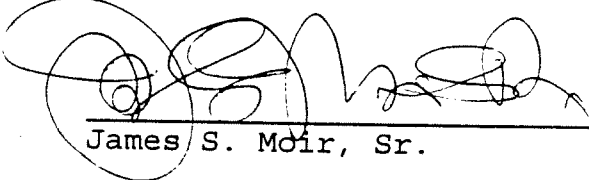
By: 

hereunto duly authorized

BISNES-MAMI, INC.

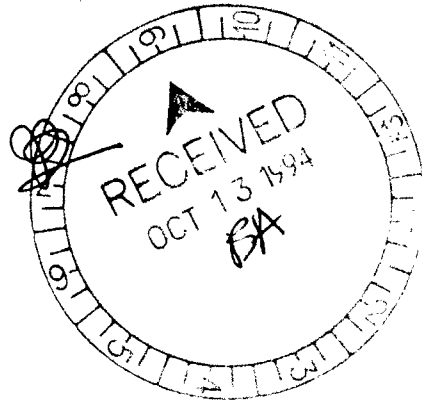
By: 

hereunto duly authorized


James S. Moir, Sr.

James S. Moir, Jr.





**GAA INDUSTRIAL PARK
GROUND LEASE**

By and Between

GUAM AIRPORT AUTHORITY

and

MID-PAC FAR EAST, INC.

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- Exhibit D - Drawing**

GAA INDUSTRIAL PARK GROUND LEASE

Preamble

THIS LEASE made and entered into by and between the **GUAM AIRPORT AUTHORITY**, a public corporation and autonomous instrumentality of the Government of Guam ("Landlord"), and **MID-PAC FAR EAST, INC.**, a Guam corporation ("Tenant").

R E C I T A L S :

Landlord has undertaken a construction program for the development of vacant land consistent with the approved Master Plan for development of the Antonio B. Won Pat Guam International Air Terminal, including land leased lots for commercial/industrial use, known as the Guam Airport Authority Industrial Park ("GAA Industrial Park").

Tenant has applied to Landlord to lease and occupy land within the GAA Industrial Park.

Landlord is willing to lease land to Tenant within the GAA Industrial Park upon the terms, conditions and covenants set forth below.

Agreement

In consideration of the premises and the mutual covenants and agreements herein contained, Landlord and Tenant agree as follows:

ARTICLE 1
DEMISE OF LEASE LAND

Leased Land

S1.01. Landlord for and in consideration of the rents, covenants, and conditions herein contained to be kept, performed, and observed by Tenant, does LEASE and DEMISE to Tenant, and Tenant does RENT and ACCEPT from Landlord, the real property, referred to as the "Leased Land", as particularly described and shown on the attached Exhibit "A".

ARTICLE 2
LEASE TERM

Term

S2.01. The term of this lease shall be for a period of thirty (30) years, to begin on August 14, 19 91 and end on midnight, August 13, 2021.

Options to Extend

S2.02. If this lease shall then be in full force and effect and Tenant shall have fully performed all of its obligations, terms and conditions hereunder, Tenant shall have the option to extend the term of this lease, upon the same terms and conditions, for the following two (2) successive ten (10) year periods:

1. **First Extended Period : August 14, 2021 through August 13, 2031.**
2. **Second Extended Period: August 14, 2031 through August 13, 2041.**

Tenant shall not have the right to extend the term of this lease beyond the second extended term.

2.02.01 **Exercise of Options.** Tenant shall exercise its options to extend the term for each ten (10) year period by giving written notice to Landlord, at least one hundred twenty (120) days before the expiration of the initial term or first extended term (as the case may be), of its intention to extend the term of this lease as provided herein. Failure of Tenant to give the required written notice of its exercise of the option to extend or any termination of this lease shall terminate all rights to extend the term.

Holding Over

S2.03. If Tenant shall remain in possession of the Leased Land after the expiration or termination of this lease, such possession shall be on a month-to-month tenancy upon the same terms and conditions of this lease as existed immediately prior to the expiration or termination of the term, except, however, the duration of the lease shall be on a month-to-month basis with no option to extend.

ARTICLE 3

RENT, COMMON AREA EXPENSE, TAXES AND UTILITIES

Monthly Rent

S3.01. During the term of this lease, as may be extended, Tenant shall pay Landlord monthly rent as set forth on the Rental Schedule attached hereto as Exhibit "B".

3.01.01 Escalation. At the end of each fifth (5th) year of the term hereof, the rental rate for the next ensuing five (5) years shall be increased by ten percent (10%) of the prior effective rental rate. The Leased Land shall be reappraised and rent readjusted accordingly every thirty (30) years, provided that rent shall not be reduced as a result of such reappraisal. The rental to be paid by Tenant to Landlord during the extended periods, if extended, shall be determined as hereinafter provided. Rent during the first extended period shall be ten percent (10%) per annum of the then current highest appraised fair market value of the Leased Land based on two appraisals, by two independent licensed appraisers, made within six (6) months of the first extended period of the lease, of the highest and best use for such Leased Land regardless of zoning restrictions, and shall escalate at the rate of ten percent (10%) every five (5) years. Rent during the second extended period, if extended, shall be increased by ten percent (10%) at the commencement of the second extended period and by ten percent (10%) after the fifth year of the extended period. As used herein, the "fair market value" of the Leased Land shall mean the Leased Land exclusive of all buildings and improvements constructed thereon by Tenant.

3.01.02. **Payments.** Rental payments shall be paid to Landlord monthly in advance, on the first (1st) day of each month for that month's rental, without offset or deduction of any kind whatsoever, at Landlord's address listed hereinbelow or at such other address as may be from time to time designated in writing by Landlord; provided the first rental payment hereunder shall be due no later than six (6) months upon notice from Landlord to Tenant that the Leased Land is ready for possession or upon Tenant's beneficial occupancy of the tenants improvements, whichever occurs first.

Common Area Expense

S3.02. Upon thirty (30) days prior notice from Landlord, Tenant shall commence paying to Landlord, on the same date the rent is due, a monthly common area expense based upon Tenant's monthly share of the projected common area expenses for the GAA Industrial Park for ensuing year, as reasonably determined from time to time by Landlord. From time to time, upon further thirty (30) days prior notice from Landlord to Tenant, the common area expense to be paid by Tenant to Landlord may be reasonably increased or decreased by Landlord to reflect Tenant's share of the total common area expense in the GAA Industrial Park. Common area expenses may include, without limitation, costs and expenses for security, maintenance, landscaping, street lights, road repair, and utilities within or related to the GAA Industrial Park.

Tenant to Pay Taxes

S3.03. Tenant agrees to pay direct to the taxing authorities all real property taxes, special taxes, charges or assessments, including street improvement liens, if any, and all property taxes on personal property located on the Leased Land, levied or assessed upon or against the Leased Land during the term of this lease.

3.03.01. Contesting Taxes. Nothing herein contained shall prevent Tenant from contesting in good faith, by any appropriate proceedings commenced before the same becomes delinquent, the validity or amount of any such tax, assessment or charge, nor require the payment thereof until the final determination of such contest adversely to Tenant; provided, however, that Tenant will pay all such taxes, assessments or charges, together with all interest, penalties, fines and costs accrued thereon or imposed in connection therewith, forthwith upon the commencement of proceedings to foreclose any lien which may attach to the Leased Land or any interest or part thereof; and provided, further, that if Tenant shall fail to pay any such taxes, assessments or other charges as herein provided, Landlord may at any time thereafter pay the same, together with any interest, penalties, fines and costs accrued thereon or imposed in connection therewith, and Tenant will repay to Landlord upon demand therefor the full amount so paid by Landlord, together with interest thereon at the rate of one and one-half percent (1 1/2%) per month.

Tenant to Pay Utility Charges

S3.04. Tenant shall pay or cause to be paid all charges for water, gas, electricity, sewer, telephone and any and all other utilities used upon the Leased Land throughout the term of this lease, including any connection fees.

ARTICLE 4

USE OF PREMISES, INSURANCE AND INDEMNITY

Use

S4.01. Tenant shall use the Leased Land specifically for the purpose of constructing, maintaining and operating thereon facilities limited to the airport and airport related purposes and activities specifically set forth on the attached Exhibit "C". Tenant shall not use, or permit the Leased Land, or any part thereof, to be used for any purpose or activity other than the purposes and activities set forth on Exhibit "C" hereto. Use of the Leased Land for any other purpose or activity without the express prior written consent of Landlord shall constitute a material breach of this lease. Tenant shall indemnify and hold harmless Landlord from any and all claims, demands, expenses (including attorneys' fees and court costs), damages and losses Landlord may suffer or incur as a result of Tenant's breach of this S4.01. Failure to use the Leased Land for any of the required purposes and activities set forth in Exhibit "C" for a period of one hundred twenty (120) days or more without the express prior written permission of Landlord shall also constitute a material breach of this lease.

Compliance with Laws

S4.02. Tenant covenants and agrees that during the term of this lease, Tenant shall promptly comply with all present and future laws, ordinances, orders, rules, regulations, and requirements of the Federal, territorial and municipal governments or any of their agencies (including Landlord) departments, bureaus, boards, commissions and officials thereof with respect to the Leased Land, the buildings and improvements erected thereon, or the use or occupancy thereof, whether said compliance shall be ordered or directed to or against Landlord or Tenant or both. This lease is subject to all consents, approvals and permits required by law or governmental rule or regulation. It shall be Tenant's duty and responsibility to obtain any such required consents, approvals and permits. Landlord shall cooperate with and assist Tenant in obtaining any such required consents, approvals or permits.

Tenant Not To Commit Waste; Nuisance

S4.03. Tenant shall not use the Leased Land in any manner that will constitute waste, nuisance, or unreasonable annoyance (including, without limitation, the use of loud speakers or sound or light apparatus that can be heard or seen outside of the Leased Land) to other tenants of Landlord in property adjoining the Leased Land within the GAA Industrial Park.

Liability Insurance

§4.04. Tenant covenants and agrees, at its sole cost and expense, throughout the duration of this lease, to obtain, keep, and maintain in full force and effect for the mutual benefit of Landlord and Tenant the following types of insurance:

4.04.01. **Liability.** Comprehensive liability insurance against claims for damage to persons or property arising out of the use and occupancy of the Leased Land or any part or parts thereof in limits of not less than Five Hundred Thousand Dollars (\$500,000.00) in respect to bodily injury to or death of any one (1) person in any one (1) accident, and in limits of not less than One Million Dollars (\$1,000,000.00) in respect to bodily injury or death to more than one (1) person in any one (1) accident, and property damage in all instances in an amount not less than One Hundred Thousand Dollars (\$100,000.00).

4.04.01.01. **Deductible.** Such public liability policy or policies may provide for a deductible not in excess of One Thousand Dollars (\$1,000.00) or such other amount as Landlord may determine irrespective of the number of persons, parties or entities involved.

4.04.01.02. **Adjustment of Coverage.** In the event that Landlord shall at any time and from time to time deem the limits of liability insurance as hereinabove provided to be insufficient, upon notice to Tenant the parties shall promptly endeavor to agree on reasonable limits for such insurance coverage then to be carried, and such insurance shall thereafter be carried with the limits thus agreed on until further change pursuant to this Section. Should the parties be unable to agree upon the proper and

reasonable limits for such liability insurance within five (5) days of notice from Landlord to Tenant, then Landlord may select any insurance company licensed to and engaged in business on the Territory of Guam (excluding the insurance company then carrying the liability insurance hereunder) to determine the proper limits of liability insurance to be provided and maintained by Tenant hereunder. Said insurance company's determination on the proper and reasonable limits of liability insurance shall be binding upon both parties until such limits shall again be changed pursuant to this Section.

4.04.02. **Casualty Insurance.** A policy of fire and typhoon insurance with standard form extended coverage endorsement, to the extent of the full insurable value, covering all buildings and improvements which may from time to time be located on the Leased Land. The proceeds from any such policy shall be used for the repair or replacement of such improvements and buildings except as otherwise provided herein.

4.04.03. **Certificates.** Copies or duplicate originals, certificates, or binders of such insurance policies shall be furnished to Landlord at the commencement of the term of this lease and each renewal certificate of such policies shall be furnished to Landlord at least thirty (30) days prior to the expiration of the policy it renews. Each such policy of insurance shall contain an agreement by the insurer that such policy shall not be cancelled without thirty (30) days prior written notice to Landlord.

4.04.04. **Forms.** All insurance provided for in this Article may be in the form of a general coverage, floater policy or so-called blanket policies which may be furnished by Tenant, or a related corporation of Tenant or any related entity. The liability and casualty coverage set forth herein shall be issued by insurers of recognized responsibility,

as may be reasonably approved by Landlord. All policies of insurance to be provided for herein by Tenant shall be issued in the names of Tenant and Landlord and for the mutual and joint benefit and protection of the parties as their interests may appear.

4.04.05. **Failure to Comply Constitutes A Default.** Tenant's failure to effectuate any and all such insurance and renewal policies of insurance required as set out in this S4.04, and to pay the premiums and renewal premiums on all such policies and insurance as they become due and payable, and to deliver all such certificates of insurance and renewals thereof or duplicate originals or copies to Landlord within the time limits set out in this Article, shall constitute a material default by Tenant under the terms of this lease.

4.04.06. **Landlord May Effect Insurance.** In the event Tenant fails to cause the aforesaid insurance policies to be written and pay the premiums for the same and deliver all such certificates of insurance or duplicate originals or copies thereof to Landlord within the time provided for in this lease, Landlord shall nevertheless have the right, without being obligated to do so, to effect such insurance and pay the premiums therefor, and all such premiums paid by Landlord shall be repaid to Landlord on demand as additional rent, and Tenant's failure to repay the same as aforesaid shall constitute a material default under this lease.

4.04.07. **Indemnity not Limited.** Nothing contained in the S4.04 shall effect or limit Tenant's obligations under S4.05, infra.

Indemnity

S4.05. Tenant covenants and agrees that from and after the commencement of the term of this lease or any extended term, Tenant shall indemnify and hold harmless Landlord from any and all claims, demands, expenses (including attorney's fees and court costs) or damages for any personal injury or injuries, death(s), damages, or losses to any person(s) or property that may be suffered or sustained by Tenant or any of its agents, servants, employees, patrons, customers, invitees, visitors, licensees, departments, and concessionaires or by any other person or persons in, on or about the Leased Land or any part thereof, arising from any and all causes whatsoever, except the willful misconduct or gross negligence of Landlord.

ARTICLE 5

CONSTRUCTION BY TENANT

Tenant's Obligation to Build

S5.01. Tenant shall, at its sole cost and expense, construct the building and improvements described in Exhibit "D" attached hereto (the "Building Project"). Construction of the Building Project shall commence within one hundred twenty (120) days after receipt of the building plans and specifications approval of Landlord as required hereunder. Construction of the Building Project shall be completed and the Building Project ready for occupancy and use within ninety (90) days of the projected construction

completion date as set forth in Tenant's construction contract documents and approved by Landlord. Such time for completion shall be extended for so long as Tenant shall be prevented from completing the Building Project by interference or other causes beyond the reasonable control of Tenant, but in no event to exceed the period of three (3) years from the execution of this lease.

5.01.01. **Specifications and Plan.** Tenant shall, at its own cost and expense, engage a licensed architect or engineer to prepare plans and specifications for the Building Project, and, no later than ninety (90) days from the commencement of this lease, shall submit to Landlord for approval, two (2) copies of detailed working drawings, plans and specifications prepared by such architect or engineer, including the following:

(a) Drawings and materials in the form of plans, elevations, sections and rendered perspectives sufficient to convey the architectural design of the Building Project to Landlord;

(b) Outlined specifications in sufficient detail to indicate the general description of the Building Project, the type of building or structure, the kind and quality of materials, mechanical and electrical systems to be installed in the Building Project; and

(b) The architect's estimate of the Building Project's construction cost.

5.01.02. **Review and Approval.** Within sixty (60) days after submission of such plans and specifications by Tenant, Landlord will review and approve the plans and specifications by endorsing such review on the plans and specifications and returning one (1) set thereof to Tenant, or Landlord will inform Tenant in writing of any objections to such plans and specifications and Tenant shall have sixty (60) days thereafter to propose in

writing corrective amendments which Landlord shall accept or reject within the next thirty (30) days. Failure of Landlord to inform Tenant of objections within such thirty (30) day period shall be deemed Landlord's approval of the changes.

5.01.03. **Changes in Plans.** Tenant shall submit to Landlord a statement of any substantial changes in the plans and specifications required to be reviewed and approved by Landlord under this section. Failure of Landlord to object to such changed plans and specifications within thirty (30) days shall be deemed Landlord's approval of the changes. Minor changes in work or materials, not affecting the general character of the Building Project, may be made in the plans and specifications at any time without the review and approval of Landlord, but a copy of the altered plans and specifications shall be furnished to Landlord.

5.01.04. **No Liability to Landlord.** The review and approval of Landlord of any plans and specifications refers only to the conformity of such plans and specifications to the general architectural plan for the Leased Land. Such plans and specifications are not reviewed and approved for architectural, structural or engineering design, and Landlord, by reviewing and approving such plans and specifications, assumes no liability or responsibility therefor or for any defect in any structure constructed or compliance from such plans or specifications or noncompliance therewith.

5.01.05. **Additional Documents.** Tenant shall furnish Landlord with copies of the following documents, as soon as they are available:

- (a) Contract between Tenant and its architects;

- (b) Contract between Tenant and all contractors engaged to work on the Building Project;
- (c) Copies of all plans, specifications and working papers for the Building Project, including "as built" drawings; and
- (d) All contractor and subcontractor Performance and Payment Bonds.

5.01.06. Cost to be Tenant's. The cost of any construction, renovation, enlargement, reconstruction, demolition, or of any change, alterations, or improvements, on the Leased Land shall be borne and paid for by Tenant.

5.01.07. No Liens. The Leased Land shall at all times be kept free of mechanic's and materialman's liens, as provided in ARTICLE 8, infra.

Approval of All Construction

S5.02. No building or other improvements, the plans and specifications of which have not first received the written review and approval of Landlord, as required above or which do not comply with such approved plans and specifications, shall be constructed or maintained on the Leased Land. No addition to or alteration of any building or other improvement erected on the Leased Land shall be commenced unless and until plans and specifications covering such additions or alterations shall have first been submitted to, reviewed and approved by Landlord. Failure to comply with approved plans and specifications for any building or other improvement to be constructed and maintained on the Leased Land shall constitute a material default of this lease.

Improvements To Conform To Law

S5.03. Throughout the duration of this lease, Tenant agrees that all buildings, structures, and other improvements that may be erected on the Leased Land by Tenant or any subtenants, including, but not limited to, all elevators, escalators, plumbing, electrical, heating, air conditioning and ventilation equipment and systems, and all other equipment, will be installed, operated, and maintained in accordance with the law and with the regulations and requirements of Landlord, including its Development and Building Standards, and of any and all governmental authorities, agencies, or departments, having jurisdiction thereof, without cost or expense to Landlord.

Tenant's Ownership of Improvements and Fixtures

S5.04. During the term hereof, any and all of Tenant's improvements, fixtures, machinery, and equipment of whatsoever nature at any time constructed, placed, or maintained upon any part of the Leased Land shall remain the property of Tenant.

5.04.01. **Tenant's Right to Remove Fixtures.** Tenant shall have the right at any time during Tenant's occupancy of the Leased Land to remove any and all of Tenant's trade fixtures, machinery and equipment owned or placed by Tenant in, under, or upon the Leased Land, or acquired by Tenant, whether before or during the lease term; provided, Tenant shall, at its sole cost and expense, immediately repair any damage or injury to any building or other improvement on the Leased Land caused by any such removal of trade fixtures, machinery and equipment. This provision shall survive the expiration or termination of this lease.

5.04.02. Landlord's Right to Improvements. As provided in ARTICLE 11, infra, upon expiration or sooner termination of this lease, title of all buildings and other improvements on the Leased Land shall be vested in the Landlord without the payment of any consideration therefor. Landlord, alternatively, at its sole discretion, may require Tenant, at Tenant's sole cost and expense, to remove all buildings and other improvements on the Leased Land and return the Leased Land to the same condition as it was at the time of the commencement of the term thereof. This provision shall survive the expiration or termination of the term of this lease.

ARTICLE 6

ENCUMBRANCE OF LEASEHOLD ESTATE

Tenant's Right to Encumber With Landlord's Consent

S6.01. Tenant shall not encumber by mortgage or other security instrument, by way of assignment, or otherwise, Tenant's interest under this lease and the leasehold estate hereby created for any purpose, without the prior written consent of Landlord, which consent shall not be unreasonably withheld.

ARTICLE 7

REPAIRS AND RESTORATION

Tenant's Duty to Repair

S7.01. Tenant, at Tenant's own cost and expense, at all times during the term of this lease, agrees to keep and maintain, or cause to be kept and maintained, all buildings and other improvements which may be erected upon the Leased Land in good condition and a good state of appearance and repair, reasonable wear and tear excepted.

Damage or Destruction - Repair

S7.02. If the Leased Land, any building or other improvement, or any part thereof are damaged or destroyed by reason of any cause whatsoever, Tenant shall within sixty (60) days, commence and diligently pursue to completion the repair or reconstruction of such buildings and improvements on the Leased Land, and this lease shall remain in full force and effect; provided, that during the last three (3) years of the term of this lease should the buildings and other improvements on the Leased Land be damaged or destroyed to such a substantial extent so as to render the Leased Land with the buildings and improvements thereon commercially unusable by Tenant, then within said sixty (60) day period, Tenant may elect to terminate the lease by delivering or assigning to Landlord all insurance proceeds received or to be received as a result of such damage or destruction and returning the Leased Land, at Tenant's sole cost, to the same condition or better as it was at the time of the commencement of the term hereof.

ARTICLE 8
MECHANIC'S LIENS

Prohibition of Liens on Fee or Leasehold Interest

S8.01. Tenant shall not suffer or permit any mechanic's liens or other liens to be filed against the fee of the Leased Land nor against its leasehold interest nor any buildings or other improvements on the Leased Land by reason of any work, labor, services, or materials supplied or claimed to have been supplied to Tenant or anyone holding the Leased Land or any part thereof through or under Tenant. In the case of any construction on the Leased Land costing in excess of \$50,000.00, Tenant shall cause its contractor or builder to post performance and payment bonds to be approved in advance by Landlord.

Removal of Liens By Tenant

S8.02. If any such mechanic's liens or materialman's lien shall be recorded against the Leased Land, or any improvements thereon, Tenant shall cause the same to be removed or, and in the alternative, if Tenant in good faith desires to contest the same, Tenant shall be privileged to do so but in such case Tenant hereby agrees to indemnify and hold Landlord harmless from all liability for damages occasioned thereby and shall, in the event of a judgment of foreclosure upon said mechanic's lien, cause the same to be discharged and removed prior to the execution of such judgment.

ARTICLE 9

ASSIGNMENT AND SUBLEASE

No Right to Assign and Sublease

S9.01. Tenant shall not sublet or assign the Leased Land or any part or portion thereof without the prior written consent of Landlord, the Governor, and the Legislature. Any unauthorized attempt to sublet or assign shall constitute a material default of this lease and such subletting or assignment shall be deemed null and void.

ARTICLE 10

DEFAULT AND REMEDIES

Termination by Landlord on Specified Defaults

S10.01. If Tenant shall default in the payment of rent on the date provided for in this lease and such rent default continues for a period of five (5) or more days after written notice of said default from Landlord, or in the event that Tenant shall default or fail in the performance of a covenant or agreement on his part to be performed in this lease other than the payment of rent, and such non-rental default shall not have been cured for a period of thirty (30) days after written notice of said default from Landlord, or if such default cannot, with due diligence, be cured within thirty (30) days, and Tenant shall not have commenced the remedying thereof within such period or shall not be proceeding with due

remedy it (it being intended in connection with a default not susceptible of being cured by Tenant with due diligence within thirty (30) days that the time within which to remedy same shall be extended for such period as may be necessary to complete the same with due diligence), then, and in such case, it shall and may be lawful for Landlord, at Landlord's option, with or without summary proceedings, or any other appropriate legal action or proceedings, to terminate this lease and to enter upon the Leased Land or any part thereof and expel Tenant, or any person or persons occupying the Leased Land and so to repossess and enjoy the Leased Land.

10.01.01. **Other grounds for default.** If, after the commencement of the term of this lease, (i) Tenant shall be adjudicated a bankrupt or adjudged to be insolvent; (ii) a receiver or trustee shall be appointed for Tenant's property and affairs; (iii) Tenant shall make an assignment for the benefit of creditors or shall file a petition in bankruptcy for insolvency or for reorganization or shall make application for the appointment of a receiver; or (iv) any execution or attachment shall be issued against Tenant or any of Tenant's property, whereby the Leased Land or any building or buildings or any improvements thereon shall be taken or occupied or attempted to be taken or occupied by someone other than Tenant, except as may herein be permitted, and such adjudication, appointment, assignment, petition, execution, or attachment shall not be set aside, vacated, discharged, or bonded within thirty (30) days after the issuance of the same, then a default hereunder shall be deemed to have occurred so that the provisions of this S10.01 shall become effective and Landlord shall have the rights and remedies provided herein.

10.01.02. **Peaceable Surrender.** Should the term of this lease at any time be ended under the terms and conditions of this S10.01, or in any other way, Tenant hereby covenants and agrees to surrender and deliver up the Leased Land peaceably to Landlord immediately upon the termination of the term.

10.01.03. **Reletting Leased Land.** At any time or from time to time after any such default and notice thereof (if required) pursuant to the S10.01 Landlord or its representatives may, without notice, reenter, the Leased Land by force, summary proceedings or otherwise, and remove all persons and contents therefrom, without being liable to prosecution therefor, and Tenant hereby expressly waives the service of any notice in writing of intention to reenter or to institute legal proceedings to that end and Tenant shall pay, at the same time as the rent becomes payable under the terms hereof, a sum equivalent to the rent and additional rent reserved herein, and Landlord may relet the Leased Land or any part or parts thereof in the name of Landlord or otherwise, for a term or terms which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease without releasing Tenant from any liability, applying such rent first, to the cost of obtaining possession, second, to restoring the Leased Land to a rentable condition, third, to brokerage fees and the cost to Landlord of reletting the Leased Land, and then to the payment of rent, items or additional rent and all other charges due and to grow due to Landlord, any surplus to be paid to Tenant, who shall remain liable for any deficiency. The failure or refusal of Landlord to relet the Leased Land or any part thereof shall not release or affect Tenant's liability. Any sums due to Landlord shall be paid in monthly installments by Tenant on the rent day

specified in this lease and any suit brought to collect the amount due for any month shall not prejudice in any way the rights of Landlord to collect any sums due for any subsequent month. Landlord at its option, may make alterations, repairs, replacements or painting in the improvements on the Leased Land as Landlord may consider advisable for the purpose of reletting the Leased Land or any part thereof, and the making of such alterations, repairs, replacements or painting shall not operate to be construed to release Tenant from liability hereunder. Any mention in this lease of any particular remedy shall not preclude Landlord from any other remedy in law or in equity. Tenant hereby waives any and all rights of redemption granted by or under this lease. In the event of the termination of this lease pursuant to this S10.01, Landlord shall forthwith, notwithstanding any other provisions of this lease to the contrary, be entitled to recover from Tenant as liquidated damages an amount equal to the difference between the rent reserved in this lease for the unexpired portion of the term leased and the then fair and reasonable rental value of the Leased Land for the same period.

Other Remedies

S10.02. Any termination of this lease as herein provided shall not relieve Tenant from the payment of any sum or sums that shall then be due and payable to Landlord thereunder or any claim for damages then or theretofore accruing against Tenant hereunder, and any such termination shall not prevent Landlord from enforcing the payment of any such sum or sums or claim for damages by any remedy provided for by law, or from recovering damages from Tenant for any default thereunder. All rights, options, and

remedies of Landlord contained in this lease shall be construed and held to be cumulative, and no one of them shall be exclusive to the other, and Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief which may be provided by law, whether or not stated in this lease.

Continuation of Lease During Breach

S10.03. At Landlord's option, if Tenant has breached this lease and abandoned the Leased Land, no notice of termination will be given and this lease will continue in effect for so long as Landlord does not terminate Tenant's right to possession. Landlord may in that case enforce all its right and remedies under this lease, including the right to recover rent as it becomes due.

No Waiver of Default

S10.04. Landlord's failure to take advantage of any default or breach of covenant on the part of Tenant shall not be, or be construed as a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this lease be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant any term, covenant, or condition hereof, or to exercise any rights given it on account of any such default. A waiver of a particular breach, or default, shall not be deemed to be a waiver of the same or any other subsequent breach of default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, or condition of this lease.

Demand for Rent

S10.05. Except as otherwise expressly provided herein, in the event that Tenant shall be in default in the payment of any rents provided for in this lease, Tenant waives the making by Landlord of any demand for rent prior to the commencement of any action in ejectment or to obtain possession of the Leased Land.

Late Charge

S10.06. Tenant shall pay Landlord a one and one-half percent (1 1/2%) late charge on every rent payment made five (5) days or more after due date.

ARTICLE 11

SURRENDER AND REMOVAL

Surrender of Possession

S11.01. Upon the expiration of the term of this lease or any earlier termination thereof, Tenant shall surrender to Landlord possession of the Leased Land and all buildings and improvements thereon.

Removal of Personal Property

S11.02. If Tenant shall not then be in default under any of the covenants and conditions hereof, Tenant may remove or cause to be removed all of Tenant's machinery,

equipment and trade fixtures on the Leased Land; provided, Tenant shall, at its sole cost and expense, immediately repair any damage or injury to any building or other improvement on the Leased Land caused by such removal. Any of said machinery, equipment or trade fixtures that are not removed from the Leased Land within thirty (30) days after the date of expiration or any termination of this lease shall belong to Landlord without the payment of any consideration; provided, Landlord, may require Tenant to remove any or all of such machinery, equipment or trade fixtures at Tenant's sole cost and expense. The provisions of this S11.02 shall survive the expiration or termination of this lease.

Tenant's Quitclaim

S11.03. Upon the expiration of the lease term, or any sooner termination of this lease, at Landlord's request, Tenant agrees to execute, acknowledge and deliver to Landlord a proper instrument in writing, releasing, and quitclaiming to Landlord all right, title and interest of Tenant in and to the Leased Land and all buildings and other improvements thereon.

ARTICLE 12

LANDLORD'S GENERAL PROTECTIVE PROVISIONS

Landlord's Right to Entry and Inspection

S12.01. Tenant shall permit Landlord or Landlord's agents, representatives, or employees to enter upon the Leased Land at reasonable times for the purpose of conducting

an inspection in a reasonable manner to determine whether agreements in this lease are being complied with, or for the purpose of showing the Leased Land to prospective tenants, purchasers or mortgagees.

Performance of Tenant's Obligations

After Notice or Without Notice in Emergency

S12.02. If Tenant shall default in the performance of any covenant or condition in this lease required to be performed by Tenant, Landlord may, after thirty (30) days' notice to Tenant, or without notice if in Landlord's opinion an emergency exists, perform such covenant or condition for the account and at the expense of Tenant. If Landlord shall incur any expense, including reasonable attorneys' fees, in instituting, prosecuting, or defending any action or proceeding instituted by reason of any default of Tenant, Tenant shall reimburse Landlord for the amount of such expense. Should Tenant, pursuant to this lease, become obligated to reimburse or otherwise pay Landlord any sum of money in addition to the basic rent, the amount thereof shall be deemed additional rent and may, at the option of Landlord, be added to any subsequent installment of the basic rent due and payable under this lease, in which event Landlord shall have the remedies for default in the payment thereof provided by this lease. The provisions of this 12.02 shall survive the termination of this lease.

Release of Landlord After Sale

S12.03. In the event of a sale or conveyance by Landlord of the Leased Land or any part containing the Leased Land, Landlord shall be released from any future liability upon any of the covenants or conditions, expressed or implied, in favor of Tenant, and in such event, Tenant agrees to look solely to the responsibility of the successor in interest of Landlord in and to this lease.

Accord and Satisfaction

S12.04. No payment by Tenant or receipt by Landlord of a lesser amount than the rental shall be deemed to be other than on account of the rental, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the rental or pursue any other remedy provided for in this lease.

Landlord's Contractual Security Interest

S12.05. Landlord shall have at all times a valid security interest to secure payment of all rent and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages which Landlord may suffer by reason of the breach by Tenant of any covenant, agreement or condition contained herein, upon all fixtures and personal property of Tenant presently, or which may hereafter be, situated on the Leased Land, and all proceeds therefrom, and such property shall not be removed without the consent of

Landlord until all arrearages in rent as well as any and all other sums of money then due to Landlord or to become due to Landlord hereunder shall first have been paid and discharged and all the covenants, agreements and conditions hereof have been fully complied with and performed by Tenant. Upon the occurrence of an event of default by Tenant. Upon the occurrence of an event of default by Tenant, Landlord may, in addition to any other remedies provided herein, enter upon the Leased Land and take possession of any and all fixtures and personal property of Tenant situated on the Leased Land, without liability for trespass or conversion, and sell the same at public or private sale, with or without having such property at the sale, after giving Tenant reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, at which sale Landlord or its assigns may purchase unless otherwise prohibited by law. Unless otherwise provided by law, and without intending to exclude any other manner of giving Tenant reasonable notice, the requirement of reasonable notice shall be met if such notice is given in the manner prescribed in the lease at least seven (7) days before the time of sale. Any sale made pursuant to the provision of this S12.05 shall be deemed to have been a public sale conducted in a commercially reasonable manner if held on the Leased Land or where the property is located after the time, place, and method of sale and a general description of the types of property to be sold have been advertised in a daily newspaper published in Guam, for five (5) consecutive days before the date of the sale. The proceeds from any such disposition, less any and all expenses connected with the taking of possession, holding and selling of the property (including reasonable attorneys' fees and legal expenses), shall be the security interest granted in this S12.05. Any surplus shall be paid to Tenant or

as otherwise required by law; Tenant shall pay any deficiencies forthwith. Upon request by Landlord, Tenant agrees to execute and deliver to Landlord a financing statement in form sufficient to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Guam Uniform Commercial Code.

Landlord's Title

S12.06. Nothing herein contained shall empower Tenant to do any act which can, may or shall cloud or encumber Landlord's fee simple title. This lease does not grant any rights to light and air over property except over public streets, alleys or way kept open by public authority.

Reserved Rights

S12.07. Landlord reserves the following rights: (i) To change the street address of the Leased Land without notice of liability of Landlord to Tenant; (ii) to display during the last ninety (90) days of the term without hinderance or molestation by Tenant "For Rent" and similar signs on windows or elsewhere in or on the Leased Land; (iii) during the last ninety (90) days of the term or any part thereof, if during or prior to that time Tenant vacates the Leased Land, or at any time after Tenant abandons the Leased Land, to enter and decorate, remodel, repair, alter or otherwise prepare the Leased Land for reoccupancy; and (iv) to take any and all reasonable measures, including inspections, repairs, alterations, additions and improvements to the Leased Land as may be reasonably necessary or desirable for the safety, protection or preservation of the Leased Land or Landlord's

interest. Landlord may enter upon the Leased Land and may exercise any or all of the foregoing rights hereby reserved without being deemed guilty of any eviction or disturbance of Tenant's use or possession and without being liable in any manner to Tenant.

Landlord's Right to Cure Default

S12.08. In the event Tenant shall fail to pay and discharge or caused to be paid and discharged, when due and payable any tax, assessment, or other charge upon or in connection with the Leased Land, or any lien or claim for labor or material employed or used in or any claim for damages arising out of the construction, repair, restoration, replacement, maintenance, and use of the Leased Land and the improvements, or any judgment on any contested lien or claim, or any insurance premium or expense in connection with the Leased Land and improvements, or any other claim, charge, or demand which Tenant has agreed to pay or caused to be paid under the covenants and conditions of this lease, and if Tenant, after ten (10) days written notice from Landlord to do so, shall fail to pay and discharge the same, then Landlord may, at its option, pay any such tax, assessment, insurance expense, lien, claim, charge, or demand, or settle or discharge any action therefor, or judgment thereon, and all costs, expenses, and other sums incurred or paid by Landlord in connection with any of the foregoing shall be paid Tenant to Landlord upon demand, together with interest thereon at the rate of one and one-half percent (1 1/2%) per month from the date incurred or paid, and any default in such payment shall constitute a breach of the covenants and conditions of this lease.

ARTICLE 13

GAA ASSURANCES TO FAA AND JOINT USE AGREEMENT

Compliance

S13.01. Tenant agrees to observe and obey all applicable rules and regulations promulgated by the Federal Aviation Administration ("FAA") or Landlord governing conduct on and operations at the Antonio B. Won Pat Guam International Air Terminal and all related facilities owned and operated by Landlord including the GAA Industrial Park (collectively referred to as "ABWGIAT"). Landlord has received federal assistance through several executed Grant Agreements for ABWGIAT development and certain land acquisition transactions. This lease and Tenant's use of the Leased Land and ABWGIAT shall be subject to any and all applicable terms of those certain Sponsor's Assurances that Landlord (as Sponsor therein) has made to FAA as they relate to the application, acceptance and use of federal funds for ABWGIAT development. The Assurances applicable to this lease shall include, but not be limited to, the following specific terms and conditions:

13.01.01. **Non-discrimination.** (a) Tenant for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the Leased Land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Land for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Tenant shall maintain and operate such facilities and services in

compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended; (b) Tenant for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the Leased Land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under the Leased Land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Tenant shall use the Leased Land in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

13.01.02. **Books, Records, Accounts.** Upon written request of FAA, Tenant shall provide all information reports required by FAA rules, regulations or directives issued pursuant thereto, and shall permit the examination of its books, records, and its facilities, as may be determined by FAA to be pertinent to ascertain compliance with such rules, regulations, orders and directives.

13.01.03. **Service, Prices.** Tenant shall furnish services and products on a fair, equal, and not unjustly discriminatory basis to all customers and users. Tenant shall charge fair, reasonable and not unjustly discriminatory prices for each unit of service and product.

13.01.04. Compatibility with ABWGIAT Operations and Use. Compatibility with ABWGIAT operations and use is a vital concern for any development on or near ABWGIAT. Safety of nearby aircraft flight and ground operations must be and shall be given primary concern at all times. Thus, the development and use of the GAA Industrial park, including this lease, are subject to and shall not be inconsistent with ABWGIAT operations and use.

S13.02. Joint Use Agreement. The parties hereto are aware that Landlord has right to use the landing area of ABWGIAT under a Joint Use Agreement entered into by the Government of Guam with the United States of America dated July 19, 1974. The rights and obligations under such Joint Use Agreement have been transferred to and assumed by Landlord. It is expressly agreed that this lease is subject and subordinate to the said Joint Use Agreement and all its terms and conditions.

ARTICLE 14

GENERAL PROVISIONS

Covenant to Execute Additional Instruments

S14.01. Landlord and Tenant agree to execute and deliver any instruments in writing necessary to carry out the agreement, term, condition, or assurance in this lease whenever the occasion shall arise and request for such instruments shall be made by the other party.

No Waiver of Breach

S14.02. No failure by either Landlord or Tenant to insist upon the strict performance by the other of any covenant, agreement, term, or condition of this lease or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach or of such covenant, agreement, term, or condition. No waiver of any breach shall affect or alter this lease, but each and every covenant, condition, agreement, and term of this lease shall continue in full force and effect with respect to any other then existing or subsequent breach.

Time of Essence

S14.03. Time is of the essence of this lease, and of each provision.

Successors In Interest

S14.04. Each and all of the covenants, conditions, and restrictions in this lease shall inure to the benefit of and shall be binding upon the successors in interest of Landlord, and subject to the restrictions of ARTICLES 6 and 9, supra, the authorized encumbrancers, assignees, transferees, subtenants, licensees, and other successors in interest of Tenant.

Entire Agreement

S14.05. This lease contains the entire agreement of the parties with respect to the matters covered by this lease, and no other agreement, statement, or promise made by any

party, or to any employee, officer, or agent of any party, which is not contained in this lease shall be binding or valid.

Waiver of Subrogation

S14.06. All insurance policies carried by Tenant covering the Leased Land and the buildings and other improvements thereon, including but not limited to contents, fire, casualty, and other insurance, shall expressly waive any right of the insurer against Landlord. Tenant agrees that its insurance policies will include such waiver clause or endorsement.

Partial Invalidity

S14.07. If any terms, condition, or provision of this lease is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

Relationship of Parties

S14.08. Nothing contained in this lease shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, and neither the provisions contained in this lease nor any acts of the parties shall be deemed to create any relationship between Landlord or Tenant, other than the relationship of landlord and tenant.

Interpretation and Definitions

S14.09. The language in all parts of this lease shall in all cases be simply construed according to its fair meaning and not strictly for or against Landlord or Tenant. Unless otherwise provided in this lease, or unless the context otherwise requires, the following definitions and rules of construction shall apply to this lease:

14.09.01. **Number and Gender.** In this lease the neuter gender includes the feminine and masculine, the singular number includes the plural, and vice versa.

14.09.02. **Mandatory and Permissive.** "Shall", "will", and "agrees" are mandatory, "may" is permissive.

14.09.03. **Captions.** Captions of articles, sections, and subsections of the lease and of its table of contents are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this lease.

14.09.04. **Term Includes Extensions.** All references to the "term" of this lease or the "lease term" shall include any extensions of such term.

14.09.05. **Other Definitions.** Additionally, the following words and phrases shall have the following meanings:

14.09.05.01. **Authorized Representatives:** Any officer, agent, employee, or independent contractor retained or employed by either party, acting within authority given him by that party.

14.09.05.02. **Damage:** Injury, deterioration, or loss to a person or property caused by another person's acts or omissions. Damage includes death.

14.09.05.03. **Good Condition:** The good physical condition of any improvements on the Leased Land and each portion of such improvements, including, without limitation, signs, windows, appurtenances, and Tenant's personal property as defined here. "In good condition" means first-class, neat, clean and broom-clean, and is equivalent to similar phrases referring to physical adequacy in appearance and for use.

14.09.05.04. **Hold Harmless:** To defend and indemnify from all liability, losses, penalties, damages as defined here, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims, or judgments arising out of or related to any damage, as defined here, to any person or property.

14.09.05.05. **Law:** Any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirement of any municipality, territorial, Federal, or other government agency or authority having jurisdiction over the parties or the Leased Land, or both, in effect either at the time of execution of the lease or at any time during the term, including, without limitation, any rule or regulation of Landlord.

14.09.05.06. **Lien:** A charge imposed on the Leased Land by someone other than Landlord, by which the Leased Land is made security for the performance of an act. Most of the liens referred to in this lease are mechanics' liens.

14.09.05.07. **Maintain:** Includes repair, replace, repaint, and clean.

14.09.05.08. **Person:** One or more human beings, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, trusts, estates, associations, and any combination of human beings and legal entities.

14.09.05.09. **Repair:** The reconstruction, rebuilding and rehabilitation that are necessary to return destroyed portions of any improvements on the Leased Land and other property to substantially the same physical condition as they were in immediately before the destruction.

Attorneys' Fees

S14.10. In the event that either party hereto shall commence any legal action or proceeding, including an action for declaratory relief, against the other by reason of the alleged failure of the other to perform or keep any term, covenant, or condition of this lease by it to be performed or kept, the party prevailing in said action or proceeding shall be entitled to recover, in addition to its court costs, reasonable attorneys' fee to be fixed by the court, and such recovery shall include court costs and attorneys' fees on appeal, if any. The court will determine who is the "prevailing party", whether or not the suit proceeds to final judgment; provided, however, that if an action is voluntarily dismissed, or dismissed pursuant to a settlement of the case, neither party will be entitled to recover its attorneys' fees.

Interest

S14.11. Any sum accruing to Tenant or Landlord under the provisions of this lease which shall not be paid when due shall bear interest at the rate of one and one-half percent (1 1/2%) per month from the date the rent was due with respect to rent and from the date written notice specifying such nonpayment is given to the defaulting party, with respect to sums due other than rent.

Modification

S14.12. This lease is not subject to modification except in writing signed by both parties.

Delivery of Rent and Notices - Method and Time

S14.13. All rents or other sums, notices, demands, or requests from one party to another may be personally delivered or sent by mail, registered, return receipt requested, postage prepaid, to the addresses stated in this S14.13, and shall be deemed to have been given at the time of personal delivery or at the time of mailing.

14.13.01. Payment of Rent. All rents and other sums payable by Tenant to Landlord shall be by check payable to Landlord, delivered in person to the Landlord, or mailed to Landlord at P.O. Box 8770, Tamuning, Guam 96911.

14.13.02. Notices to Landlord. All notices, demands, or requests from Tenant to Landlord shall be given to Landlord by personal delivery or by mailing the same to P.O. Box 8770, Tamuning, Guam 96911.

14.13.03. Notices to Tenant. All notices, demands, or requests from Landlord to Tenant shall be given to Tenant at 150 E. Harmon Industrial Park Road, Tamuning, Guam 96911.

14.13.04. Change of Address. Each party shall have the right, from time to time, to designate a different address by notice given in conformity with this S14.13.

ARTICLE 15
CONDEMNATION

Consequences of Condemnation

S15.01. In the event during the term of this lease the Leased Land or any part thereof shall be taken or condemned by any authority having the power of eminent domain, then and in every such case the estate and interest of Tenant in any part of the Leased Land so taken or condemned shall at once cease and terminate; and the rental to be paid under this lease shall be reduced for and during the unexpired balance of the term hereof, effective as of the date when Tenant shall by reason of such taking or condemnation lose the right to possession of such part of the Leased Land, in an amount which shall be that proportion of the rental which is equivalent to the reduction in the area of the Leased Land shall refund to Tenant any unearned portion of the rental thereof paid in advance prior to the effective date of such taking or condemnation.

15.01.01. **Compensation and Damages.** In every such case of taking or condemnation of the Leased Land or any part thereof, all compensation and damages payable for or as a result of such taking or condemnation shall be payable to and be the sole property of Landlord, and Tenant shall have no interest in or claim to such compensation or any part thereof whatsoever; and all compensation and damages payable for or on account of any buildings and other improvements on the Leased Land and any plans and other preparations therefor shall be payable to Landlord and Tenant as their

respective interest shall appear, and said respective interest in such compensation and damages payable for or on account of any such buildings or other improvements shall be fixed and determined, as of the date when Tenant shall by reason of such taking or condemnation lose the right to possession of such buildings or other improvements so taken or condemned, as follows:

15.01.01.01. **Landlord's Interest.** The interest of Landlord therein shall be a proportionate amount of such compensation and damages in the ratio which the expired portion of the term of this lease bears to the full term of this lease; and

15.01.01.02. **Tenant's Interest.** Tenant's interest therein shall be the balance of such compensation and damages after first deducting therefrom the amount of the interest of Landlord therein as hereinbefore defined.

15.01.02. **Termination of Lease.** In the event only part of the Leased Land shall be so taken or condemned, and either the balance of the Leased Land is unsuitable for the purpose for which leased to Tenant, or all of the buildings on the Leased Land shall be so taken or condemned or only a part of the buildings shall be so taken or condemned, thereby rendering the remaining portion of the buildings unsuitable for Tenant's purposes under this lease, and Tenant shall remove all remains of said buildings and any other improvements from the balance of the Leased Land and restore the Leased Land to good and orderly condition under its option as herein provided, then and in every such case Tenant shall have the right at its option, by giving prior written notice thereof to Landlord within sixty (60) days after such event, to terminate this lease. Upon such termination Tenant shall be relieved of all further obligations under this lease, and Landlord shall

refund to Tenant any unearned portion of the rental therefor paid in advance prior to the effective date of such termination.

ARTICLE 16

EXECUTION, RECORDING, AND INCORPORATION BY REFERENCE

Recording

S16.01. Tenant shall not record this lease without the written consent of Landlord; provided, however, upon the request of Tenant, the Landlord shall join in the execution of a memorandum of "short form" of this lease for the purpose of recordation. The memorandum or short form shall describe the parties, the Leased Land, the term of this lease, shall incorporate this lease by reference.

Counterparts

S16.02. This lease, consisting of forty-six (46) pages, plus exhibits, may be executed in several counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement, which shall be binding upon all parties hereto notwithstanding that all of the parties are not signatories.

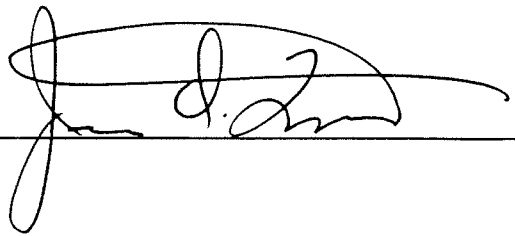
Exhibits

S16.03. All Exhibits attached hereto are made a part of this lease by reference.

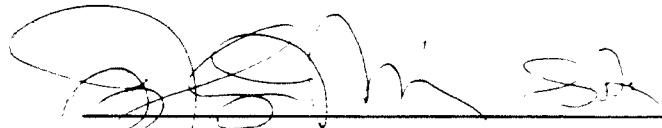
Execution

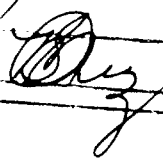
S16.04. This lease has been executed by the parties as of August 15,
19 91.

GUAM AIRPORT AUTHORITY
Landlord


Its _____

MID-PAC FAR EAST, INC.
Tenant


Its _____

6/20/91
C17200016


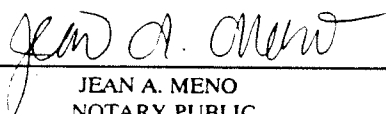
TERRITORY OF GUAM

Municipality of Agana

On this 20th day of June, 1991, before me, a notary public in and for the Territory of Guam, personally appeared JESS Q. TORRES, the duly authorized representative of GUAM AIRPORT AUTHORITY, known to me to be the person who executed the foregoing GAA Industrial Park Ground Lease, and acknowledged to me that he executed the same on behalf of said corporation.

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

)SEAL(



JEAN A. MENO
NOTARY PUBLIC
In and for the Territory of Guam
My Commission Expires: May 30, 1996

TERRITORY OF GUAM

Municipality of Agana

On this 20th day of June, 1991, before me, a notary public in and for the Territory of Guam, personally appeared James S. Moir, the duly authorized representative of MID-PAC FAR EAST, INC., known to me to be the person who executed the foregoing GAA Industrial Park Ground Lease, and acknowledged to me that he executed the same on behalf of said corporation.

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

)SEAL(

Jean A. Meno
JEAN A. MENO
NOTARY PUBLIC
In and for the Territory of Guam
My Commission Expires: May 30, 1996



EXHIBIT "A"

Property Description

Lot No. 1, Block No. 1, Tract No. 1427, Guam International Air Terminal Industrial park, Municipalities of Barrigada and Dededo, Guam, containing an area of approximately 3,192 square meters or 34,357 square feet, as shown on Drawing No. DS1-S-88-25 dated April 23, 1990, prepared by registered land surveyor Nestorio C. Ignacio, RLS No. 65.

Pursuant to Public Law 20-188 the legal descriptions of the parcels must be based on a map certified and approved by the Territorial Surveyor and Planner and duly recorded at the Department of Land Management. Property description may need to be revised accordingly.