

DEPARTMENT OF THE NAVY GENERAL PURPOSE OUTLEASE

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All correspondence in connection with this contract should include reference to Lease Contract No. N40192-23-RP-00002, File No. LO-10945 Installation/UIC N41557-BA

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LEASE
BETWEEN THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF GUAM, OFFICE OF THE GOVERNOR OF GUAM

THIS LEASE, executed this _____ day of _____ 2023, by and between THE UNITED STATES OF AMERICA, acting by and through the Secretary of the Navy ("Government"), and the GOVERNMENT OF GUAM, acting by and through the Office of the Governor of Guam, whose address is Ricardo J. Bordallo Complex, 513 West Marine Corps Dr., Hagåtña, Guam 96910 ("Lessee") (Government and Lessee may jointly be referred to as the "Parties").

WITNESSETH:

WHEREAS, the Leased Premises, as defined below, covered by this Lease is under the control of the Secretary of the Navy (the "Government"); and

WHEREAS, the Leased Premises as described herein at Paragraph 1, is not excess property as defined in section 3 of the Federal Property and Administrative Services Act of 1949, as amended, (40 U.S.C. § 102); and

WHEREAS, the Navy, pursuant to the provisions of 10 U.S.C. § 2667, has determined that the proposed use of the Leased Premises, subject to the terms and conditions of this Lease, will promote the national defense or serve the public interest.

NOW THEREFORE, in consideration of the terms, covenants, and conditions in this Lease, Government and Lessee agree as follows:

1. **LEASED PREMISES.** Government leases, rents, and demises to Lessee, and Lessee hires and rents from Government, the Leased Premises consisting of approximately 112.875 acres of land located in Joint Region Marianas, Naval Base Guam in the Municipality of Barrigada and Mangilao, Guam and more particularly described and/or depicted in **Attachment A** (the "Leased Premises"), together with all improvements as described and/or listed in **Attachment A**, with all rights of access to the Leased Premises for ingress, egress, parking, and utilities as provided under paragraphs 5, 10, and 28 below for the sole use as a medical campus which shall include a public hospital.

2. **LEASE SURVEY.** A Lease survey and a legal description shall be provided by Lessee to the Real Estate Contracting Officer (RECO) and shall be attached hereto within **Attachment A** by modification to this Lease within 60 days of the date of execution of this Lease.

3. **TERM.** Notwithstanding the Execution Date, the initial term of this Lease for the land described in **Attachment A** shall begin on May 1, 2023 (Start Date) and end on April 30, 2073 (End Initial Term Date), unless sooner terminated under Paragraph 15, for a total initial term not to exceed fifty (50) years.

3.1. Lessee may renew the term of this lease for an additional period of twenty-five (25) years on the same terms and conditions as herein set out, and for no additional consideration, by delivery to the RECO written notice of its intention to renew no later than ninety (90) days prior to the expiration of the then current term.

4. **CONSIDERATION.** As required by Title 10 United States Code, Section 2667, the Government of Guam shall pay to the Government fair market value rent, the amount of which has been determined by the Secretary of the Navy as \$9,136,000 for the first ten (10) years of the Lease, to be paid within ten (10) days of execution of this Lease from funds available to and/or within the control of the Office of the Governor of Guam without further legislative appropriation. Thereafter, the Secretary of the Navy has determined that the military utility of the hospital and medical campus facilities by the Department of Defense for Department of Defense mission purposes including the benefit of United States military service members and

dependents, and/or agreed upon services and/or facilities, constructed and available for governmental use, as conditions of this lease in paragraph 5.1, provides the requisite remaining consideration for this Lease.

4.1. Administrative Fees. The Navy’s budget does not include funds to support oversight, execution, and administration of real estate transactions supporting non-federal entities’ use of Government-owned real property; consequently, administrative expenses to cover and/or reimburse Government in-house labor associated with this Lease administration must be requested and deposited in accordance with 10 USC § 2695 and Department of Navy policy. Accordingly, Lessee agrees to pay Government administrative fees, in the sum of \$1,500,000 for Government labor costs attributable to oversight and administration of this contract through Final Construction.

4.1.1. Administrative fee payments shall be remitted electronically payable to the Treasurer of the United States, through www.pay.gov and citing Contract Number N40192-23-RP-00002. Lessee shall register with www.pay.gov and pay the administrative fees within ten (10) days of execution of this Lease from funds available to and/or within the control of the Office of the Governor of Guam without further legislative appropriation.

5. USE OF LEASED PREMISES. The purpose, for which the Leased Premises may be used, in the absence of prior written approval by the Real Estate Contracting Officer (RECO), is for operation of a Guam Public Hospital and Medical Campus and for no other purpose. Lessee understands and acknowledges that this Lease is not, and does not constitute, a commitment by Government with regard to any fee title conveyance of the Leased Premises, in whole or in part, to Lessee or any agency, instrumentality, or affiliate, or to any sub-lessee.

5.1. Military Utility. As a condition of this Lease, the design, construction and joint use of the Guam Public Hospital and Medical Campus shall include a helipad capable of supporting the heat requirements of the Bell Boeing V-22 Osprey series aircraft and the weight requirements of the Sikorsky CH-53K King Stallion aircraft as well as ensuring 13.5 acres parcel of flat land suitable for a contingency field hospital remains unencumbered. As further conditions of this Lease, the Guam Public Hospital and Medical Campus shall include UFC compliant security fencing and specialty care capabilities as follows: the ability to receive 10 critical patients per hour; hyperbaric recompression treatment; inpatient rehabilitation capability including physical, occupational, and speech therapies; inpatient hemodialysis; a pediatric ICU; and an interventional radiology treatment capable of cardiac catheterization. The above conditions shall be referred to collectively as “Military Utility.” The RECO shall provide Government approval of the Hospital and Medical Campus design prior to the commencement of any construction for the limited purpose of ensuring that Military Utility is provided for therein and the preliminary design to be made a part of the lease as **Attachment B** within one calendar year (365 days) of execution of the lease. Lessee shall consult the Government prior to any modifications to the approved Hospital and Medical Campus design that affect Military Utility. If, for any reason, portions of the Hospital and Medical Campus design are to be de-scoped, the Military Utility shall be prioritized for retention. If Military Utility is not designed and approved within five (5) years of the commencement date of this Lease, or if Military Utility fails to be constructed and/or operational within ten (10) years of the commencement date of this lease, or if Lessee refuses Government access and/or use of Military Utility including for the benefit of United States military service members and dependents, Government may terminate this Lease in accordance with the termination provisions of this Lease.

5.2. Lessee shall not undertake any activity that may affect any portion of a historic or archeological property site, as identified in the Environmental Condition of Property (ECP), **Attachment D**, and/or National Environmental Policy Act (NEPA) documentation, including excavation, construction, alteration, or repairs of the Leased Premises, without the prior approval of Government and compliance with section 106 of the National Historic Preservation Act (16 U.S.C. § 470), and the Archeological Resources Protection Act of 1979 (16 U.S.C. §470aa). Buried cultural materials may be present on the Leased Premises. If those materials are encountered, Lessee shall stop work immediately and notify Government. Government has no knowledge of any historical or archeological property on the Leased Premises; in the event that it becomes aware of any, Government will immediately notify Lessee.

5.3. Government reserves the right of unrestricted access in accordance with Paragraph 10, below, to the Government utilities/utility corridors on and under the parcels, identified and more particularly described in **Attachment A**, as “Lot 3

R/W, Tract 18308”, “Lot 4 R/W, Tract 18308”, “Lot 5 R/W, Tract 18308”. Any development proposed by Lessee on these aforementioned parcels requires prior written approval of Government.

5.4. Government reserves the right of unrestricted ingress and egress through the leased premises to access the Government’s Next Generation Weather Radar (NEXRAD) weather radar site. Any development proposed by Lessee on the parcel identified as “Lot 3 R/W, Tract 18308”, more particularly described in **Attachment A**, which provides Government ingress and egress through Leased Premises to the NEXRAD weather radar site, is restricted without prior written approval of Government.

6. **ASSIGNMENT AND SUBLEASING.** During the Design Period and Construction Period, the Government may withhold consent to the transfer, assignment, or subleasing of this Lease or any interest in it. During the Performance Period, Lessee shall neither transfer, assign, nor sublet this Lease or any interest in it, or any property on the Leased Premises, or grant any interest, privilege, or license whatsoever in connection with this Lease without the prior written consent of Government. Government acknowledges that transfer, assignment or subletting may be required to allow Lessee to satisfy financing requirements and therefor commits that consent shall not be unreasonably withheld or delayed. The proposed transferee, assignee, or subtenant, as applicable, must provide to Government reasonably satisfactory evidence that such transferee, assignee, or subtenant does not pose a threat to the National Security of the United States. This determination will be made in Government’s sole discretion.

6.1. Any sublease granted by Lessee shall reference and contain a copy of this Lease as an attachment and be consistent with the terms and conditions of this Lease and shall terminate immediately upon the expiration or any earlier termination of this Lease, without any liability on the part of Government to Lessee or any sub-Lessee, except as specifically stated in this Lease. No sublease shall relieve Lessee of any of its obligations under this Lease. Under any sublease made with or without consent of Government, the sub-Lessee shall be deemed to have assumed all of the obligations of Lessee under this Lease. Every sublease shall be subject to, and shall be deemed to contain, the Environmental Protection provisions set forth in Paragraph 14 below and **Attachment D**, hereto.

6.2. Lessee shall submit to Government for its prior written consent, a copy of each sublease Lessee proposes to execute along with a letter that confirms that the sublease is consistent with the terms and conditions of the lease. Within sixty (60) calendar days, the Government will inform Lessee whether the consent may include a requirement that Lessee must renegotiate the sublease to conform to the provisions of this Lease. Consent to the sublease shall not be taken or construed to diminish or enlarge any of the rights or obligations of either Government or Lessee. Should a conflict arise between the provisions of this Lease and a provision of the sublease, the provisions of this Lease shall take precedence. Upon its execution, a copy of each sublease shall be immediately furnished to the Government.

6.3. Subject to Government approval, which shall not be unreasonably withheld or delayed, as outlined in Paragraph 6 above, during the term of this Lease, Lessee may encumber its interest in the Leased Premises (“Leasehold”) as well as its interest in the improvements on the Leased Premises by one or more loans secured by a mortgage, deed of trust, or security agreement or personal property security instrument (“Mortgage.”) The proposed holder of any such Mortgage shall be referred to herein as the “Mortgagee.” Any proposed Mortgagee shall be identified to the Government prior to closing for determination by the Government that the proposed mortgagee does not pose a threat to the national security of the United States. Notwithstanding any foreclosure, Lessee shall remain liable for the performance of all the provisions of this Lease, which by the terms hereof, are to be carried out and performed by Lessee.

6.4. Lessee shall notify Government promptly of any lien or encumbrance which has been created or attached to the Improvements or Lessee’s interest in the Improvements, whether by act of Lessee or otherwise, of which Lessee itself has notice. The Mortgagee or purchaser at foreclosure of Lessee’s interest in this Lease may appoint an agent, subcontractor or nominee to operate this Lease contingent upon written notice to the Government of the name of the entity. The Government has the right to deny access if the Government makes the determination that the entity does pose a threat to the national security of the United States. The Mortgagee has a right to submit and obtain preapproval of any agent, subcontractor or nominee from the Government. The Mortgagee or any purchaser at foreclosure shall become liable and

fully bound by the provisions of this Lease for the period of time during which such Mortgagee or any purchaser at foreclosure operates under this Lease.

6.5. In no event shall the right granted herein to Lessee to Mortgage or otherwise encumber Lessee's Leasehold interest, created by and pursuant to this Lease, be deemed or interpreted as a subordination of Government's interest in the Leased Premises to the lien of such Mortgage or encumbrance, it being expressly agreed that under no circumstances shall Lessee have the right to Mortgage or encumber the interest of Government in the Leased Premises or subordinate such interests to the lien of any mortgage or encumbrance that Lessee may place upon its fixtures, equipment, inventory, other personal property, and/or other improvements on the Leased Premises created by and pursuant to this Lease.

6.6. Government consents to Lessee's grant to the Mortgagee of a security interest in any fixtures, equipment, inventory and/or other personal property owned by Lessee and located on the Leased Premises. Government hereby waives any interest that Government may have in such personal property, by virtue of this Lease.

6.7. If the Mortgagee has given written notice to the Government of its address, any notice to the Lessee given pursuant to this Lease, including, without limitation, notice of a default or a termination of this Lease shall be delivered simultaneously to such Mortgagee, and no notice of default or termination of this Lease given by the Government to the Lessee shall be deemed effective until like notice is given to such Mortgagee. The Mortgagee shall have the same rights to cure any default as the Lessee has under this Lease, and the Government shall accept performance by such Mortgagee as if the Lessee had performed. The Mortgagee shall not be required to cure any matter that is not reasonably susceptible to cure by Mortgagee (to the extent it actually constitutes a default under this Lease) arising from a bankruptcy or other insolvency action or court proceeding by or against Lessee.

6.8. The Mortgagee (or its designee, assignee, or nominee) shall have the exclusive right to elect to enter into a replacement lease on the terms set forth herein, by providing written notice of such election to the Government within sixty (60) days after receipt of a termination notice with respect to this Lease and subject to Government determination of national security review. Within thirty (30) days following such request of the Mortgagee or its designee, assignee or nominee, or such longer period as reasonably necessary, Government and the Mortgagee (or its respective designee, assignee, or nominee as lessee thereunder and subject to any of the existing requirements in Paragraph 6.1.) shall execute, acknowledge, and deliver a replacement lease, which shall have the same priority as this Lease, shall be subject to any of the existing rights of the Lessee under this lease, shall automatically be effective as of the termination date of this Lease, and shall continue in effect for the remainder of the otherwise unexpired Lease term upon all the covenants, conditions, limitations, and agreements contained in this Lease.

7. JOINT INSPECTION (NON-ENVIRONMENTAL). Prior to execution of this Lease, a Joint Inspection and Inventory Report (JIIR) will be conducted by representatives of Government and Lessee and a complete inventory of Government real and personal property shall be made. The JIIR shall describe the condition of the Leased Premises and will note any deficiencies found to exist. Prior to execution, the report shall be attached to and made a part of the Lease as **Attachment C**.

7.1. The Leased Premises shall be delivered to Lessee on an "As Is, Where Is" basis, and, as such, Government makes no warranty to its usability generally or its fitness for any particular purpose. Any safety or health hazards identified and listed in the JIIR shall be corrected at Lessee's expense prior to use and occupancy of the related portion of the Leased Premises. The safety or health hazards to be corrected by Lessee shall be limited to those identified in the JIIR.

7.2. In the event this Lease is terminated and the Parties have not agreed to enter into a new lease, Lessee shall return the Leased Premises to Government in the same condition in which it was received, reasonable wear and tear, damage by insurable events, and Acts of Nature excepted. In lieu of restoring the property to original condition, the Government may, at its discretion, accept the property with improvements made by Lessee upon RECO approval. Lessee may, at its expense and with prior written approval of Government, (a) replace any personal property with personal property of like kind and utility, (b) replace any personal property in a good and workmanlike manner, and (c) dispose of any worn out, obsolete, or non-functioning personal property, in accordance with applicable laws and regulations. Government shall not unreasonably withhold or delay granting its approval to Lessee's request for those actions.

8. ENVIRONMENTAL CONDITION OF PROPERTY (ECP). An Environmental Condition of Property (ECP) shall be attached to and made a part of this Lease as **Attachment D** either at the time this Lease is executed, or within a reasonable time after the term begins, depending on the time needed by Government to complete the report, and in the latter event, the report will speak from the date the term of this Lease begins. The ECP sets forth the existing environmental conditions of the Leased Premises as represented by a survey conducted by Government and sets forth the basis for the Government's determination that the Leased Premises are suitable for leasing. Lessee understands that whenever this Lease ends, Government may conduct an inspection of the Leased Premises to determine if any material deviation from the initial environmental condition has occurred, and if a material deviation has occurred, Lessee will remain liable, to the extent permitted by law, for resulting loss or damage, notwithstanding the ending of this Lease. Lessee and each sub-Lessee are made aware of the notifications contained in the ECP and shall comply with all restrictions in it as well as the following:

8.1. UXO. Unexploded Ordnance (UXO) and other Munitions and Explosives of Concern (MEC) may be present at this site. Unless otherwise explicitly stated in this paragraph, Lessee shall not conduct or permit any sub-Lessee(s) to conduct any subsurface excavation, digging, drilling or other disturbance of the surface at any time without the prior written approval of the Government. Any excavation, digging, drilling, or other disturbance of the surface shall be done in compliance with all applicable Federal, Guam, and local laws and regulations and with Department of Defense and Department of the Navy safety policies, including those pertaining to explosives safety. Lessee acknowledges that land underlying and adjacent to the Leased Premises may contain UXO and/or MEC. If, after receipt of written approval by Government, Lessee undertakes any subsurface excavation, digging, drilling, or other disturbance of the surface, it shall immediately halt work and notify Government of any buried debris, or foreign, potentially hazardous material encountered during this work.

8.2. Unexploded Ordnance (UXO) and other Munitions and Explosives of Concern (MEC). This Lease is granted subject to the following terms and conditions:

- 8.2.1. Lessee acknowledges that Guam was the scene of numerous battles during World War II. UXO and MEC may be present on the subject premises. The following conditions apply to all ground disturbing and excavation activities:
- 8.2.2. Lessee will provide notice to the Commander Joint Region Marianas (CJRM) at least seven (7) calendar days prior to engaging in any excavation activities on the subject premises. Such notice will include the expected duration of excavation activities.
- 8.2.3. Notice will be made to residents, motorists, and pedestrians within the established explosive safety zones by reasonable means of signs and flyers prior to any excavation activities. (**Warning: Ground excavation ahead. Unexploded Ordnance may be present. ** i.e. acceptable sign verbiage). Such public notices will remain in place through the duration of the excavation activity.
- 8.2.4. Lessee shall consider alternate work schedules and other reasonable methods to minimize vehicular and pedestrian traffic exposure to UXO and MEC risks during excavation activities.
- 8.2.5. Should Lessee encounter suspected UXO or MEC on the subject premises, all work shall cease and Licensee will conduct the "3-Rs": Recognize, Retreat, and Report for all on site personnel. Lessee will confer immediately with CJRM Regional Explosives Safety Officer to determine the scope of any investigation and the requisite response action.

8.3. Lead-Based Paint. Government is not responsible for any removal or containment of lead-based paint (LBP), identified in the ECP. If Lessee, sub-Lessee or other authorized occupant of the Leased Premises intends to make any improvements or repairs that require LBP removal, an appropriate LBP disposal plan ensuring compliance with all applicable Federal, Guam, and local laws and regulations must be incorporated into the plans and specifications and submitted to Government. The LBP disposal plan will identify the proposed disposal site, or in the event that the site has not been identified, will stipulate for disposal at a licensed facility authorized to receive it.

9. IMPROVEMENTS AND RESTORATION. Neither Lessee, nor Occupant shall construct or make any substantial construction, alterations, additions, modifications, excavations, betterments, or improvements to, installations upon, or otherwise modify or alter the Leased Premises in any way (collectively, the "Improvements"), in other than the projects

identified to be constructed in accordance with **Attachment B** of this lease including those that may adversely affect human health or the environment, without the prior written consent of Government. That consent shall not be unreasonably withheld or delayed. Further, that consent may involve a requirement to furnish Government with a payment and performance bond satisfactory to it in all respects and other requirements deemed necessary to protect the interests of Government. For any Improvements in the proximity of any known Government Environmental Restoration Program (“ERP”) site, that consent may also include a requirement for the written approval of Government’s Remedial Project Manager in addition to approval by the RECO. The Improvements shall be done in a workmanlike manner and be subject to the requirements of all Guam and local building codes, as applicable. Lessee or Occupant, as applicable, shall give Government prior written notification and a full plan and description of the proposed Improvements, including any other information on the proposed work requested by Government. Except as otherwise stated in this Lease or in Government’s written approval, upon expiration or earlier termination of this Lease, Government shall have the option to cause title to all Improvements owned by Lessee or Occupant to be vested in the United States, or to require Lessee to remove the Improvements and restore the Leased Premises to the condition that existed when the term of this Lease began, or to a condition that is acceptable to Government. If requested by Government, Lessee agrees to deliver a quitclaim deed to evidence or perfect the transfer of title to the Improvements to the United States for nominal consideration.

9.1. Height limitation. Maximum height for any structure on premises shall be less than 342 feet Mean Sea level or seventy (70) feet above ground elevation of the radar and subject to Government approval. This includes but not limited to any antennas on facilities. Should there be a need to exceed this height limitation, Lessee shall request approval from the Government. Notwithstanding this paragraph 9.1, the maximum height for any structure shall be subject to Government approval.

9.2. Frequency emissions. Government shall provide Lessee with any and all releasable information within sixty (60) days of lease start date to ensure that there shall be no electrical or radio frequency emission interference with the operation of the NEXRAD or other Government equipment as the Government may from time to time specify and Lessee commits to ensuring that there shall be no electrical or radio frequency emission interference with the operation of NEXRAD. Prior to use of frequency emitting equipment, Lessee shall provide the Government with frequency spectrum information for Government approval.

10. ACCESS BY GOVERNMENT. In addition to access required under Paragraph 14, at all reasonable times throughout the term of this Lease, Government shall be allowed access to the Leased Premises without impairing the rights of Lessee, its sub-lessees or patients upon at least twenty-four (24) hours’ notice to Lessee or sub-Lessee, unless Government reasonably determines the entry is an emergency required for safety, health, environmental, operations or security purposes, in which event no notice shall be required. Except as provided by law, Lessee or sub-Lessee shall have no claim on account of any entries against Government or any Government officer, agent, employee or contractor, provided, however, that nothing in this Lease shall be deemed to prejudice the rights of Lessee or any sub-Lessee under any contract, other agreement or law including, but not limited to the Federal Tort Claims Act. All necessary keys to the buildings and Leased Premises occupied by Lessee or any sub-Lessee shall be made available to Government upon request.

10.1 Access to and restricted development upon Government utility corridors. Government reserves the right of unrestricted access in accordance with notice requirements of Paragraph 10, to the Government utilities/utility corridors on and under the parcels, identified and more particularly described in **Attachment A**, as “Lot 3 R/W, Tract 18308”, “Lot 4 R/W, Tract 18308”, “Lot 5 R/W, Tract 18308”. Any development proposed by Lessee on these aforementioned parcels requires prior written approval of Government.

10.2. Access to and restricted development upon NEXRAD access corridor. Government reserves the right of unrestricted ingress and egress through the leased premises to access the Government’s NEXRAD weather radar site. Any development proposed by Lessee on the parcel identified as “Lot 3 R/W, Tract 18308”, more particularly described in **Attachment A**, which provides Government ingress and egress through Leased Premises to the NEXRAD weather radar site, is restricted without prior written approval of Government.

11. UTILITIES AND SERVICES. Lessee and any sub-Lessee shall be responsible for obtaining utilities and services for the Leased Premises. In the event that Lessee shall request and Government shall furnish Lessee with any utilities and services maintained by Government, Lessee shall pay Government the agreed charges under separate agreement. Those charges and the method of payment shall be determined by Government or the appropriate supplier of the service, in accordance with applicable laws and regulations, on the basis that Government or the appropriate supplier may establish, and may include a requirement for the installation of adequate connecting and metering equipment at the sole cost and expense of Lessee. It is expressly agreed and understood that Government in no way warrants the continued maintenance or adequacy of any utilities or services furnished by it to the Leased Premises. Lessee shall have the right, subject to Paragraph 9, to install utilities, or make improvements to existing utilities on the Leased Premises, including but without limitation, the installation of emergency power generators, that may be necessary for the operation of Lessee's equipment.

12. NONINTERFERENCE WITH GOVERNMENT OPERATIONS. Lessee or any sub-Lessee shall not conduct operations or activities or make any alterations that would interfere with or otherwise restrict Government operations, environmental cleanup, or restoration actions by Government, U. S. Environmental Protection Agency (EPA), Guam Government environmental regulators, or their contractors. Cleanup, restoration, or testing activities for environmental purposes by those entities shall take priority over Lessee's or any sub-Lessee's use of the Leased Premises in the event of any conflict. However, Government will take reasonable steps to prevent interference with Lessee's or the sub-Lessee's use of the Leased Premises.

13. PROTECTION AND MAINTENANCE OF LEASED PREMISES. Lessee shall, at its own expense, protect, preserve, maintain, and repair the Leased Premises in at least as good condition as when Lessee received it as reflected in the JIIR, **Attachment C**, normal wear and tear, and damage by insurable events, and Acts of Nature excepted. Lessee's responsibilities shall include, but not be limited to, removal of trash, litter, broken glass, medical waste, and other hazards or obstructions from the Leased Premises that are generated by Lessee, its agents, contractors, or employees. Lessee shall ensure that the Leased Premises are maintained free of any noxious or nuisance-causing condition. Lessee is responsible for the maintenance and repair of all buildings or structures built or placed on the Leased Premises by Lessee.

13.1. Exterior Utility Systems. Lessee is responsible for the repair and maintenance of all exterior utility distribution lines, connections, and equipment that solely support Lessee's facilities. This responsibility extends from the facilities leased to the point of connection with the utility system that serves users other than Lessee. These systems include but are not limited to heating plants, steam lines, traps, high voltage transformers, substations, power distribution lines (overhead and underground), poles, towers, gas mains, water and sewage mains, water tanks, fire protection systems, hydrants, lift stations, manholes, isolation valves, meters, storm water systems, catch basins, and similar items.

13.2. Refuse Removal. Debris, trash, medical waste, and other undesirable materials shall be promptly removed from the Leased Premises by Lessee, and the Leased Premises shall be kept reasonably clean and free of undesirable materials at all times. At completion of the Lease term, Lessee shall remove all containers, equipment not belonging to Government, and other undesirable materials, and leave the Lease Premises in a clean condition that is acceptable to the Government.

13.3. Security Protection. Lessee shall keep the Leased Premises secure and safe. Any crimes or other offenses, including traffic offenses and crimes and offenses involving damage to or theft of Government property, shall be reported to the appropriate Guam Government or local municipal authorities for investigation and disposition (in non-exclusive legislative jurisdiction areas) and to Government as property owner.

13.4. Lessee shall ensure that only trained, experienced, and qualified persons perform the maintenance and protections services specified in this Paragraph.

13.5. Lessee shall, at its own expense, protect the Leased Premises through construction of a perimeter fence as identified by the Government to ensure that operation of a Public Hospital and Medical Campus does not interfere with U.S. Government's activities at the NEXRAD.

14. ENVIRONMENTAL PROTECTION PROVISIONS.

14.1. Compliance with Law. Lessee shall comply, at its sole cost and expense, with the Federal and Guam Government laws, regulations, and standards that are or may become applicable to Lessee's activities on the Leased Premises.

14.2. Permits. Lessee shall be solely responsible for obtaining at its cost and expense any environmental permits required for its operations under this Lease, independent of any existing permits.

14.3. Environmental Indemnification. Lessee shall, to the extent permitted under applicable law, indemnify and hold harmless Government from, and defend Government against, any damages, costs, expenses, liabilities, fines, or penalties (including without limitation reasonable attorney's fees or costs associated with investigations of environmental conditions) resulting from any releases, discharges, emissions, spills, storage, treatment, disposal or any other act or omissions by Lessee, its officers, agents, employees, or contractors, or licensees, or the invitees of any of them, giving rise to Government liability, civil or criminal, or responsibility under Federal, Guam, or Local Environmental Laws, which occurs after the first day of the Lessee's occupation or use of the Leased Premises or the Effective Date, whichever occurs first. This Paragraph shall survive the termination of this Lease, and Lessee's obligations under this Paragraph.

14.4. Inspection. Government's rights under this Lease specifically include the right for Government officials to inspect upon reasonable notice the Leased Premises for compliance with Environmental Laws, whether or not Government is responsible for enforcing them. Those inspections may be made without prejudice to the right of duly constituted enforcement officials to make them. Government shall give Lessee twenty-four (24) hours' prior notice of its intention to enter the Leased Premises unless it determines the entry is required for safety, environmental, operations, or security purposes. Any claims by Lessee or sublessee against Government for damages arising from such entry shall be governed by the Federal Tort Claims Act. Notwithstanding the foregoing, Government agrees to take into consideration alternatives and reasonable steps consistent with the inspection required to minimize interference with the Lessee's (including Lessee's officers, agents, employees, or contractors, or licensees) use of the Leased Premises. In addition, when Government enters the Leased Premises in accordance with this Paragraph 14.4, Government shall comply with the Safety and Security Protocols, provided adherence to the Safety and Security protocols by the Government is consistent with Federal, Guam, and local laws and regulations and Government policy and guidance documents.

14.5. Asbestos. Except as provided in Paragraph 14.6, Government is not responsible for any abatement, removal, or containment of asbestos. If Lessee intends to make any Improvements that require the abatement, removal, or containment of asbestos, an appropriate asbestos management plan must be incorporated in the alterations plan to be submitted to the Commander/Commanding Officer under Paragraph 9. The asbestos management plan will identify the proposed disposal site for the asbestos.

14.6. Abatement of Asbestos. Government shall be responsible for the removal or containment of asbestos or asbestos-containing material (collectively, "ACM") existing in the Leased Premises on the term beginning date as identified in the ECP attached to this Lease when that ACM is damaged or deteriorated to the extent that, through normal use, it is a source of airborne fibers in quantities that pose a threat to human health ("damaged or deteriorated ACM"). Government agrees to abate all that existing damaged or deteriorated ACM as stated in this Paragraph 14.6. Government may choose the most economical means of abating damaged or deteriorated ACM, which may include removal or containment, or a combination of removal and containment. The foregoing Government obligation does not apply to ACM that is not damaged or deteriorated at the time Lessee takes possession of the Leased Premises and that may become damaged or deteriorated by Lessee's activities. ACM that during the period of this Lease becomes damaged or deteriorated through the passage of time, or as a consequence of Lessee's activities under this Lease, including but not limited to any emergency, shall be abated by Lessee at its sole cost and expense. Notwithstanding Paragraph 14.4, in an emergency, Lessee shall notify Government as soon as practicable of its emergency ACM responses. Lessee shall be responsible for monitoring the condition of existing ACM on the Leased Premises for deterioration or damage and accomplishing repairs pursuant to this Lease.

14.7. Environmental Liability of Lessee/Government. Lessee shall be responsible for any environmental contamination arising from or caused by its use or occupation of the Leased Premises, whether under Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), RCRA, or any other Federal, Guam, or local law pertaining to

environmental contamination. Notwithstanding any other provision of this Lease, Lessee does not assume any, and Government shall retain all, liability or responsibility for any environmental response, remediation, or cleanup required as a result of environmental impacts or damage arising from or occurring during Government's past use, storage or release of any Hazardous Substances on any portion of the installation, including the Leased Premises. Government does not assume any, and Lessee shall retain all, liability or responsibility for any environmental response, remediation or cleanup required as a result of environmental impacts or damage arising from Lessee's use, storage, or release of Hazardous Substances on any portion of the Leased Premises, which occur after the commencement of the term of this Lease. Lessee has no obligation under this Lease and shall not assume any obligations or liabilities, and Government shall retain all such obligations and liabilities related thereto, regarding the undertaking of defense of any claim or action (including without limitation those made by third-parties), whether in existence now or brought in the future, to the extent arising out of the Government's use, storage or release of any Hazardous Substances on, or from any part, of the installation, including the Leased Premises, which occurred prior to the first day of the Lessee's occupation or use of the Leased Premises. Government has no obligation under this Lease and shall not assume any obligations or liabilities, and Lessee shall retain all such obligations and liabilities related thereto, regarding the undertaking of defense of any claim or action (including without limitation those made by third-parties), whether in existence now or brought in the future, to the extent arising out of the Lessee's use, storage or release of any Hazardous Substances on, or from any part, of the installation, including the Leased Premises, which occurred after the first day of the Lessee's occupation or use of the Leased Premises. Further, Lessee has no obligation under this Lease and shall not assume any obligations or liabilities, and Government shall retain all such obligations and liabilities related thereto, regarding the undertaking of defense of any claim or action (including without limitation those made by third-parties), whether in existence now or brought in the future, or conducting environmental response, investigation, remediation, or cleanup actions, arising from the Government's use, storage or release of Hazardous Substances. Government has no obligation under this Lease and shall not assume any obligations or liabilities, and Lessee shall retain all such obligations and liabilities related thereto, regarding the undertaking of defense of any claim or action (including without limitation those made by third-parties), whether in existence now or brought in the future, or conducting environmental response, investigation, remediation, or cleanup actions, arising from the Lessee's use, storage or release of Hazardous Substances. In addition, Lessee does not assume any, and Government shall retain all, liability or responsibility for any non-compliance with or violations of Environmental Laws occurring with respect to the Leased Premises or the Government installation, which arose prior to the term of this Lease or resulted from Government acts or omissions. By contrast, Government does not assume any, and Lessee shall retain all, liability or responsibility for any non-compliance with or violations of Environmental Laws occurring on the Leased Premises, which were caused by Lessee and arose after the commencement of the term of this Lease or resulted from Lessee's acts or omissions. Notwithstanding any other provision of this Lease, the environmental liability apportionment provisions of this Paragraph 14 shall be sole and exclusive terms in this Lease Agreement governing the environmental liability of Lessee and Government, and it shall survive the term of this Lease.

14.8. For the purposes of this Paragraph, "defense" or "environmental response, remediation, or cleanup" include liability and responsibility for the costs of damage, penalties, legal, and investigative services relating to such use or release. "Occupation or use" shall mean any activity or presence (including preparation and construction) in or upon such portion of, or such building, facility, or other improvement on, the Leased Premises.

14.9. Except as otherwise expressly provided therein, this Paragraph 14 does not relieve Lessee of any obligation or liability it might have or acquire with regard to third parties or regulatory authorities by operation of law as a result of, or exacerbated by, Lessee's activities during the term of this Lease.

14.10. This Paragraph 14 shall survive the expiration or termination of this Lease and Lessee's and/or its transfers' or assigns' obligations under this paragraph shall apply whenever Government incurs costs or liabilities for Lessee's actions of the types described in this Paragraph 14.

14.11. No Liability for Interference. The Government represents through NEPA and ECP documentation any portions of the Installation, including the proposed action site that are placed on the National Priorities List, regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), commonly referred to as Superfund. If such areas are identified, petroleum contaminated soil and groundwater is likely to be encountered in these areas and excavation in these areas must be handled in accordance with procedures established by Joint Region Marianas. Lessee

expressly acknowledges that it fully understands that some or all of the response actions to be undertaken by the Government with regard to CERCLA (as defined below), if applicable, or the Installation Restoration Program (IRP), may impact Lessee's quiet use and enjoyment of the Leased Premises. Lessee agrees that notwithstanding any other provision of this Lease, Government assumes no liability to Lessee should implementation of said response authority, or other cleanup requirements, whether imposed by law, regulatory agencies, or the Navy or the Department of Defense, interfere with Lessee's use of the Leased Premises. Lessee shall have no claim against the United States or any of its officers, agents, employees, or contractors on account of any interference, whether due to entry, performance of remedial or removal actions, or exercise of any right with regard to the said response authority, or under this Lease or otherwise reasonable steps consistent with the remedy, to minimize interference with the Lessee's (including Lessee's officers, agents, employees, contractors, licensees) use of the Leased Premises. In addition, if Government enters the Leased Premises in accordance with this Paragraph 14, Government shall adhere to the Installation Safety and Security Protocols consistent with Federal, Guam, and Local laws and regulations and Government policy and guidance documents.

14.12. Response or Remedial Actions. Lessee expressly acknowledges that it fully understands that some or all of the response actions to be undertaken by the Government may be in compliance with a Federal Facilities Agreement (FFA). The general purpose of the FFA is to ensure that the environmental impacts associated with past and present Navy activities within the Installation boundaries are investigated and appropriate remedial action is taken by the Navy with respect to contamination resulting from those Navy activities in order to protect human health and environment. This Lease does not alter the rights and obligations of the parties (Navy and EPA) under the FFA. Lessee agrees to comply with the provisions of any health or safety plan in effect under an FFA or any Hazardous Substance remediation or response agreement with environmental regulatory authorities entered into after the effective date of this Lease during the course of any of the above-described response or remedial actions. The Government shall, to the extent practicable, attempt to minimize the impacts of any such health or safety plan under an FFA or any Hazardous Substance remediation or response agreement on Lessee's use of the Leased Premises. The Government also will, to the extent practicable, coordinate any inspection, survey, investigation, or other response or remedial action under this provision with representatives designated by Lessee. Government agrees, consistent with any emerging obligations to implement required remedial or response actions as described in Paragraph 8, to consider alternatives and reasonable steps consistent with the response requirements to minimize interference with the Lessee's (including Lessee's officers, agents, employees, or contractors, licensees, or invitees) use of the Leased Premises. In addition, when Government enters the Leased Premises in accordance with this Paragraph 14 and Paragraph 8, Government shall comply with the safety and security protocols by the Government consistent with Federal, Guam, and local laws and regulations and Government policy and guidance documents. Any claims by Lessee or sublessee against Government for damages arising from such actions shall be governed by the Federal Tort Claims Act.

14.13. Storage of Hazardous Wastes. Lessee must comply with all applicable environmental laws, regulations and other requirements relating to environmental safety and health, the handling and storage of Hazardous Substances, and the proper generation, handling, accumulation, treatment, storage, disposal, and transportation of Hazardous Wastes or Hazardous Substances. Lessee shall not treat, store, transport, or dispose of Hazardous Waste or Hazardous Substances unless Lessee is in possession of any required permit issued to it under the Resource Conservation and Recovery Act, as amended (RCRA). Lessee shall not treat, store, transport, or dispose of any Hazardous Waste or Hazardous Substances under, pursuant to, or in reliance upon any permit issued to Government. Lessee shall be liable for the cost of proper disposal of any Hazardous Waste or Hazardous Substances generated by its approved sub-Lessees in the event of failure of the sub-Lessees to dispose properly of those wastes.

14.14. Environmental Records. Lessee must maintain and make available to Government all records, inspection logs, and manifests that track the generation, handling, storage, treatment, and disposal of Hazardous Waste or Hazardous Substances relevant to the Leased Premises, as well as all other environmental records required to be maintained by Lessee in connection with its use and activities on the Leased Premises by applicable environmental laws, regulations and requirements. Government reserves the right to inspect the Leased Premises and Lessee's records for compliance with Federal, Guam, local laws, regulations, and other requirements relating to the generation, handling, storage, treatment, and disposal of Hazardous Waste or Hazardous Substances, as well as to the discharge or release of Hazardous

Substances. When Government enters the Leased Premises for compliance inspections in accordance with Paragraphs 8 and 14, Government will consider alternatives and reasonable steps to minimize interference with Lessee's use of the Leased Premises. Violations will be reported by Government to appropriate regulatory agencies, as required by applicable environmental laws and regulations. Lessee shall be liable for the payment of any fines and penalties that may accrue as a result of the actions of Lessee.

14.15. Spill Plans. If Hazardous Waste, fuel, chemicals, or other regulated Hazardous Substances will be present on the Leased Premises, Lessee shall prepare a completed and approved plan prior to commencement of operations on the Leased Premises for responding to Hazardous Waste or Hazardous Substances, fuel, and other chemical spills. The plan shall comply with all applicable environmental laws and regulations and shall be updated from time to time as may be required to comply with changes in site conditions or applicable requirements, and where required, shall be approved by all agencies having regulatory jurisdiction over the plan. The plan shall be independent of Government spill prevention and response plans. Lessee shall not rely on use of the installation's personnel or equipment in execution of its plan. Lessee shall file a copy of the approved plan and approved amendments thereto with the Commander/Commanding Officer within fifteen (15) days of approval. Notwithstanding the foregoing, should Government provide any personnel or equipment, whether for initial fire response or spill containment or otherwise on request of Lessee, or because Lessee was not, in the reasonable discretion of Government, conducting timely cleanup actions as required of Lessee under applicable environmental laws and regulations, Lessee agrees to reimburse Government for its costs in accordance with all applicable environmental laws, regulations and this Lease.

14.16. RCRA Compliance. Lessee shall comply with the Hazardous Waste permit requirements under the RCRA or its Guam equivalent and any other applicable hazardous waste laws, rules, and regulations pertaining to Hazardous Waste or Hazardous Substances that apply to Lessee's use or activities on the Leased Premises. Lessee must provide at its own expense Hazardous Waste storage facilities that comply with all environmental laws and regulations that it may need for storage. Government Hazardous Waste storage facilities will not be available to Lessee. Any violation of the requirements of this Paragraph 14 shall be deemed a material breach of this Lease.

14.17. Accumulation Points. Government accumulation points for Hazardous Wastes and Hazardous Substances, along with other non-hazardous wastes shall not be used by Lessee, and Lessee shall not permit its Hazardous Wastes to be commingled with Hazardous Waste or Hazardous Substances or any discarded material generated by the Government.

14.18. Discharge of Fill. Lessee shall not discharge, or allow the discharge of, any dredged or fill material into any waters or wetlands on the Leased Premises except in compliance with the express written consent of the Government.

14.19. Pesticides. Prior to the storage, mixing, or application of any pesticide, as that term is defined under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), Lessee shall prepare a plan for storage, mixing, and application of pesticides (Pesticide Management Plan). The Pesticide Management Plan shall be sufficient to meet all applicable Federal, Guam, and local pesticide requirements. Lessee shall store, mix, and apply all pesticides within the Leased Premises only in strict compliance with the Pesticide Management Plan. The pesticides will only be applied by a licensed applicator.

14.20. National Pollutant Discharge Elimination System (NPDES) Permit. Lessee shall comply with all requirements of the Federal Water Pollution Control Act, as amended, the NPDES, and any applicable Guam Government or local requirements. If Lessee discharges wastewater to a publicly owned treatment works, Lessee must submit an application for its discharge prior to commencement of project. Lessee shall be responsible for meeting all applicable wastewater discharge permit standards. Lessee shall not discharge wastewater under the authority of any NPDES permit, pretreatment permit, or any other permit issued to the installation. Lessee shall make no use of any septic tank installed on the installation without the prior written consent of Government.

14.21. Radioactive Materials. Lessee must notify Government of its intent to possess, store, or use any licensed or licensable source or byproduct materials, as those terms are defined under the Atomic Energy Act, as amended, and its

implementing regulations; of Lessee's intent to possess, use, or store radium; and of Lessee's intent to possess or use any equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulations, at least sixty (60) days prior to the entry of such materials or equipment upon the installation. Upon notification, Government may impose requirements, including prohibition of possession, use, or storage that is deemed necessary to adequately protect human health and the human environment. Thereafter, Lessee must notify Government of the presence of all licensed or licensable source or byproduct materials, of the presence of all radium, and of the presence of all equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulation; provided, however, that Lessee need not make either of the above notifications to Government with regard to source and byproduct material that is exempt from regulation under the Atomic Energy Act. Lessee shall not, under any circumstances, use, own, possess, or allow the presence of special nuclear material on the Leased Premises.

14.22. Improvements and Environmental Cleanup. Lessee further agrees that it shall give Government prior written notice accompanied by a detailed written description of all proposals for any Improvements that may impede or impair any activities under the ERP, or the FFA if applicable. The notice and accompanying written description of those proposals shall be delivered to Government sixty (60) days in advance of the commencement of any Improvements. In addition, Improvements shall not commence until Lessee has complied with the provisions of Paragraph 9. The detailed written description must include the effect that planned Improvements may have on site soil and groundwater conditions and the cleanup efforts contemplated under the ERP and the FFA, if applicable. Notwithstanding this Paragraph 14, Lessee shall be under no obligation to give advance written notice of any Improvements that will be undertaken totally within any structure located on the Leased Premises, provided that the work will not impede or impair any activities under the ERP or the FFA, if applicable. However, any work below the floor of any structure within any Area of Special Notice that will involve excavating in and/or disturbing concrete flooring, soil and/or groundwater, or will impede or impair any activities under the ERP or the FFA, if applicable, will be subject to the sixty (60) day notice requirement imposed by this Paragraph 14, except to the extent that such below floor structure work is required as part of an emergency response action undertaken by Lessee to address release or a threat of release of any Hazardous Substances under applicable environmental laws and regulations. All emergency responses undertaken pursuant to this paragraph by the Lessee to address a release or a threat of release of any Hazardous Substance must be conducted in accordance with the terms of any future FFA and require immediate notice to the Government.

14.23. Environmental Access. Government, EPA, Guam Government, and their respective officers, agents, employees, contractors, and subcontractors have the right, upon reasonable notice to the Lessee (for which the Government agrees to provide a twenty-four (24) hours' notice prior to the entry in question) to enter upon the Leased Premises for the purposes enumerated in this subparagraph, and for other purposes consistent with any provision of an FFA, if applicable:

- 14.23.1. To conduct investigations and surveys, including, where necessary, drilling, soil and water sampling, test pitting, testing soil borings, and other activities related to the ERP or the FFA, if applicable;
- 14.23.2 To inspect field activities of Government and its contractors and subcontractors in implementing the ERP or the FFA, if applicable. When the Lessee has notice of an EPA or Guam Regulatory visit or inspection, the Lessee shall notify the Government as soon as practical;
- 14.23.3. To conduct any test or survey required by the EPA or Guam regulating agency relating to the implementation of the FFA, if applicable, or environmental conditions at the Leased Premises or to verify any data submitted to the EPA or Guam regulating agency by Government relating to those conditions;
- 14.23.4. To conduct, operate, maintain, or undertake any other response or remedial action as required or necessary under the ERP or the FFA, if applicable, including, but not limited to, monitoring wells, pumping wells, and treatment facilities.
- 14.23.5. Whether applicable now or in the future, to monitor any environmental restrictive use covenants and the effectiveness of any other land use or institutional control established by the Government on the Leased Premises, either by itself, by its contractor, by any public entity, including the Guam Government, or by a private entity registered in Guam to monitor environmental covenants.

14.24. Environmental Protective Measures. Lessee shall comply with the Environmental Protective Measures provided in **Attachment D**, ECP.

14.25. Definitions. For the purposes of the “Environmental Protection Provisions” in this Paragraph 14 of this Lease, the following terms shall have the meaning provided as follows:

14.25.1. The term “Environmental Laws” shall mean any and all federal, Guam, or local laws (including without limitation any and all legally binding requirements or obligations imposed by any governmental entity, body, or subdivision thereof, including administrative, legislative, or judicial entities, with jurisdiction over the Leased Premises) relating to, either, the protection of the environment or natural resources, including without limitation soils, groundwater or surface water resources, subsurface strata, flora and fauna, or ambient air; the release, investigation, remediation, management, storage, or registration of Hazardous Substances; or work-place or occupational health or safety, industrial hygiene, or employee hazard prevention.

14.25.2. The term “Hazardous Substances” shall mean any and all solid or liquid materials, wastes or other discarded material, or substances of any kind whatsoever subject to regulation or designated as either “toxic,” “hazardous,” “dangerous,” “harmful,” “pollutants,” or “contaminants,” pursuant to Environmental Laws, including without limitation the definition of Hazardous Substances contained in the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) 42 U.S.C. § 9601 et seq, and the National Contingency Plan, 40 C.F.R. Part 300, as well as petroleum or any fraction thereof, asbestos or any asbestos containing material, or any material constituting a “toxic or hazardous material” as defined in 48 C.F.R. § 252.223-7006.

14.25.3. The term “Hazardous Waste” shall have the meaning ascribed to the term “Hazardous Waste” in 42 U.S.C. § 6903, the Resource Conservation and Recovery Act (RCRA), as amended, and in 40 C.F.R. Part 260.

15. TERMINATION.

15.1. Termination for Non-Use. This Lease will terminate and be considered a material breach under Paragraph 15.4 of this Lease upon Lessee abandonment of the rights granted herein; or upon non-use of those rights for a period of five (5) years, or if the property is used for any purpose other than the construction of a medical campus which shall include a public hospital for Guam.

15.2. Termination by Government. Government shall have the right to terminate this Lease in whole or in part, without liability, and regardless of any lack of breach by Lessee of any of the terms and conditions of this Lease upon ninety- (90) day notice to Lessee. The Government will relinquish its right under this Lease to terminate at the convenience of the Government, upon written request from the Lessee and the provision by the Lessee of substantiating documentation evidencing the approval to enter into financing contracts, such written request and documentation shall be a part of this Lease as **Attachment E** by modification.

15.3. National Emergency. In the event of war, as provided for in Article I, Section 8, Clause 11 of the United States Constitution, or national emergency, as provided for in Section 201 of the National Emergencies Act (50 U.S.C. § 1621), this Lease and all of its provisions shall be subject to any Government right, existing now or in the future, affecting the control, operation, regulation, take over, or exclusive or nonexclusive use of the leased premises. Nothing herein shall limit the Government’s rights under the Organic Act or other applicable law.

15.4. Breach of Terms by Lessee. Subject to the cure provisions below, in the event of breach by Lessee of any of the terms, conditions, or obligations of this Lease, including but not limited to the Government final design approval, or for Lessee’s use of the Leased Premises not consistent with operation of a Public Hospital and Medical Campus, Government shall have the right to terminate for breach. Unless Government determines that immediate notice of termination, or shorter period of time for cure is required for safety, environmental, operational, or security purposes, Government shall afford Lessee sixty (60) calendar days from Lessee’s receipt of Government’s notice of such breach to cure such breach

to complete the performance obligation or otherwise cure the breach and avoid notice of termination of this Lease. If Lessee has commenced action within said sixty (60) day period to cure breach, is diligently pursuing action to completion, and the Government determines that the breach is not reasonably achievable to cure within said sixty (60) days or such other time period granted by the Government, Government shall have the right to terminate this Lease by issuing a notice of termination. For the purpose of clarity, it is noted that the use of the terms default and breach are used synonymously to mean violation of a contractual obligation.

15.5. In the event that Government shall elect to terminate this Lease because of the breach by Lessee and such breach has not been cured during the applicable cure period, Government will issue a written notice of termination to Lessee, Government shall be entitled to the remedies set forth below, which shall be Government's sole and exclusive remedies for Lessee's breach of this Lease as set forth in this Paragraph:

- 15.5.1. Government shall have the option to require Lessee to restore the Leased Premises to the conditions that existed when the term of this Lease began, or to a condition acceptable to the Government; and
- 15.5.2. In the event that a notice of termination for breach is disputed and it is later determined that Lessee was not in breach or that the breach was excusable, the notice of termination shall be effective as a notice of termination under Paragraph 15.2 and the rights and obligations of the parties shall be the same as if the termination had been issued upon any required notice in accordance with Paragraph 15.2.; and
- 15.5.3. In addition to the foregoing remedies, any incurred or advanced Cash Rent Payment made under this Lease shall be retained by the Government and characterized as liquidated damages. Lessee shall have no right of reimbursement for advanced Cash Rent Payments provided to the Government.

15.6. Federal Requirement. In the event all or any part of the Leased Premises is required for Federal use, or if Lessee's use of it is not consistent with Federal program purposes, Government may terminate the Lease, or any needed part of the Leased Premises, if it is practical to terminate only a part, upon ninety (90) days' written notice to Lessee. The Government will modify its right under this Lease, upon written request from the Lessee and the provision by the Lessee of substantiating documentation evidencing the approval to enter into financing contracts, such request and documentation shall be a part of this Lease as **Attachment E** by modification.

15.7. Termination by Lessee. Lessee may terminate this Lease at any time upon ninety (90)-business day's written notice to the RECO. Lessee shall, in consultation with the Government, either restore the property to its original condition, as appropriately documented by both parties, or ensure that any improvements are fully functional for their intended purposes, to include if necessary, rebuilding, altering, installing or repairing said facilities in accordance with the original plans and specifications and Government shall have the option to cause title to all Improvements to be vested in the United States.

15.8. Rights Retained by Lessee. Nothing in this Paragraph 15 is intended to limit Lessee's right to bring claim for compensation or dispute, pursuant to existing Federal Law and as described in Paragraph 23.

16. INDEMNIFICATION.

16.1. Indemnification by Lessee. Lessee shall indemnify and hold Government harmless from, and shall defend Government against, and shall pay, all costs (including the costs of experts and investigators), expenses, and reasonable attorney's fees for all trial and appellate levels and post-judgment proceedings in connection with any fines, suits, actions, damages, liability, and causes of action of every nature arising or growing out of, or in any manner connected with, the occupation or use of the Leased Premises by Lessee, its employees, servants, agents, guests, invitees, and contractors. This includes, but is not limited to, any fines, claims, demands, and causes of action of every nature that may be made upon, sustained, or incurred by Government by reason of any breach, violation, omission, or non-performance of any term, covenant, or condition of this Lease on the part of Lessee, its employees, servants, agents, guests, invitees, or contractors. However, this indemnity shall not extend to any loss, damage, destruction to property, injuries or death to persons, fines, claims, demands, and causes of action, or damages of every nature caused by the acts or omissions of

the Government or its officers, agents, employees or contractors, which shall be the responsibility of the Government to the extent not covered by insurance required to be carried by Lessee under this Lease and to the extent authorized under Applicable Law, including the Federal Tort Claims Act. This covenant shall survive the termination of this Lease.

16.2. Release of Government. Lessee releases the Government and its employees from liability from death or injury to persons caused by water, ice, snow, sleet, frost, steam, hail, wind, cold, dampness, electricity, rust, falling plaster or other materials, fire, explosion, sewer or sewage, gas, vapors, odors, aircraft noise, toxic or hazardous wastes, substances, or materials, the bursting or leaking of pipes or plumbing, or faulty wiring, or by any equipment or fixtures, or any act of Nature, or objects of any nature moved or propelled by water, ice, snow, sleet, steam, hail, or wind, at the Leased Premises, unless caused by the willful act or gross negligence of the Government or its employees, agents, servants, guests, invitees or contractors.

16.3. Environmental Exclusions. Notwithstanding any other provision in this Lease, the indemnification, defense, and hold harmless provisions in this Paragraph 16 shall not apply to any liabilities, obligations, or other costs addressed by Paragraph 14 of this Lease, Environmental Protection Provisions. Paragraph 14 shall be the sole and exclusive provisions in this Lease concerning any and all liabilities, obligations, or other costs arising under Environmental Laws or otherwise concerning Hazardous Wastes and Hazardous Substances.

17. INSURANCE.

17.1. Risk of Loss or Damage; Required Insurance. Except as otherwise provided in this Lease, Lessee shall, without prejudice to any other rights of Government, bear all risk of loss or damage or destruction to the Leased Premises, including any buildings, improvements, fixtures, or other property on it, beginning the first day of the Lessee's occupation or use of each portion of, or any building, facility, or other improvement on the Leased Premises arising from any causes whatsoever, with or without fault by Government or its officers, agents, employees, contractors, and subcontractors. During the entire period this Lease shall be in effect, Lessee, at no expense to Government, agrees to carry and maintain, or cause to be carried and maintained, in effect at all times during the term of this Lease the following insurance coverages:

17.1.1. Property insurance coverage against loss or damage by perils covered by Insurance Services Office ("ISO") special cause of loss form or a functionally equivalent form in an amount not less than One Hundred Percent (100%) of the full replacement cost of the Government buildings, building improvements, improvements to the land, fixtures, and personal property as described by the Leased Premises in **Attachment A**. The policies of insurance carried in accordance with this condition shall contain a "Replacement Cost Endorsement." Property insurance shall also be provided for loss or damage due to earthquake, flood, windstorm, and rainstorm as commercially available. Deductibles for losses insured under a property insurance policy, including earthquake losses and flood losses shall be subject to approval by Government and such approval should not be unreasonably withheld, conditioned, or delayed. The full replacement cost shall be determined every five (5) years, except in the event of substantial changes or alterations to the Leased Premises undertaken by Lessee as permitted under the provisions of this Lease.

17.1.2. Commercial general liability insurance (including excess umbrella liability insurance) using the most recent ISO occurrence form or a functionally equivalent form, covering bodily injury, premises, operations, products, completed operations, and independent contractors and for the contractual liability assumed by Lessee under Paragraph 16, and shall afford immediate protection at the time that the term of this Lease begins, and at all times during the term of this Lease, with single limit bodily injury coverage of \$2.0 million each occurrence, with a limit of \$2.0 million each occurrence, \$5.0 million aggregate for products and completed operations, and \$5.0 million general aggregate limit.

17.1.3. If Lessee owns or leases business vehicles that will be operating on, to, or from the Leased Premises or military land, those vehicles must be registered in accordance with installation requirements. Business automobile insurance shall be provided with a minimum limit for bodily injury and property damage of \$1,000,000 each accident and \$1,000,000 each occurrence with respect to any and all vehicles of Lessee, whether owned, hired, leased, borrowed, or non-owned, assigned to or used in connection with the Lease.

17.1.4. If and to the extent required by law, workers' compensation in form and amounts required by law.

17.1.5. Employer's liability insurance with limits of at least \$1,000,000 per accident for bodily injury by accident, \$1,000,000 per employee for bodily injury by disease, and \$1,000,000 policy limit for bodily injury by disease.

17.2. Insurance to be carried by Lessee and/or Contractors. During the entire period this Lease shall be in effect, Lessee shall either carry and maintain the insurance required below at its expense, or require any contractor performing work on the Leased Premises to carry and maintain the following at no expense to Government:

17.2.1. The property insurance coverage required under Paragraph 17.1 above, which shall include the general property form that provides coverage in connection with any construction or work permitted under this Lease.

17.2.2. Damage to rented premises, fire and any other applicable insurance provided for in this Paragraph 17, which, if not then covered under the provisions of existing policies, shall be covered by special endorsement related to any Improvements (as defined in Paragraph 9), including all materials and equipment incorporated in, on, or about the Leased Premises (including excavations, foundations, and footings) under an ISO special cause-of-loss, completed value, builder's risk form or its equivalent.

17.2.3. Business automobile insurance coverage required under Paragraph 17.1.3.

17.2.4. Workers' compensation for Lessee and any contractor of Lessee.

17.3. Policies; Self-Insurance; Additional Insured; Cancellation of Coverage. All policies of insurance that this Lease requires Lessee or any contractor to purchase and maintain, or cause to be purchased and maintained under this Paragraph, shall be underwritten by insurers authorized to underwrite insurance in Guam, where the Leased Premises are located, and that have a rating of at least B+ by the most recent edition of Best's Key Rating Guide or a rating of at least A by Standard & Poors, or such other rating as reasonably acceptable to Government. In all policies, Government shall be named as additional insured and loss payee for its interest in, but not limited to, the Leased Premises and any personal property included with the Leased Premises (under ISO forms CG 2011 and CG 2028 or their equivalents), except for the workers' compensation insurance contemplated in Paragraph 17.1.4 above. Government shall appear in all policies as "The United States of America", and payments for losses shall be made to "Treasurer of the United States." All commercial insurance policies shall (a) state that no cancellation, reduction in amount, or material change in coverage shall be effective until at least sixty (60) business days after receipt by Government of written notice; (b) state that the insurer shall have no right of subrogation against Government; and (c) be reasonably satisfactory to Government in all other respects, including, without limitation, the amounts of coverages and deductibles from time to time. In the case of self-insurance for requirements of this Lease, Lessee shall provide at least sixty (60) business days written notice to the Government prior to any reduction in coverage, cancellation of self-insurance, or change to the percentage of self-insurance to commercial insurance to be applied to requirements of this Lease. In no circumstances will Lessee be entitled to assign to any third-party rights of action that Lessee may have against Government. Notwithstanding the foregoing, any cancellation of insurance coverage based on nonpayment of the premium shall be effective only upon thirty (30) business days' written notice to Government. Lessee understands and agrees that cancellation of any insurance coverage required to be carried and maintained by it or contractor under this Paragraph 17 will constitute a failure to comply with the terms of this Lease, and Government shall have the right to terminate this Lease upon receipt of any cancellation notice, but only if Lessee fails to cure noncompliance to the extent allowed under Paragraph 15.

17.4. Certificate of Insurance. Lessee shall deliver, or cause to be delivered to Government upon the earlier of the execution of this Lease, PRIOR TO ENTRY on or occupancy of the Leased Premises, or the commencement of any Improvements (and thereafter not less than ten (10) business days prior to the expiration date of each policy furnished under this Paragraph 17), a certificate or certificates of insurance (or in the event Lessee self-insures, a self-insurance letter in lieu thereof) evidencing the coverages and deductibles required by this Paragraph 17. If certificate of insurance is not available prior to the expiration date of the last policy, a binder would be accepted as evidence until the new policy took effect.

17.5. Notice of Casualty. In the event that any item or part of the Leased Premises shall be damaged or destroyed, the risk of which is assumed by Lessee under Paragraph 17.1, Lessee shall promptly give notice to Government. Lessee shall, as soon as practicable after the casualty, restore damaged or destroyed Government property as nearly as possible to the condition that existed immediately prior to the loss or damage, subject to Paragraphs 9 and 13. All repair and restoration work under this Paragraph shall comply with the provisions of this Lease, including any notice and approval requirements.

17.6. Self-Insurance Requirements. Notwithstanding any other provision of this Lease, Lessee may, with the prior consent of the RECO, self-insure any risk for which insurance coverage is required under this Lease; provided, however, that if Lessee's statutory limits of liability or other impediments to the assumption of liability are less than the limits of insurance required in this Lease, Lessee shall obtain commercial coverage that is sufficient in amount and nature to satisfy the insurance requirements of this Lease when added to any self-insurance. In order to obtain the consent of Government to self-insure, prior to entry onto the property, Lessee shall deliver to Government a writing setting forth the limitations and impediments, if any, to which Lessee's self-insurance is subject, Lessee's source of funds to pay any claim from any risk for which insurance is required under this Lease (including its most recent audited financial statement), and any other information that Government may require to assess Lessee's request. If commercial insurance is required for any purpose, the provisions of Paragraph 17.1.2. shall apply; however, the total amount of commercial insurance and self-insurance shall meet the dollar limitations contained in this Paragraph 17.

17.7. Determination of Insufficient Coverage by Government. If Government at any time reasonably determines in good faith that the limits or extent of coverage or deductibles for any of the insurance required in this Lease are insufficient, it may determine the proper and reasonable limits and extent of coverage and deductibles and deliver notice of that coverage or deductibles to Lessee. Lessee shall thereafter carry insurance with the limits and extent of coverage and deductibles as determined by Government until further change.

18. LABOR PROVISIONS.

18.1. Equal Opportunity. During the term of this Lease, Lessee and each sub-Lessee agree as follows with regard to all employees located at, or involved with, the Leased Premises:

- 18.1.1. Lessee and each sub-Lessee shall not discriminate against any employee or applicant for employment because of race, color, age, marital status, handicap, religion, sex, or national origin. Lessee and each sub-Lessee shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, age, marital status, handicap, religion, sex, or national origin. That action shall include, but not be limited to, employment, upgrading, demotion, or transfer, retention or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, selection for training, including apprenticeship. Lessee and each sub-Lessee agree to post in conspicuous places available to employees and applicants for employment notices furnished by Government containing the provisions of this nondiscrimination clause.
- 18.1.2. Lessee and each sub-Lessee shall, in all solicitations or advertisements for employees placed at the Leased Premises by or on behalf of Lessee and each sub-Lessee, state that all qualified applicants will receive consideration for employment without regard to age, marital status, handicap, race, color, religion, sex, or national origin.
- 18.1.3. Lessee and each sub-Lessee shall send to each labor union or representative of workers for the Leased Premises with which it has a collective bargaining agreement or other contract or understanding a notice to be provided by Government, advising the labor union or worker's representative of commitments under this Equal Opportunity clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 18.1.4. Lessee and each sub-Lessee shall comply with all provisions of Exec. Order No. 11,246 of September 24, 1965, as amended by Exec. Order No. 11,375 of October 13, 1967 (the "Executive Order"), and of the rules, regulations, and relevant orders of the Secretary of Labor as it relates to the Leased Premises.
- 18.1.5. Lessee and each sub-Lessee shall furnish all information and reports required by the Executive Order,

and by the rules, regulations, and orders of the Secretary of Labor or pursuant to it, and will permit access to its books, records, and accounts by Government and the Secretary of Labor for purposes of ascertaining compliance with those rules, regulations, and orders.

18.2. In the event of Lessee's or any sub-Lessee's noncompliance with this Equal Opportunity clause or with any of the applicable rules, regulations, or orders, this Lease or any sublease may be canceled, terminated, or suspended in whole or in part and Lessee or any sub-Lessee may be declared ineligible for further Government contracts in accordance with procedures authorized in the Executive Order, and other sanctions may be imposed and remedies invoked, all as contained in the Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

18.3. Lessee shall include the provisions in Paragraph 18.1 in every sublease unless exempted by rules, regulations, or orders of the Secretary of Labor issued under section 204 of the Executive Order, so that those provisions will be binding upon each sub-Lessee. Lessee will take whatever action against any sub-Lessee that Government may direct as a means of enforcing those provisions, including sanctions for noncompliance. However, in the event Lessee becomes involved in, or is threatened with, litigation with a sub-Lessee as a result of the direction by Government, Lessee may request Government to join, or the Government at its discretion may elect to join, the litigation to protect the interests of Government.

18.4. Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 3701-3708) (the "Act"). This Lease and each sublease, to the extent that it is a contract of a character specified in the Act and is not covered by the Walsh-Healy Public Contracts Act (41 U.S.C. §§ 35-45) or the Davis-Bacon Act (40 U.S.C. §§ 3141-3148), is subject to the following provisions and exceptions of the Act and to all other sections and exceptions of that law as they apply to employment at the Leased Premises:

18.5. Lessee and each sub-Lessee shall not require or permit any laborer or mechanic in any workweek in which he/she is employed on any work on the Leased Premises to work in excess of 40 hours on work subject to the contents provisions of the Act unless the laborer or mechanic receives compensation at a rate not less than one and one-half times his/her basic rate of pay for those excess hours. The "basic rate of pay," as used in this clause, shall be the amount paid per hour, exclusive of the employer's contribution or cost for fringe benefits and any cash payment made in lieu of affording fringe benefits, or the basic hourly rate contained in the wage determination, whichever is greater.

18.6. In the event of any violation of the preceding subparagraph, Lessee or sublessee shall be liable to any affected employee for any amounts due, and to Government for liquidated damages. The liquidated damages shall be computed for each individual laborer or mechanic employed in violation of Paragraph 18.5 above, in the sum of \$200 for each calendar day on which the employee was required or permitted to be employed in excess of the standard workweek of forty (40) hours without payment of the required overtime wages.

18.7. Acquisition Regulation. Unless specifically required by other terms contained in this Lease, neither the Federal Acquisition Regulation (FAR), nor the Defense Federal Acquisition Regulation Supplement (DFARS) apply to this outgrant lease, which is executed under the authority of 10 U.S.C. § 2667.

18.8. Convict Labor. In connection with the performance of work required by this Lease or any sublease, Lessee or any sub-Lessee agrees not to employ any person undergoing a sentence of imprisonment at hard labor.

18.9. Davis-Bacon Act. All construction workers, laborers, and mechanics employed by Lessee or Lessee's contractor(s), and each of its subcontractors and sub-subcontractors, who perform work under Paragraph 9, or in-kind work under Paragraph 4, are covered by the Davis-Bacon Act, as amended, 40 U.S.C. §§ 3141-3148, and the implementing regulation at, 29 C.F.R. pt. 5, (together, the "Davis-Bacon Act"), and shall be paid wages and rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act. To the extent that there is not a prevailing wage for a particular labor category and the Davis- Bacon Act permits a negotiated

wage to be paid, the negotiated wage may be paid. Lessee shall cause its general contractor(s) to comply and assure compliance by its subcontractors and sub-subcontractors.

19. NOTICES

19.1. Notices shall be sufficient under this Lease if made in writing and submitted in the case of:

Lessee:

Government of Guam
Office of the Governor of Guam
ATTN: Governor of Guam
Ricardo J. Bordallo Complex,
513 West Marine Corps Dr.
Hagåtña, Guam 96910

Government:

Department of the Navy
Naval Facilities Engineering Systems Command, Marianas
ATTN: Code RE (Real Estate Contracting Officer)
PSC 455 Box 195
FPO AP 96540

19.2. Those persons shall serve as the representatives of the Parties and the points of contact during the term of this Lease. Any notice shall be deemed to have been given if sent by (i) United States certified or registered mail, return receipt requested, postage prepaid; (ii) a nationally recognized overnight delivery service; or (iii) personal delivery. Notices sent by (i) the United States Postal Service shall be deemed delivered two (2) days after being deposited with the United States Postal Service; (ii) notices delivered by a nationally recognized overnight delivery service shall be deemed delivered one day after depositing with such carrier; and (iii) hand delivered notices shall be deemed delivered upon actual delivery to the recipient. Notice shall be addressed to the Party's address set forth above or to such other persons or addresses as the Parties may hereafter direct by written notice.

20. AUDIT. This Lease and any sublease shall be subject to audit by any authorized Government agency, as coordinated by RECO. Upon twenty-four (24) hours' prior notice, Lessee and each sub-Lessee shall make available to the RECO for use in those audits, all records that it maintains that are related this Lease or any sublease and copies of all reports required to be filed under this Lease.

21. AGREEMENT. This Lease shall not be modified, except in writing, and signed by both Lessee and the RECO. No oral statements or representation made by, or for, on behalf of either Lessee or Government shall be a part of this Lease. Should conflict arise between the provisions of this Lease and any attachment to it, or any other agreement between Government and Lessee, the provisions of this Lease shall take precedence.

22. FAILURE TO INSIST ON COMPLIANCE. The failure of either Party to insist in any one or more instances upon performance of any of the terms, covenants, or conditions of this Lease shall not be construed as a waiver or relinquishment of such Party's right to the future performance of any of those terms, covenants, or conditions and other Party's obligations for its future performance shall continue in full force and effect.

23. DISPUTES.

23.1. This Lease is subject to the provisions of the Contract Disputes Act of 1978, as amended (41 U.S.C. §§ 7101-7112) (the "Disputes Act").

23.2. Except as provided in the Disputes Act, all disputes arising under or relating to this Lease shall be resolved under this clause and the provisions of the Disputes Act.

23.3. "Claim," as used in this clause, means a written demand or written assertion by Lessee or Government seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of Lease terms, or other relief arising under or relating to this Lease. A claim arising under this Lease, unlike a claim relating to this Lease, is a claim that can be resolved under a Lease clause that includes the relief sought by the claimant. However, a written demand or written assertion by Lessee seeking the payment of money exceeding \$100,000 is not a claim under the Disputes Act until certified as required by Paragraph 23.5 below. A voucher, invoice, or other routine request for payment that is not in dispute is not a claim under the Disputes Act. The request may be converted to a claim under the Disputes Act by complying with the submission and certification requirements of this clause if it is disputed either for liability or amount or is not acted upon in a reasonable time.

23.4. A claim by Lessee shall be made in writing and submitted to the RECO (as defined in Paragraph 23.3 above) within six (6) years after accrual of the claim. A claim by Government against Lessee shall be subject to a written decision by the RECO.

23.5. Lessee shall deliver the certification stated in Paragraph 23.5.2.2 below when submitting any claim:

23.5.1. Exceeding \$100,000; or

23.5.2. Regardless of the amount claimed, when using:

23.5.2.1. Arbitration conducted pursuant to 5 U.S.C. §§ 575-580; or any other alternative means of dispute resolution ("ADR") technique that the agency elects to handle in accordance with the Administrative Dispute Resolution Act ("ADRA").

23.5.2.2. "I certify that the claim is made in good faith; that the supporting data is accurate and complete to the best of Lessee's knowledge and belief; that the amount requested accurately reflects the Lease adjustment for which Lessee believes the Government is liable; and that I am duly authorized to certify the claim on behalf of Lessee."

23.5.3. The certification requirement does not apply to issues in controversy that have not been submitted as all or part of a claim.

23.5.4. The certification may be executed by any person duly authorized to bind Lessee for the claim.

23.6. For Lessee claims of \$100,000 or less, the Government must, if requested in writing by Lessee, render a decision within sixty (60) business days of the request. For Lessee-certified claims over \$100,000, the Government must, within sixty (60) business days decide the claim or notify Lessee of the date by which the decision will be made.

23.7. The decision of the Government shall be final unless Lessee appeals or files a suit as outlined in the Disputes Act.

23.8. At the time a claim by Lessee is submitted to the RECO, or a claim by Government is presented to Lessee, the Parties may agree to use alternative means of dispute resolution. When using arbitration conducted under 5 U.S.C. §§ 575-580 or when using any other ADR techniques that the agency elects to handle in accordance with ADRA, any claim, regardless of amount, shall be accompanied by the certification described in Paragraph 23.5.2.2 and executed in accordance with Paragraph 23.5.4.

23.9. Government shall pay interest on the amount found due and unpaid by it from (1) the date the Government point of contact designated in Paragraph 19 received the claim (properly certified if required), or (2) the date payment otherwise would be due, if that date is later, until the date of payment. With regard to claims having defective certifications, as defined in the Federal Acquisition Regulation (48 C.F.R. § 33.201), interest shall be paid from the date that the Government point of contact designated in Paragraph 19 initially receives the claim. Simple interest on claims shall be paid at the rate fixed by the Secretary of the Treasury, as stated in the Disputes Act, which is applicable to the period during which the Government receives the claim and then at the rate applicable for each six (6) month period as fixed by the Secretary of the Treasury during the pendency of the claim.

23.10 Notwithstanding anything in this Paragraph, Lessee shall proceed diligently with the performance of this Lease pending final resolution of any request for relief, claim, appeal, or action arising under this Lease, to include Paragraph 23, and comply with any decision of the Government,

24. COVENANT AGAINST CONTINGENT FEES. Lessee warrants that no person or agency has been employed or retained to solicit or obtain this Lease upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial agencies maintained by Lessee for the purpose of obtaining business. For breach or violation of this warranty, Government shall have the right to annul this Lease without liability or in its discretion to require Lessee to pay, in addition to the rent or consideration, the full amount of the commission, percentage, brokerage, or contingent fee.

25. LIENS. Except for any liens, security interests or other encumbrances granted or to be granted to any lender of Lessee in connection with the financing of In-Kind Consideration Project, Lessee and each sublessee shall promptly discharge, or cause to be discharged, a valid lien, right in rem, claim, or demand of any kind, except one in favor of Government that at any time may arise or exist regarding the Leased Premises or materials or equipment furnished to it, or work done on it, or to any part of it, by Lessee's or any sublessee's use of the Leased Premises. If the lien, right, claim, or demand against the Leased Premises shall not be promptly discharged by Lessee or any sublessee, or should a petition be filed by or against Lessee or any sublessee in bankruptcy (and in the event of an involuntary petition, should the same not be dismissed within ninety (90) business days), or should Lessee or any sublessee file for liquidation or make an assignment on behalf of creditors, or should the leasehold estate be taken by execution, Government reserves the right to take immediate possession without any liability to Lessee or any sublessee. Lessee and any sublessee shall be responsible for any costs incurred by Government in obtaining clear title to its property due to their acts or omissions clouding the title.

26. TAXES. Both Lessee and the Government are exempt from taxes payable to Guam and its political subdivisions. If and to the extent that the property owned by the Government is later made taxable by Guam or local Governments under an Act of Congress, the lease shall be renegotiated.

27. SUBJECT TO EXISTING AND FUTURE EASEMENTS. This Lease, and each sublease, is subject to all outstanding easements and rights in the nature of an easement (collectively, "easements") for the location of any type of facility over, across, in, and upon all or any part of the Leased Premises, and to the right of Government to grant additional easements over, across, in and upon the Leased Premises for the public interest. However, Government shall coordinate with Lessee to minimize any impact to Lessee's operations, and any additional easement shall be conditioned on the assumption by its grantee of liability to Lessee for damages that Lessee shall suffer for property destroyed or rendered unusable on account of the grantee's exercise of its easement rights. There is hereby reserved to the holders of outstanding easements or which may be granted later, to any workers officially engaged in the construction, installation, maintenance, operation, repair, or replacement of facilities located on the easement area, and to any Federal, Guam, or local official engaged in the official inspection of that work, reasonable rights of ingress and egress over the Leased Premises that may be necessary for the performance of their duties with regard to those facilities, subject to Paragraph 10.

28. INGRESS, EGRESS, PARKING AND SECURITY.

28.1. Reasonable Access. Lessee and any sublessees, and their employees, agents, contractors, vendors, and invitees will be granted reasonable access to the Leased Premises under this Lease. As a condition, Lessee and sublessees, and their employees, agents, contractors, vendors, and invitees, agree to adhere to all base rules and regulations regarding installation security, ingress, egress, safety and sanitation that may be prescribed from time to time by the Commander/Commanding Officer. Lessee and any sublessee and their employees, vendors, and business invitees, shall coordinate parking with the appropriate office of the installation. Lessee and its invitees and contractors agree to absorb all costs, including time and expense, associated with gaining access to the installation under the Defense Biometric Identification System (DBIDS) or similar program.

28.2. Installation Security. The Leased Premises is located on a secure Department of Navy installation and Lessee and any sublessee(s) are required to comply with all applicable security rules, regulations, and procedures issued by the installation Commander/Commanding Officer. All employees of Lessee or sublessee(s) that are required by the installation to do so, shall obtain appropriate clearance from the installation (“Clearance”) to access the Leased Premises. Failure to obtain the required Clearance shall result in denial of access to the Leased Premises of Lessee’s or sublessee’s employees. Lessee and any sublessee(s) agree(s) to hold harmless Government from any liability of any nature for financial or other losses incurred by Lessee or any sublessee(s) by reason of Lessee’s or any sublessee’s employees’ failure to obtain Clearance for access to the Leased Premises. The prior sentence shall survive the termination of this Lease.

29. ADMINISTRATION. Except as otherwise stated in this Lease, the RECO shall have complete charge of the administration of this Lease, including granting any consents and approvals hereunder, and shall exercise full supervision and general direction insofar as the interests of Government are affected, in accordance with notifications in Paragraph 19.

30. DAMAGE TO THE LEASED PREMISES. Except for Lessee-owned property brought onto the Leased Premises, in the event all or any part of the Leased Premises is damaged either directly or indirectly as a result of Lessee’s use or occupancy, whether during the construction, operation, maintenance, or replacement, or removal of improvements or otherwise, due to acts or omissions of Lessee, its agents, contractors, or employees, Lessee shall, upon demand, either compensate Government for the loss or damage, or rebuild, replace, or repair the item or items of the Leased Premises or facilities so lost or damaged, as Government may elect. For the avoidance of doubt, the parties hereto agree and acknowledge that the construction and operation of the Improvements in accordance in all material respects with **Attachment B** shall not result in any damages to the Leased Premises.

31. APPLICABLE RULES AND REGULATIONS.

31.1. Compliance with Applicable Laws and Regulations. Lessee and any sub-Lessee shall comply with all Federal, Guam, and local laws, regulations, ordinances and restrictions that are applicable, or may become applicable, to Lessee’s or sub-Lessee’s activities on the Leased Premises. This includes, but is not limited to, laws and regulations concerning the environment, construction of facilities, health, safety, food service, water supply, sanitation, and any licenses and permits to conduct business. Lessee and any sub-Lessee is responsible for obtaining and paying for permits required for its operations under this Lease.

31.2. Activities Subject to Installation Rules, Regulations, and Procedures. Further, all activities authorized under this Lease shall be subject to rules, regulations, and procedures regarding installation security, supervision, or otherwise, that may, from time to time, be prescribed by the installation Commander/Commanding Officer.

32. SUBCONTRACTORS AND AGENTS FOR LESSEE. All work involving Lessee facilities must be performed by skilled tradesmen who are bonded against loss due to damages resulting directly or indirectly from work performed.

33. SURRENDER. Upon the expiration of this Lease or its prior termination, and subject to the election of Government under Paragraph 9, Lessee shall quietly and peacefully remove itself and its personal property from the Leased Premises and surrender possession to Government. However, in the event Government shall terminate this Lease upon less than ninety (90) days’ notice, Lessee shall be allowed a reasonable period of time, as determined by the RECO, but in no event less than ninety (90) days from receipt of notice of termination, in which to remove all of personal property from, and terminate its operations on, the Leased Premises. During the period prior to surrender, all obligations assumed by Lessee under this Lease shall remain in full force and effect. Government may, in its discretion, declare any personal property that has not been removed from the Leased Premises upon termination as abandoned upon an additional ninety (90) days’ notice.

34. FEDERAL FUNDS. This Lease does not obligate any appropriated funds.

35. MUTUAL USE AGREEMENT. Government acknowledges and consents to the execution of a Mutual Use Agreement by and between the Lessee and Sub-Lessee. In the event of any conflict between the Mutual Use Agreement and this Lease, this Lease prevails.

36. FORCE MAJEURE.

36.1. No Default. Either Party shall not be in default under this Lease if either Party's performance is delayed or prevented by or due to events of Force Majeure.

36.2. Definition. "Force Majeure," shall mean any delay in completing or performing any obligation under this Lease (other than a monetary obligation) which arises from causes beyond the reasonable control and without the fault or negligence of the Party claiming such delay.

36.3. Extension of Time for Performance. In the case of delay due to Force Majeure, the time within which the claiming Party must comply with any of the terms, covenants and conditions of this Lease shall be extended by a period of time equal to the period of time that performance by the claiming Party is delayed or prevented by the causes specified above, provided that within thirty (30) days of the commencement of the cause of delay, Lessee shall have notified Government of the existence of such cause of delay.

37. HEADINGS. The headings of paragraphs in this Lease are used solely for ease of reference. They may not be used to construe the meaning of all or any part of a paragraph.

38. ATTACHMENTS. Attachments to this Lease are set forth below:

- A. The Leased Premises
- B. Medical Campus Design
- C. Joint Inspection and Inventory Report (JIIR)
- D. Environmental Condition of Property (ECP) Document
- E. Evidentiary Documents related to Financing

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK. SIGNATURES APPEAR ON THE FOLLOWING PAGES.]

IN WITNESS WHEREOF, the Parties have, on the respective dates set forth below, duly executed this Lease as of the day and year first above written.

LESSOR:

WITNESS:

THE UNITED STATES OF AMERICA,
acting by and through the Secretary of the Navy

By: _____
Rear Admiral Benjamin Nicholson
United States Navy
Commander, Joint Region Marianas

By: _____
KARIANNE C. R. CAMACHO
Real Estate Contracting Officer (RECO)
Naval Facilities Engineering Systems Command
Marianas (NAVFACEGYSYSCOM MAR)

Date: _____

Date: _____

LESSEE:

WITNESS:

GOVERNMENT OF GUAM

By: _____

By: _____

Lourdes Leon Guerrero
Governor of Guam

Printed
Name: _____

Date: _____

Title: _____

Date: _____