

**MEMORANDUM OF AGREEMENT
BETWEEN THE
GUAM FISHERMEN'S COOPERATIVE ASSOCIATION
AND THE
GUAM ECONOMIC DEVELOPMENT AUTHORITY**

This MEMORANDUM OF AGREEMENT ("MOA") is entered into by and between the GUAM FISHERMEN'S COOPERATIVE ASSOCIATION ("GFCA") a nonprofit organization and the GUAM ECONOMIC DEVELOPMENT AUTHORITY ("GEDA"), a Guam public corporation, on behalf of the Government of Guam.

RECITALS

WHEREAS, Public Law 32-056 allocates no more Five Million Dollars (\$5,000,000) from the proceeds of the Hotel Occupancy Revenue Bonds, Series 2011A for purposes of issuing a grant to the GFCA for the construction, repair and improvements of the GFCA facility (the "GFCA Facility") as part of the Greg D. Perez Marina Economic Enhancement Master Plan (the "Project"); and

WHEREAS, Public Law 32-056 requires that Two Million Dollars (\$2,000,000) from the proceeds of the Hotel Occupancy Revenue Bonds, Series 2011A be deposited and accounted for in a separate trustee sub-account for the payment of expenses associated with the construction, repair and improvements of the GFCA Facility; and

WHEREAS, any services, contracts or expenses associated with the construction, repair and improvements of the GFCA Facility require the approval of the GFCA; and

WHEREAS, disbursements for payments of expenses associated with the construction, repair and improvements of the GFCA Facility shall be approved by the GFCA and countersigned by GEDA; and

WHEREAS, the funds deposited in the separate trustee sub-account must be expended or encumbered by the GFCA by no later than July 31, 2015, otherwise any remaining funds shall be subject to legislative re-appropriation; and

WHEREAS, by MOA with the Office of the Governor of Guam approved by the Governor on June 15, 2011, the authority and responsibility for managing the Capital Improvement Program established by P.L. 30-228 as amended which is funded from Hotel Occupancy Revenue Bonds, Series 2011A was vested in GEDA; and

WHEREAS, P.L. 32-056 creates a need to clarify the manner in which GFCA and GEDA will carry out their respective responsibilities in consonance with the law and the Bond Indenture and Tax Certificate associated with the Hotel Occupancy Revenue Bonds, Series 2011A.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

AGREEMENT

1. Responsibilities of GFCA. GFCA agrees to:
 - a. Perform all activities necessary for the construction, repair and improvement of the GFCA Facility;
 - b. Hire a construction manager to oversee construction of the Project;
 - c. Submit invoices to GEDA for payment of all expenses incurred for the construction, repair and improvement of the GFCA Facility;
 - d. In submitting invoices to GEDA, certify that GFCA has complied with all applicable law, that expenditures are for construction, repair and improvements, and that GFCA will retain all records relating to the Project necessary for auditing purposes;
 - e. Provide GEDA with copies of minutes or other documentation that demonstrates that GFCA plans for the construction, repair and improvement of the GFCA facility have been coordinated with the Hagatna Restoration and Redevelopment Authority pursuant to Article 3, Chapter 79 of Title 21 Guam Code Annotated and that identify the authorized representatives of GFCA authorized to approve expenditures related to the Project;
 - f. Provide to GEDA a copy of the certificate of occupancy, as-built plans and all other documentation deemed necessary by GEDA to demonstrate completion of the Project;
 - g. Indemnify and hold harmless GEDA and the Government of Guam from and against all attachments, liens, charges, expenses, claims, suits, damages, causes of action, costs of defense, including reasonable attorney fees, and judgments arising from the design, construction, repair or improvement of the GFCA Facility or the negligent or intentional acts, errors, mistakes, omissions or contractual breaches of GFCA, its members, consultants, contractors, subcontractors, agents or employees;

h. Collaborate and work with other Government of Guam agencies as appropriate;

i. Provide quarterly written updates to GEDA of all expenditures of the GrantFunds (defined below) and other funds secured by the GFCA and used for the Project;

j. Do all other things necessary to carry out the above objectives;

2. Responsibilities of GEDA. GEDA agrees to:

a. Arrange for the establishment of a separate trustee sub-account as required by Public Law 32-056 and the deposit of \$2,000,000 from the proceeds of the Hotel Occupancy Revenue Bonds, Series 2011A (the "Grant Funds") into said trustee sub-account;

b. Countersign disbursements for payment of all expenses associated with the construction, repair and improvement of the GFCA Facility provided that the requirements of Section 1(c) above are satisfied;

c. Process requests for payment of all invoices through the trustee in a timely manner;

d. Review quarterly reports submitted by GFCA;

e. Execute all other documents necessary for GEDA to carry out the services listed in Paragraph 2.

3. It is mutually agreed that, consistent with Public Laws 14-149, 27-24 and 28-68 and the Commercial Lease Agreement dated May 11, 2010 and recorded on May 25, 2010 at the Department of Land Management, Government of Guam, under Instrument No. 806519, GFCA and GEDA agrees that:

a. All improvements constructed by GFCA shall be owned by GFCA until expiration of the Commercial Lease Agreement or sooner termination;

b. As a condition of any leasehold mortgage, the mortgage shall contain a clause that GEDA, the Governor and the Legislature shall be given notice of all defaults;

c. There shall be a provision of any borrowing agreement that GEDA and the Governor of Guam be given a copy of all notices by either party pursuant to the borrowing agreement.

d. Any borrowing agreement shall allow for a curing of any default by GEDA or the government of Guam prior to the sale of the facility by mortgagor pursuant to a leasehold mortgage.

e. GFCA and GEDA shall execute the custodial agreement as required by the Bank of Guam.

4. Term. This Memorandum of Agreement shall remain in effect until the later of July 31, 2015 or completion of the Project.

5. Effective Date. The effective date of this Memorandum of Agreement shall be the date this Agreement is fully executed by the parties.

Guam Economic Development Authority

Guam Fishermen's Cooperative Association

By: _____


HENRY J. TAITANO
Administrator

By: _____


MANUEL P. DUENAS II
President

Date: _____

3/5/14

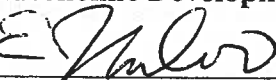
Date: _____

3-4-14

Concurred By:

Guam Economic Development Authority Board of Directors:

By: _____


E. J. CALVO
Chairperson

Date: _____

3/6/14