



**BOARD OF COMMISSIONERS
REGULAR SCHEDULED MEETING
12:00 P.M., November 12, 2021
GHURA's Main Office (via Zoom)
1st floor, Conference Room, Sinajana
AGENDA**

I. ROLL CALL

II. BOARD MEETING PUBLIC ANNOUNCEMENTS

1st Printing – Thursday, November 4, 2021

2nd Printing – Wednesday, November 10, 2021

III. APPROVAL OF PREVIOUS BOARD MINUTES – October 22, 2021

PAGE (S)

IV. NEW BUSINESS

1. Capital Fund Program (CFP), Amendment to CFP GQ08P001501-19... 1 - 3

V. OLD BUSINESS

1. Notice of Intent to Award..... 4 - 18
RFP#GHURA-12-23-2020; Architectural/Engineering Design and
Programming Services for the Sinajana Fire Station
(REF: MINUTE #157/21)
2. Notice of Intent to Award..... 19 - 79
RFP#GHURA-10-30-2020; Public Private Partnership to Finance, Design,
Build, Operate, and Maintain Roof-Top Mounted Photo-Voltaic Systems
at Guma Trankilidat Facilities
(REF: MINUTE #106/21)

VI. CORRESPONDENCE AND REPORTS

1. LIHTC Program Briefing 80 - 94

VII. GENERAL DISCUSSION / ANNOUNCEMENTS

1. Next proposed scheduled Board Meeting: Friday, November 19th
@ 12:00 p.m.

VIII. EXECUTIVE SESSION

IX. ADJOURNMENT



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Joseph T. Duenas
CCU Chairman

GUAM POWER AUTHORITY

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John M. Benavente, P.E.
General Manager

Final Advertisement INVITATION FOR BID

This notice is paid for by the GUAM POWER AUTHORITY O&M AND REVENUE FUNDS
Public Law 26-12

BID NO.:	(NON-MANDATORY) PRE-BID/SITE VISIT:	TIME:	DUE DATE:	TIME:	DESCRIPTION:
RE-BID					
GPA-044-21	11/09/2021	9:30 A.M.	11/30/2021	10:00 A.M.	Corrective Maintenance for Wind Turbine Power Plant (O&M)
GPA-001-22	---	---	11/16/2021	9:00 A.M.	Pad Mounted Transformers (Revenue)
GPA-002-22	---	---	11/16/2021	11:00 A.M.	Pad Mounted Transformers (Revenue)
GPA-003-22	---	---	11/16/2021	10:00 A.M.	Wires (Revenue)

Bid packages may be picked up at the GPWA Procurement Office, Room 101, 1st Floor, Gloria B. Nelson Public Services Building, 688 Route 15, Mangilao, Guam 96913. All interested firms should register with our GPA's Procurement Division to be able to participate in the bid. Please call our office at (671) 648-3054 / 3055 to register. Registration is required to ensure that all "Amendments and Special Reminders" are communicated to all bidders throughout the bid process. Procurement instructions are posted on the Authority's web site at http://guampowerauthority.com/gpa_authority/procurement/gpa_current_rfps.php#.

THE GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Board of Commissioners Meeting
Friday, November 12, 2021 at 12:00 PM.
This meeting is open to the public via Zoom.

Topic: GHURA BOC Mtg. Friday, November 12, 2021 12PM

Time: Nov. 12, 2021 12:00 PM Guam, Port Moresby

Join Zoom Meeting

<https://us06web.zoom.us/j/88573550815?pwd=ekowSmRHSTZPTjhna2x6K0NEeTVLQTO9>

Meeting ID: 885 7355 0815 **Passcode:** 824834

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- II. BOARD MEETING PUBLIC ANNOUNCEMENTS
- III. APPROVAL OF PREVIOUS BOARD MINUTES – October 22, 2021
- IV. NEW BUSINESS
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- V. OLD BUSINESS
 1. Notice of Intent to Award to GUMA Architects for RFP#GHURA-12-23-2020; Architectural/Engineering Design and Programming Services for the Sinajana Fire Station
 2. Notice of Intent to Award to Marianas Renewable Energy for RFP#GHURA-10-30-2020; Public Private Partnership to Finance, Design, Build, Operate and Maintain Roof-Top Mounted Photo-Voltaic Systems at Guma Trankilidat Facilities
- VI. CORRESPONDENCE AND REPORTS
 1. LIHTC Program Briefing
- VII. GENERAL DISCUSSION/ANNOUNCEMENTS
 1. Next proposed scheduled Board Meeting – Friday, November 19th, 2021
- VIII. EXECUTIVE SESSION
- IX. ADJOURNMENT

The complete Board packet may be viewed on our website at www.ghura.org.

For more information, please contact Audrey Aguon at 475-1378 and for special accommodations, please contact Chief Planner - Designated Section 504 / ADA Coordinator at 475-1322 or TTY 472-3701.

This advertisement was paid for by GHURA.

THE SCORE

Watson staying with Texans

Associated Press

Deshaun Watson's future destination remains unknown.

The NFL trade deadline passed Tuesday with the Houston

Texans keeping the embattled quarterback on their roster. Watson has not played this season amid a trade request and 22 lawsuits alleging sex-

ual harassment or assault. He has not been charged.

The Texans (1-7) had long discussed dealing Watson to the Miami Dolphins but the teams couldn't agree to the significant compensation, a person familiar with those discussions told The Associated Press. The person spoke on condition of anonymity because the conversations are private.

Houston now has an opportunity to involve more teams in the bidding for Watson during the offseason, especially if his legal issues are resolved. The 26-year-old is a three-time Pro Bowl pick who had his best statistical season last year on a 4-12 team. Watson threw for an NFL-best 4,823 yards with 33 touchdowns and only seven interceptions. He led the Texans to consecutive AFC South titles in 2018 and 2019.



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Joseph T. Duenas
CCU Chairman

GUAM POWER AUTHORITY

ATURIDĀT ILEKTRESEDĀT GUĀHAN
P.O. BOX 2977
HAGĀTNA, GUAM U.S.A. 96932-2977
Telephone Nos. (671) 648-3045/55
or Facsimile (671) 648-3165



John M. Benavente, P.E.
General Manager

Final Advertisement

REQUEST FOR PROPOSAL NO.: GPA-RFP-22-002

This notice is paid for by the GUAM POWER AUTHORITY REVENUE FUNDS.
Public Law 26-12

The Guam Power Authority (GPA) is soliciting proposals from qualified Firms/Individuals for "Professional Services for the Maintenance of the Guam Power Authority Compensation and Classification Plan".

Copies of the general scope of work may be picked up at the GPWA Procurement Office, Room 101, 1st Floor, Gloria B. Nelson Public Service Building, 688 Route 15, Mangilao, Guam 96913. All interested firms should register with GPA's Procurement Division to be able to participate in the RFP. Please call our office at 1 (671) 648-3054 / 3055 to register. Registration is required to ensure that all "Amendments and Special Reminders" are communicated to all Individuals throughout the RFP process. Procurement instructions are posted on the Authority's web site at http://guampowerauthority.com/gpa_authority/procurement/gpa_current_rfps.php#

All proposals must be submitted to the GPA Procurement Office, Attn.: JOHN M. BENAVENTE, P.E., General Manager, by 4:00 P.M., November 30, 2021.

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RENTALS
GOOD: 3 Lines, 3 Consecutive Days.....\$78.00
BETTER: 3 Lines, 7 Consecutive Days.....\$99.00
BEST: 3 Lines, 10 Consecutive Days.....\$115.00

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Conditions/Restrictions: *Roommate a person who shares a room or apartment with another or others.
GOOD: 3 Lines, 7 Consecutive Days.....\$57.00
BETTER: 3 Lines, 10 Consecutive Days.....\$73.00

AUTOMOTIVE PACKAGES
• Automotive • Trucks • Bikes • Boats • Motorcycles
Conditions/Restrictions: One vehicle per ad
Ad format: Make, Model, Year.
GOOD: 3 Lines, 7 Consecutive Days.....\$58.00
BETTER: 3 Lines, 10 Consecutive Days.....\$68.50
BEST: 4 Lines, 14 Consecutive Days.....\$79.00

SUPER DEALS
Personal Items below \$500 in total value
GOOD: 3 Lines, 7 Consecutive Days.....\$24.50
BETTER: 3 Lines, 10 Consecutive Days.....\$33.00
BEST: 3 Lines, 14 Consecutive Days.....\$40.00
*Price must be included in the ad to qualify.

PRIVATE PARTY PLEASERS
Personal Items below \$2,500 in total value
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BETTER: 3 Lines, 10 Consecutive Days.....\$43.50
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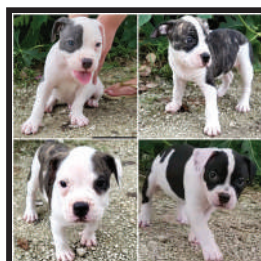
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GOOD: 3 Lines, 7 Consecutive Days.....\$59.00
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• Fundraising • Rummage • Yard Sale
Conditions/Restrictions: 3 Consecutive Days
Ad format: Village, Date, Time
Garage Sale: Private residence
Rummage: School or Non-profit organization
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BETTER: 3 Lines, 7 Consecutive Days.....\$33.00

PETS
GOOD: 3 Lines, 3 Consecutive Days.....\$24.50
BETTER: 3 Lines, 10 Consecutive Days.....\$33.00
BEST: 3 Lines, 14 Days.....\$40.00

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THE GUAM HOUSING AND URBAN RENEWAL AUTHORITY

Board of Commissioners Meeting
Friday, November 12, 2021 at 12:00 PM.
This meeting is open to the public via Zoom.

Topic: GHURA BOC Mtg. Friday, November 12, 2021 12PM
Time: Nov. 12, 2021 12:00 PM Guam, Port Moresby

Join Zoom Meeting
<https://us06web.zoom.us/j/88573550815?pwd=ekowSmRHSTZPTjhna2x6K0NEeTVLQT09>

Meeting ID: 885 7355 0815 **Passcode:** 824834

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This advertisement was paid for by GHURA.



**BOARD OF COMMISSIONERS
REGULAR SCHEDULED MEETING
12:00 P.M. November 12, 2021
GHURA Main Office (via Zoom Video Conference)
1st floor, Conference Room, Sinajana
BOC MEETING MINUTES**

I. ROLL CALL

After notice was duly given, pursuant to the Open Government Law of Guam and the Bylaws of the Authority, the Board of Commissioners' regularly scheduled board meeting was called to order at **12:00 P.M., Friday, November 12, 2021** at the GHURA Sinajana Main Office, 1st floor Conference room, by Acting Chairwoman Guzman. She indicated that **5** members of the Board of Commissioners were present, representing a quorum and that the meeting would proceed as scheduled.

<p>PRESENT: (VIA ZOOM VIDEO CONFERENCE) Monica Guzman, Acting Chair George Pereda, Commissioner Frank Ishizaki, Commissioner Anisia Delia, Commissioner Karl Corupus, Resident Commissioner</p> <p>ABSENT: Anthony Perez, Esq.</p> <p>LEGAL COUNSEL: Joseph McDonald</p>	<p>MANAGEMENT & STAFF: Ray Topasna, Executive Director Elizabeth Napoli, Deputy Director Audrey Aguon, Special Assistant Katherine Taitano, CPD/RP&E Manager Sonny Perez, A/E Manager</p> <p>PUBLIC: (VIA ZOOM VIDEO CONFERENCE)</p>
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II. BOARD MEETING PUBLIC ANNOUNCEMENTS

1st Printing – Thursday, November 4, 2021 in Pacific Daily News

2nd Printing –Wednesday, November 10, 2021 in Pacific Daily News.

ACKNOWLEDGED.

III. APPROVAL OF PREVIOUS BOARD MINUTES

[165/21] Commissioner Delia motioned to approve the meeting minutes of Friday, October 22, 2021. The motion was seconded by Commissioner Corpus. With no objections by the other board members, the motion was approved.

IV. NEW BUSINESS

1. Capital Fund Program (CFP), Amendment to CFP GQ08P001501-19

[166/21] DISCUSSION- Director Topasna stated the following:

- GHURA received bids for the following project:
 - Replace existing exterior doors at GH26 and GH100 for IFB# GHURA-08-20-20-2021 for AMPs 1 and 2.
 - The lowest bid proposal submitted for AMP2 GH100 Yona was higher than the Government cost estimate.
 - An amendment to G208P001501-19 grant is necessary to fund the project.
 - In discussions with A/E Staff, the reasons for the substantial increase are due to the number of doors to be replaced and the increase in materials and labor costs.
 - The additional Capital Fund project budget allocated for AMP1 is \$150,000. Unfortunately, the lowest bid came in at \$212,836.
 - AMP1 Property Site Manager has agreed to fund the shortfall of \$62,836.
 - The additional Capital Fund project budget allocated for AMP2 is \$200,000. Unfortunately, the lowest bid came in at \$521,824.
 - The revision as indicated, will add an additional \$270,841 to AMP2's shortfall.
 - AMP2 has agreed to fund the remaining shortfall of \$50,983.
 - Indicated on the chart provided, the total revision is \$270,841.
 - Based on staff's review and determination, GHURA is requesting approval to revise the Capital Fund Program (CFP) G208P001501-19 budget.

Acting Chair Guzman inquired about the increase of the number of doors to be replaced that was not included in the RFP. Ms. Katherine Taitano, CPD Manager, stated that upon the initial assessment, there were a certain number of doors that were estimated. However, upon full inspection, additional doors were required to be included which were included in the final Invitation for Bid. The original government estimate had not taken the additional doors into account. We just wanted to make note that that was a part of the increase in the total cost. Acting Chair Guzman asked whether the door replacement would replace all the wooden doors with aluminum doors or just those that need to be replaced. Ms. Taitano indicated that only the doors that need replacement will be replaced. She added that replacements have been done in the past so some doors have already been replaced with aluminum doors.

Acting Chair Guzman added that due to COVID and everything else, GHURA's government estimates seem to be a lot lower. She inquired about the formula that is used to determine the government estimates. Ms. Taitano stated that this particular estimate was prepared for

a 2019 CAP Fund grant and was done prior to COVID. The estimates that are taking place now are taking into consideration the escalations.

Director Topasna added that GHURA has a letter from DPW indicating what they determine to be an approximate increase due to the pandemic. GHURA's numbers are a lot higher than what DPW has estimated. However, due to the number of construction projects that GHURA has, he is comfortable with the numbers.

Ms. Taitano added that she wanted to put in place the funding in anticipation for when it is time for the board to consider bids. She added that this is prepositioning for the funding.

There were no further questions.

[167/21] ACTION- Commissioner Delia moved to approve Capital Fund Program amendment to approve CFP GQ08P001501-19 in the amount of \$470,841. Commissioner Pereda seconded the motion. There were no objections by the other board members. The motion was granted.

V. OLD BUSINESS

1. Notice of Intent to Award- RFP#GHURA-12-23-2020; Architectural/Engineering Design and Programming Services for the Sinajana Fire Station (REF: MINUTE #106/21)

[168/21] Director Topasna stated that for this particular project, which is the A/E design for programming services for the Sinajana Fire Station, he would defer to A/E manager, Mr. Sonny Perez.

Mr. Sonny Perez stated the following:

- The first notice of intent of award for the A/E design programming services for the Sinajana Fire Station included the background, which tells you the funding source, the details of the funding source and the analysis.
- The GHURA committee along with the one fire firefighter in the committee, determined Guma Architects as the most responsible, responsive and most qualified vendor and designer for the Sinajana fire station.
- GHURA had contacted them for their price proposals.
- RFPs are solely based on qualifications.
- GHURA has requested for the price proposals for the design at the 50% and the 100% levels.
- Guma had provided 2 proposals.
- November 2, 2021 Proposal included the Leed cost, but is not provided in the final cost of the proposal along with the construction management portion, which was not a part of the original proposal.

- They concept is that GHURA knows it is available from them and may be included later in the final contract.
- Design fees, all inclusive come out to \$390,799.50.
- He requested approval from the Board of Commissioners to issue a Notice of Intent of Award to Guma Architects to negotiate a contract for the A/E design and programming services for the fire station based on the scope provided on the November 2, 2021 proposal from Guma architects.

Acting Chair Guzman thanked Mr. Perez for including the LEED equivalent and inquired about the benefits of LEED Certification.

Mr. Perez stated that there are seven features in LEED certification. They are indoor air quality, land, transportation, Sustainable Sites, and a few others. It exemplifies the awareness that this project is not going to be a burden on the environment. It's not going to leach oil and wastes into the groundwater. Air conditioning systems will use the right refrigerants and will not pollute the environment. These are just some of the benefits of having LEED Certification. Unfortunately, it's quite expensive.

Commissioner Ishizaki inquired about whether there were long term economic benefits for being LEED Certified. Mr. Perez indicated that there is a benefit and that it comes in terms of energy savings. Instead of putting in air conditioning, that is the run of the mill aircon, you'd want to program in a more energy efficient air conditioner. That air conditioning unit is supposed to be compliant with all the indoor air quality standards. This room for instance, there's no fresh air coming in and because of this, this building was designed back in the 70s so you don't have to worry about it. But in the afternoon, if you have enough people in here, they'll start to get sleepy, because all the oxygen is used up and all that remains is carbon dioxide. Based on the LEED standard, you will receive 100% fresh air and that will increase productivity. That is one of the benefits of having a LEED building.

Acting Chair Guzman stated that those types of things can be incorporated into the design without additional costs. Mr. Perez confirmed this.

Commissioner Ishizaki asked whether GHURA would be eligible for other grants or awards because we would be LEED Certified. Mr. Perez stated that GHURA can qualify for further funding.

Acting Chair Guzman asked what the potential or the possibility of the designers incorporating the percent for the arts law was. She added that there are two portions in that law. If it is incorporated into the design phase, any government agency that's building, doesn't consider the percent law until occupancy. Can it be incorporated into the design at the beginning, rather than at the tail end? She added that the law is Public Law 113-18. Mr. Perez indicated that he had spoken with Attorney Anthony Perez and recalled that GHURA could not use funding for the arts to comply with arts law. However, if stakeholders are involved from the very beginning and include the arts into the design of the facility, then yes, it can be done.

Acting Chair Guzman added that Public Law 113-18 has two parts to it; 1% of the construction costs to be allocated to purchase and 3% of the aggregate design of the building, incorporating some cultural icons, whether exterior or interior. She suggested further discussions with legal counsel on the percent for the Arts program, as legal counsel did advise that although GHURA does not follow

that policy, there may be an opportunity for the board to incorporate it as a policy for the agency. Director Topasna agreed to set up a meeting with legal counsel, Ms. Katherine Taitano, and Mr. Sonny Perez and report back to the board.

There was no further discussion.

[169/21] Commissioner Pereda moved to approve the Intent to Award for RFP#GHURA-12-23-2020 for the Architectural and Engineering design and programming services for the Sinajana Fire Station to Guma' Architects in the amount of \$390,799.50. The motion was seconded by Commissioner Delia. There were no objections by the other board members. The motion was passed.

2. Notice of Intent of Award- RFP#GHURA-10-30-2020; Public Private Partnership to Finance, Design, Build, Operate, and Maintain Roof-top Mounted Photo-Voltaic Systems at Guma' Trankilidat Facilities (REF: MINUTE #106/21)

[170/21] Discussion- Director Topanga stated that he would defer to Mr. Sonny Perez on this item. Mr. Sonny Perez stated the following:

- This is a notice of intent to award to install and enter into a PPA, Public Private Power Purchase Agreement with Marianas Renewable Energy.
- Out of the (4) respondents, only (1) submitted a proposal
- A committee was assembled.
- NDAs were signed.
- Marianas Renewable Energy presented to the Board.
- Negotiations are ongoing.
- Contract remains with Attorney Anthony Perez.
- He requested approval of the board to proceed with the official contract negotiations with Marianas Renewable Energy.

Acting Chair Guzman asked Mr. Sonny Perez if his request was to continue to move forward with negotiations. Mr. Perez confirmed this. She also inquired if his request required a motion to move forward. Mr. Perez stated that a motion is required for the Intent to Award.

Acting Chair Guzman inquired about the installation timeline. Mr. Sonny Perez stated that the first 2-3 buildings would be operational within (3) months. Mr. Perez added that it is a very complex contract.

Commissioner Delia inquired about whether the award would be in phases or as (1) award. Mr. Perez stated that it would be (1) award.

Acting Chair Guzman requested a revised savings plan. Mr. Sonny Perez indicated that one will be provided for the board.

There was no further discussion.

[171/21] Commissioner Corpus motioned to award the Intent of Award- RFP#GHURA-10-30-2020; Public Private Partnership to Finance, Design, Build, Operate, and Maintain Roof-top Mounted Photo-Voltaic Systems at Guma' Trankilidat Facilities. The motion was seconded by Commissioner Ishizaki. Commissioner Corpus inquired about whether backup batteries would be included in the contract. Mr. Sonny Perez confirmed that backup batteries will be included. There were no objections by the other board members. The motion carried.

VI. CORRESPONDENCE AND REPORTS

[172/21] Director Topasna presented the Low-Income Housing Tax Credit Program for the Guam Housing and Urban Renewal Authority and stated the following:

- LIHTC is a dollar-for-dollar tax credit in the United States for affordable housing investments.
- It was created under the Tax Reform Act of 1986 and gives incentives for the utilization of private equity in the development of affordable housing aimed at low-income Americans.
- Housing finance agencies (HFA), such as GHURA, administer the program.
- LIHTC may be used for new construction, acquisition, or rehabilitation of affordable housing.
- There are (2) types of tax credits: 9% and 4 % Credit Rate
- 9% Credit Rate- is referred to as the 70% present value credit. This is available for new construction and substantial rehabilitation on buildings with a cost of at least equal to the minimums established in the LIHTC regulations. Eligible buildings earn credits at a rate of approximately 9% of qualified basis each year for a 10-year period. GHURA has done mostly new construction. Provided the property maintains compliance with the program requirements, investors receive a dollar-for-dollar reduction in their federal tax liability each year over a period of 10 years.
- Tax Credits- Tax credits are subtracted directly from one's liability.
- Developers- Many communities need to increase affordable housing stock. LIHTC allows developers to increase that stock and utilize them to off-set future tax liabilities.
- Housing Finance Agencies- HFAs become the eyes and ears of the IRS. LIHTC increases the affordable housing stock on the island.
- 3 Requirements for a LIHTC Unit:
 - Suitability for occupancy
 - Rent Restricted
 - Initially occupied by Income Qualified Household

- The LIHTC Application Process:
 - Step 1- GHURA develops qualified allocation plan/LIHTC application and BOC approves.
 - Step 2- Developers submit applications for LIHTC project.
 - Step 3- GHURA evaluates projects and BOC awards allocation
 - Step 4- Developer sells tax credits to syndicators, obtains financing, and begins construction.
 - Step 5- GHURA conducts compliance monitoring annually.
- Each year the IRS provides housing tax credits to designated Housing credit allocating agencies, which in turn awards the credits to owners/developers of qualified projects. The amount each state receives is based on the state's population and is linked to a cost-of-living index. Credits are usually awarded yearly to projects and allocation rounds. Topped ranked project will get credits, and the second and so on until the credits are exhausted. A state has (2) years to award tax credits to projects. Tax credits not awarded in a year, may be carried forward to the next year. If a state is not able to award tax credits in a (2) year period, they are returned to a national pool for reallocation.
- The Qualified Allocation Plan (QAP)- works as a guide for the LIHTC program as well as establishes the election criteria for a project selection. Section 42 requires that state agencies develop QAPs that prioritize projects that serve the lowest-income tenants and ensures affordability for the longest periods.
- Additionally, the QAP establishes the compliance monitoring requirements for the project to ensure it is in line with IRS guidance.
- The QAP Selection Criteria- must include the following considerations:
 - Project location
 - Housing needs characteristics
 - Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan.
 - Sponsor characteristics
 - Tenant populations of individuals with children
 - Projects intended for eventual tenant ownership
 - Energy efficiency of the project
 - Historic nature of the project
 - Selections will usually reflect specific needs and market conditions and may differ based on the property type, targeted population, and housing needs.
- Threshold Criteria- State HFAs may establish threshold criteria for developments. Such criteria may include:
 - The availability of development amenities (community rooms, laundry facilities, etc)
 - Any unit amenities provided

- Visitability (housing that is visitable has a very basic level of accessibility that enables persons with disabilities to visit friends, relatives, and neighbors in their homes within a community.
 - Any energy conservation measures
 - GHURA BOC may even establish size of units, projects strictly for elderly or having a minimum number of units per project.
- Syndication & Equity Investment- In order to actually build the housing development, the owner/developer generally needs money up-front to pay for the costs of the development. Accordingly, the owner/developer syndicates—sells the rights to the future credits in exchange for money that can be used for up-front costs.
- The basics on how syndication works- The owner/developer can sell the tax credits:
 - Directly to an investor; OR
 - To a syndicator who assembles a group of investors and acts as their representative.
- Syndication- The LIHTC Process:
 - Allocations come from the IRS
 - Notified to the State agencies through revenue procedures
 - The state HFA formulates the QAP based on public comment
 - Applications are then open to the public
 - The owner/developer, after applying and if awarded the tax credits by the state HFA, issues tax credits to syndicators to receive funds for the project.
 - In addition, the owner/developer may also seek additional funding from lenders or other grants and loans.
 - Upon project completion, low-income families rent from the project and state HFAs conduct compliance monitoring once every (3) years.
- The LIHTC Evolution- GHURA has successfully completed (13) projects throughout the island:
 - 2005- Ironwood Estates- awarded \$2,125,000. Number of units built, 108.
 - 2006- Ironwood Manor- awarded \$2,190,000. Number of units built, 100
 - 2007- Ironwood Glen- awarded \$2,275,000. Number of units built, 93
 - 2008/2009- Ironwood Heights I- awarded \$3,117,647. Number of units built, 72
 - 2010-Ironwood Heights II- awarded \$2,860,759. Number of units built, 60
 - 2011/2012 Summer Homes- awarded \$3,057,000. Number of units, 81/ Summer Green-awarded \$2,876,622. Number of units, 72
 - 2013/2014- Summer Town Estates I -awarded 5,917,972. Number of units, 240
 - 2015- Summer Town Estates II- awarded \$2,680,00. Number of units, 93
 - 2016- Summer Town Estates III- awarded \$2,177,868. Number of units, 66
 - 2017- Ironwood Villa Del Mar I- awarded \$2,064,241. Number of units, 50
 - 2018- Ironwood Villa Del Mar II-awarded \$2,988,316. Number of units, 88
 - 2019- Summer Town Estates IV- awarded \$3,383,891. Number of units 64
 - GHURA will be returning to the board to award the 2020/2021 Tax credits

- GHURA's BOC Responsibilities in the LIHTC Process:
 - Review prior QAP and assess housing needs/trends for the agency and island
 - Assess Public input for new LIHTC process and accept/deny changes
 - Final Draft QAP is made, and BOC approves the QAP for applications to publish
 - Review Evaluation Panel Scoring/Recommendation, Award Project
- LIHTC Award Timeline:
 - Applications received- 1-to-2-week cure period to validate all documents submitted
 - Evaluation Panel- 2–3-week period for evaluation panel to score each application based on the selection criteria points.
 - BOC Award- BOC awards LIHTC project that best serves the interest of the communities no later than the end of the year, December 31.
 - BOC Recommendations- Once Evaluation Panel has scored all applications, their ranking is presented to the Board of Commissioners.

That concluded the LIHTC Presentation, by Director Topasna.

Acting Chair Guzman asked about the amount of the Tax Credits that will be awarded. Director Topasna stated that approximately \$6.6M for this cycle will be brought before the board at the next scheduled board meeting. Acting Chair Guzman stated that based on the 2020 Census data, there is a 3% decrease in our population and asked if the decrease was significant enough to impact future tax credits. Ms. Katherine Taitano, CPD Manager, stated Guam with its small population, only qualifies for the base every year. There is a minimum amount that Guam qualifies for as a receiving jurisdiction.

Acting Chair Guzman thanked Director Topasna for his presentation.

VII. GENERAL DISCUSSION / ANNOUNCEMENTS

[173/21] Next proposed scheduled Board Meeting: Friday, November 26, 2021 at 12:00 P.M.

There were no objections to the next BOC meeting date and time.

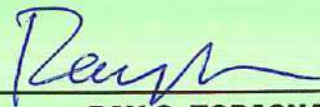
VII. EXECUTIVE SESSION

[174/21] Commissioner Pereda moved to go into Executive Session. Commissioner Delia seconded the motion. There were no objections by the other board members. The motion passed. Acting Chair Guzman indicated that the board move to executive session.

VI. ADJOURNMENT

[175/21] Commissioner Ishizaki moved to adjourn the meeting. Commissioner Delia seconded the motion. There were no objections by the other board members. The motion passed and meeting was adjourned at 2:24PM, Friday, November 12, 2021.

SEAL

A handwritten signature in blue ink, appearing to read "Ray", is written over a horizontal line.

RAY S. TOPASNA
Board Secretary / Executive Director



GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudat Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701
Website: www.ghura.org



MEMORANDUM:

TO: Board of Commissioners

FROM: *Ray* Ray S. Topasna, Executive Director

DATE: November 5, 2021

SUBJECT: **Capital Fund Program (CFP)**
Amendment to CFP GQ08P001501-19

At the Regular Board Meeting of November 12, 2021, a motion was made by Commissioner Delia and seconded by Commissioner Pereda to approve the Capital Fund Program, Amendment to CFP GQ08P001501-19 in the amount of \$470,841. Without any further discussion and objection, the motion was approved.

On September 30, 2021 GHURA received bids for the *Replace Existing Exterior Doors at GH26 & GH100 IFB #GHURA-08-20-2021-AMPs 1 & 2* project. The lowest bid proposal submitted for AMP2 GH100, Yona is much higher than the Government cost estimate. An amendment to the GQ08P001501-19 grant is necessary to fund the project.

Due to the substantially higher proposals submitted in comparison to the Government estimates the A/E Staff were requested to review the proposals and advise on the reason for the difference.

In our discussion with the A/E Staff, their evaluation of the reasons for the substantial increase to the cost of this project is due to:

- the increase of the number of doors to be replaced;
- the increase in the cost for materials and labor;
- since the COVID-19 pandemic the challenges in obtaining the supplies and the shortage in the production of items has caused an increase in the price of materials;
- the military build-up off-base contractors have continually been having a difficult time holding on to their skilled labor force, therefore driving up their cost to do business;
- the AMP1 PSM's request for 2% stock of material and AMP2 PSM's request for 10% stock of material

The Property Site Managers (PSMs) for both AMP's 1 & 2 have expressed their need to proceed with this project. The Yona and Asan sites are known to have termite issues necessitating the repeated need to replace the doors and door frames. Also, the units do not have a large overhang to help protect the doors from the weather. By changing the doors to aluminum, the PSM's have found they have a life span three times longer than the solid core wood doors. It has also been noted that aluminum doors protect the water heaters in the outside closet from rusting too quickly.

This amendment is to revise the GQ08P001501-19 Annual Budget. The revision is as listed in the table below. The *Abate/Mitigate Lead Based Paint* project will be cancelled under this grant, however, it remains funded in grant GQ08P001501-21, and therefore this project can still move forward. The *Install New Shut-off Valve* project will also be cancelled under this grant but will be included in the next



Five Year Action Plan 2022 – 2026. Funds from the *Installation of New Site Lighting* is the balance from the contract. We do not anticipate the need of *Legal* services under this grant, however, should the need arise it has been budgeted under subsequent grants.

The additional CFP budget allocated to this project for AMP1 is \$150,000. The lowest bid is \$212,836. The AMP1 PSM has agreed to fund the shortfall of \$62,836.

The additional CFP allocation for AMP2 is \$200,000. The lowest bid is \$521,824. The revision as indicated below will add an additional \$270,841 to AMP2's shortfall. AMP2 PSM has agreed to fund the remaining shortfall of \$50,983.

Site	Project	Original Budget	Budget Revision	Revised Budget
Revision From (Decrease)				
AMP1	Abate/Mitigate Lead Based Paint	\$ 35,616	\$ (35,616)	0
	Install New Shut Off Valve	\$ 31,560	\$ (31,560)	0
AMP2	Abate/Mitigate Lead Based Paint	\$ 20,000	\$ (20,000)	0
	Install New Shut Off Valve	\$ 49,200	\$ (49,200)	0
	Installation of New Site Lighting	\$ 100,000	\$ (10,500)	\$ 89,500
AMP3	Install New Shut Off Valve	\$ 52,122	\$ (52,122)	0
AMP4	Abate/Mitigate Lead Based Paint	\$ 5,000	\$ (5,000)	0
	Install New Shut Off Valve	\$ 66,500	\$ (66,500)	0
All AMPs	Legal	\$ 343.00	\$ (343)	0
	Total Revision:		\$ (270,841)	
Revision To (Increase)				
AMP2	Remove & Replace Exterior & Screen Doors	\$ 200,000	\$ 270,841	\$470,841
	Total Revision:		\$ 270,841	

Based on the staff's review and determination, we are requesting approval of the CFP GQ08P001501-19 budget revision.

COST ESTIMATE

8

		CONSTRUCTION CONTRACT NO.	SHEET 1 OF 1
PROJECT TITLE:	EXTERIOR DOOR CHANGE-OUT TO ALUMINUM DOORS	IDENTIFICATION NO.	10/1/2021

COST ESTIMATE

by Andrew Manglona

ACTIVITY AND LOCATION: Toto		CONSTRUCTION CONTRACT NO.			SHEET 1 OF 1	
		MATERIAL				
ITEM DESCRIPTION	NUMBER	UNIT	UNIT COST	LABOR COST	TOTAL	
40 UNITS (YEAR 2019)						
36"x80" ALUMINUM DOOR &Frame with Security screen panel screen panel (Front & Rear main doors)	80	ea	\$ 1,485.00	\$ 425.00	\$ 152,800.00	
36"x80" Aluminum door & frame (@ storage)	40	ea	\$ 900.00	\$ 425.00	\$ 53,000.00	
New reinforced concrete infill (@ storage)	40	ea	\$ 350.00	\$ 550.00	\$ 36,000.00	
24"x80" WATER HEATER (STORAGE DOOR)	40	ea	\$ 850.00	\$ 425.00	\$ 51,000.00	
total					\$ 292,800.00	
GH-100 DOOR REPLACEMENT (YEAR 2021)						
36"x80" ALUMINUM DOORS w/ SECURITY SCREEN PANEL (FRONT & REAR DOORS)	101	ea	\$ 1,930.50	\$ 552.50	\$ 250,783.00	
36"x80" ALUMINUM DOORS (STORAGE)	70	ea	\$ 1,170.00	\$ 552.50	\$ 120,575.00	
Reinforced concrete wall infill	70	ea	\$ 455.00	\$ 715.00	\$ 81,900.00	
24"x80" WATER HEATER (STORAGE DOOR)	62	ea	\$ 1,105.00	\$ 552.50	\$ 102,765.00	
				SUB-TOTAL	\$ 556,023.00	
AMP-1 Requested for 10% material stock					\$33,361.38	
				TOTAL	\$ 589,384.38	
GH-26 DOOR REPLACEMENT (YEAR 2021)						
36"x80" ALUMINUM DOORS w/ SECURITY SCREEN PANEL (FRONT & REAR DOORS)	52	ea	\$ 1,930.50	\$ 929.50	\$ 148,720.00	
36"x80" ALUMINUM DOORS (STORAGE)	26	ea	\$ 1,170.00	\$ 718.25	\$ 49,094.50	
Reinforced concrete wall infill	26	ea	\$ 455.00	\$ 715.00	\$ 30,420.00	
24"x80" WATER HEATER (STORAGE DOOR)	26	ea	\$ 1,105.00	\$ 552.50	\$ 43,095.00	
				SUB-TOTAL	\$ 271,329.50	
AMP-1 Requested for 2% material stock					\$5,426.59	
				TOTAL	\$ 276,756.09	

Guam Housing and Urban Renewal Authority

Memorandum

Date: November 12, 2021

To: Board of Commissioners

From:  Ray S. Topasna, Executive Director 

Subject: Notice of Intent to Award: RFP #GHURA-12-23-2020
Architectural/Engineering Design and Programming Services for the Sinajana Fire Station

Background

The Community Development Block Grant funds the subject RFP. Additional information regarding the funding: Sinajana Fire Station PFI project was funded during CDBG Program Year 2019 (FY2020). GHURA's 2019 Annual Action plan proposed \$1,633,489,70 for this CDBG Public Facilities and Improvement activity.

Analysis:

GHURA advertised the subject RFP between December 23, 2020, to April 9, 2021. A pre-proposal conference was conducted, via zoom, on December 30, 2020, whereby 15 prospective vendors participated. GHURA received proposals from five Architectural and Engineering (A/E) companies, in no particular order: Dylan Mechanical, Architects Laguana, LLC., GUMA Architects, EM Chen and Associates, and EXP. No cost proposals were requested, received, or accepted upon RFP closing. Three GHURA representatives and one representative from the Guam Fire Department convened evaluation review meetings on July 7, and July 15, 2021. The resulting committee scores are as follows:

- | | |
|--|-----|
| • GUMA Architects: | 370 |
| • EXP: | 364 |
| • Architects Laguana, LLC: | 340 |
| • EM Chen and Associates, Inc.: | 274 |
| • Dylan Mechanical Construction Services Inc.: | 271 |

The evaluation committee scoring determined GUMA Architects as the most qualified, most responsible, and responsive. The committee interviewed GUMA Architects on August 23, 2021, to request a price proposal from GUMA Architects to design the fire station at the Sinajana location at the 50% and 100% completion stages. The committee received the priced proposals on September 1, 2021, and conducted reviews on the final scope and price evaluations with GUMA on September 28, 2021.

GHURA did not reveal any budget amounts to GUMA Architects as each member signed an NDA, prior to participating in the proposal evaluation. The NDA prohibited any public discussions of the submitted proposals. The evaluation results were presented and discussed at the October 22, 2021, Board of Commissioner meeting.

Recommendation

GHURA's recommends issuing a Notice Of Intent to Award to GUMA Architects to negotiate a contract for Architectural/Engineering Design and Programming Services for the Sinajana Fire Station based on the scope provided on their Date proposal.

At the Regular Board Meeting of November 12, 2021, a motion was made by Commissioner Pereda and seconded by Commissioner Delia to approve the Intent to Award for RFP#GHURA-12-23-2020 for the Architectural and Engineering Design and Programming services for the Sinajana Fire Station to GUMA' Architects in the amount of \$390,799.50. Without any further discussion and objection, the motion was approved.

**SINAJANA FIRE
DEPARTMENT**

ANDREW MANGLONA : PLANNER III

CAMARIN CABRAL: PROGRAM COORDINATOR I



PROPOSAL EVALUATION

PROCESS

1. A/E RFP Review

2. Committee Selection

3. Committee Meeting and RFP

Review

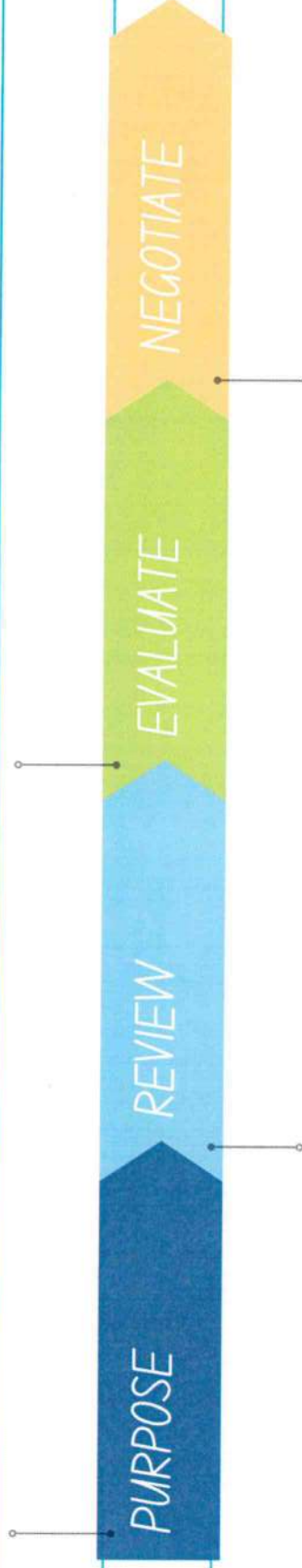
4. Report Committee Position



RFP FOR A/E SERVICES

No Price Proposals
accepted until the
most qualified is
determined

Procure professional
design services.



Qualifications based

Negotiations will
occur after most
qualified is selected

EVALUATION COMMITTEE



ANDREW MANGLONA
GHURA PLANNER
Committee Chair



CAMARIN CABRAL
GHURA Program Coordinator
Committee Member



MICHAEL RACUYAL
GHURA Engineer
Committee Member

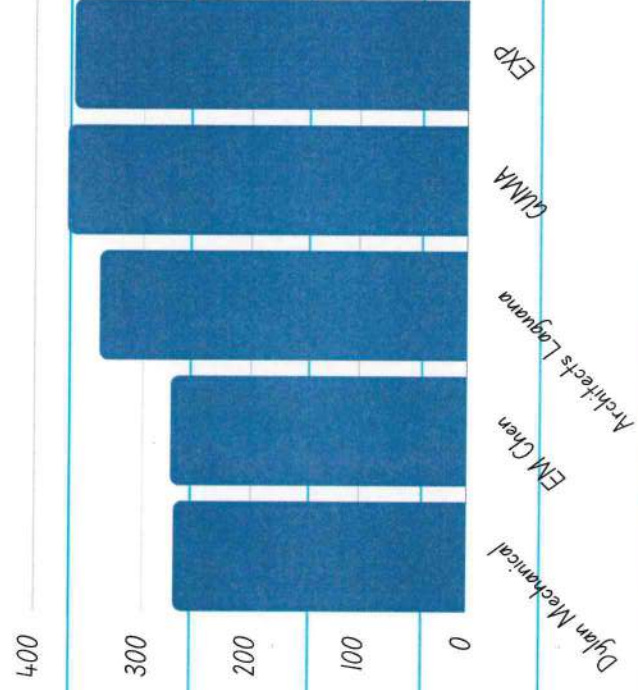


ART STANLEY
GFD REPRESENTATIVE
Committee Member

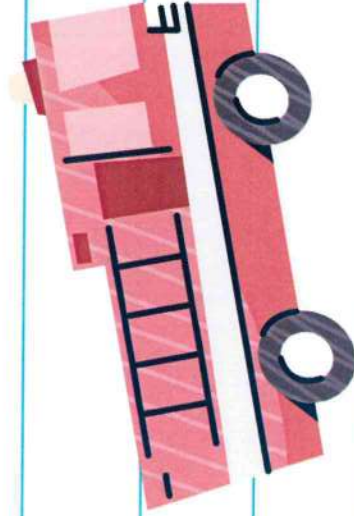
COMMITTEE MEETING AND RFP REVIEW

JULY 7, 2021 JULY 15, 2021 AUG 23, 2021 SEPT 01, 2021 SEPT 28, 2021				
• Evaluation Procedure				
• Confirmation of scores and determination of most qualified				
• Interview most qualified A/E to review guidelines, expectations, and other project features				
• Review proposal for the expectations and features <ul style="list-style-type: none"> ○ Two proposals submitted to committee, negotiated for one 				
• Review Cost Proposal and Scope of work				

DYLAN MECHANICAL	EM CHEN	ARCHITECTS LAGUANA	GLMA	EXP
271	274	340	370	364



THANK YOU!



Any questions?



GHURA SINAJANA FIRE STATION, SINAJANA, GUAM

November 2, 2021

Mr. Ray S. Topasna | Executive Director
Guam Housing and Urban Renewal Authority
117 Bienvenida Ave, Sinajana, Guam 96910
rstopasna@ghura.org
+1 (671) 477-9851

Lot P19, 1B-1NEW (858 Chalan Kanton Tasi, Sinajana, Guam 96913)

Fee Proposal for Full Architectural and Engineering Design Services **(REVISED #2)**

1) Project Background and Description

We are pleased to provide you the proposal for the Full Architectural and Engineering services required for the GHURA Sinajana Fire station in Sinajana, Guam. The proposed fire station will be having the following areas:

- Lobby
- Decontamination room
- Locker Area
- Radio room with dedicated toilet
- Officer-in-charge room
- Treatment room
- Rehabilitation room
- Dining & Kitchen with back patio access
- Hallway
- Toilet facilities
- Workroom
- Storage
- Training room
- Apparatus bay
- Male sleeping quarters
- Male Toilet & Shower
- Laundry room
- Female sleeping quarters
- Female Toilet & Shower
- Commander's office with dedicated bedroom & toilet
- Generator room



2) Design Deliverables:

- 1.0 Schematic Design: Design will be based on aforementioned project scope, requirements and communication, meetings and provided reference drawings.
- 2.0 Design Development Services: consisting of drawings illustrating the scope, scale, and relationships of project components: floor plans, sections, elevations, building systems and materials selection, developing dimensions.
- 3.0 Project Design Administration: consultation, research, team meetings and work of the engineering disciplines.
 - a. Agency reviews: research of applicable local and federal applications including IBC, NFPA & IFC (applicable versions) and Guam Zoning Law, Local Regulations, and other relevant codes as guidelines for design.
 - b. Architectural Construction Documentation: architectural / interior drawings including floor plans, detail sections, elevations, ceiling plans, wall sections, door and window schedule, construction details and specifications necessary for bidding and construction.
 - c. Civil Design Documentation: Civil design drawings, specifications, and typical details necessary for bidding and construction such as grading based on topographic survey, clearing, utility plans and sewer connection design. This will include traffic study with results and recommendations report, design of entrance/exit, driveways, parking, coordinated site grading, optimal site drainage, stormwater management in which percolation tests at proposed retention/percolation structure will be performed, size & location to meet GEPA requirements, and utility connections. All other services not specifically list, described or implied are not included in the scope.
 - d. Structural Design Documentation: Provide Structural design drawings, specifications and supporting calculations necessary for bidding and construction. Foundation design will be based on the Geotechnical report provided by the client. A Geotechnical Engineer shall conduct a field/soil survey to provide a report confirming soil bearing capacity is sufficient for the proposed project. The cast-in-place building structure will be coordinated with the architectural layout to achieve structural efficiency. Determine applicable design loads including wind and seismic, analyze design loads assuming all cast-in-place reinforced concrete structure. Perform design checks to confirm member sizes and reinforcement requirements. An alternate precast roof design will be included with building load analysis assuming precast reinforced concrete roof and perform design checks to confirm member sizes and reinforcement requirements. This alternate design is for comparison and budgeting purposes. All other services not specifically listed, described, or implied are not included in the scope.
 - e. Mechanical Documentation: Provide mechanical and plumbing design drawings necessary for bidding and construction. Documents to include drawings, specifications, and calculations (HVAC load calculation). This will also include site verification, analysis & calculations, specifications, and meeting attendance.

Construction administration will include review and response to contractor material submittal and RFIs. All other services not specifically listed, described, or implied are not included in the scope.

- f. Electrical Design Documentation: Provide electrical design drawings, technical specifications, basis of design narrative and calculations. Construction documents preparation will include site electrical for GPA power service, communications services, parking and lighting, Interior Lighting, General Power, Fire Alarm system, back-up generator, Infrastructure for voice and data, empty conduit system & power connection for the security systems which will be coordinated with the provider. Limited services during construction will include product data and shop drawings review, respond to design related RFIs, occasional inspections (limited to 3 each), punch list inspection, pre-final inspection, and Final inspection. Design exclusions are active equipment such as network switches and servers, design of security systems to be provided by the contractor/owner's systems provider, Mass notification system and Fire Alert system. All other services not specifically listed, described, or implied are not included in the scope.

4.0 Construction Administration Services: To include review and response to RFIs, Material Submittal review and approval, attend to kick-off meeting and design-related items. Conduct inspections and walk-throughs to provide punch-list to contractor prior to finalizing construction. GUMA Architects, LLC can also provide Construction Management Services on an on-call basis with the following rates below:

- Principal Architect	\$175.00/Hr.
- Project Architect/Field Inspector	\$120.00/Hr.
- Architectural Drafting/3D modeler/Admin	\$ 90.00/Hr.
- Engineering rates to be determined	

5.0 Construction Management Services: GUMA can provide Construction Management on an on-call basis which will be tracked and billed as 'Time & Material' with the following rates above.

6.0 LEED Equivalent (USGBC Certification not included): GUMA can provide Leadership in Energy and Environmental Design concepts with checklist verification as an additional service with a rough estimated fee amount of \$82,500.00. Actual fee to be determined at the approval of concept design.

7.0 The following are not included in the scope of work:

- ~~— Detailed Cost breakdown (option to engage a Quantity Surveyor as an Additional Service, fee to be determined)~~
- IT/Security Design (by others)
- ~~— Reproduction of original signed drawings~~
- Printing expenses are considered reimbursable
- Building Permit Processing and all Government Permit Fees
- ~~— Topographic Surveys & Geotechnical / Soils Testing~~
- UXO Survey and Mitigation

- LEED certification
- Archeological Survey, Monitoring. Research design and final reports
- Selection of Furniture, Fixture & Equipment (FF&E)
- Other services not specifically listed, described, or implied
- Design to address unexpected site conditions
- Special Inspections

3) Breakdown of Design Service Fees

Architectural (GUMA)	\$188,880.00
Civil (GK2)	\$ 42,000.00
Structural (GK2)	\$ 56,000.00
Mech'l & Plumbing (Bordallo CE)	\$ 35,910.00
Electrical (EMCE)	\$ 49,400.00
Sub-total	\$372,190.00
GRT 5%	\$ 18,609.50
Grand Total	\$390,799.50

In Words: THREE HUNDRED NINETY THOUSAND SEVEN HUNDRED NINETY-NINE DOLLARS AND FIFTY CENTS ONLY

List of added scope as negotiated items:

1. Geotechnical Soils report
2. Stormwater Best Management Practices
3. Topographic Survey
4. Quantity Surveying

Should the actual scope of work change or if additional work/effort be required due to unforeseen circumstances, a mutually agreed fee adjustment shall be made prior to start such changes in the scope.

4) Payment Schedule

30% Approval and Notice to Proceed	\$117,239.85
40% Upon Approval of Schematic and moving into Design Development	\$156,319.80
30% Progress Billing or Upon Submission of Final Drawings	\$117,239.85

Full payment upon submission of Final Drawings is required, AE team will make the corrections as required to comply by the building official comments (if any) at no additional cost to the Client. Changes to drawings after final drawing submission that are not directed by government agencies are not included in the scope of work.

5) Design Deliverables Schedule

Est. Duration	Phase	Description
Offset schedule upon receipt of NTP		

2 Weeks (Oct 5 – Oct 15)	Conceptual Layout	Develop & present preliminary scheme based on programmatic and
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		client's requirements
2 Weeks (Oct 15 – Oct 29)	Conceptual Facade	Present preliminary architectural elevations & façade elements schemes in 3D format
0 - 1 Week	Client Review/Comments	GUMA to work on comments provided by the client and revise accordingly
3 Weeks (Oct 29 – Nov 19)	Design Development	Develop approved schemes to drawings illustrating architectural & building systems
0 - 1 Week	Client Review/Comments	GUMA to work on comments provided by the client and revise accordingly
6 Weeks (Nov 19 – Dec 30)	Bid Set Documents	Design development set to further develop into Bid drawing set to be released for bidding
3 Weeks (Jan 3 – Jan 21)	Permit and Construction Set	Submit Permit and Construction set for permit processing and contractor use

16 Weeks Above fee proposal is inclusive of GRT and is valid for the calendar year of 2021.

*Design changes after accepting the design at the Design Development Stage, or Final/Permit & Construction submittal will opt for change order, a mutually agreed additional fee or time and material basis shall be established before commencement of work.

We hope this meets your requirements and we look forward to working with you on this project.

Sincerely,


Raymund Cayanán, AIA
Principal | GUMA Architects, LLC.


Samuel Mangloña McPhetres, AIA, LEED AP
Principal | GUMA Architects, LLC.

Approval and Authority to Proceed

I (We) approve the project as described above and authorize the team to proceed.

Name	Signature	Date

Notice: If GUMA Architects has not received payment from Customer more than 30 days after the date of the invoice, Company may assess five percent simple interest on the unpaid invoice. Interest begins accruing on the invoice due date. If Customer has not paid an invoice for more than 90 days, Company may refer collection of the unpaid amount to an attorney or collections agency. If Customer's unpaid invoices are referred to an attorney or collections agency, Customer shall pay all reasonable attorney's fees or collections agency fees.

Contract Terms:

A. This agreement constitutes the whole of the understanding, discussions, and agreements by and between the parties. The terms and provisions of this Agreement are contractual and not mere recitals. The parties acknowledge and agree that there has been no oral, written, or other agreements of any kind as a condition precedent to or to induce the execution and delivery of this Agreement. Any written or oral discussions conducted prior to the effective date of this Agreement shall not in any way vary or alter the terms of this Agreement.

B. This Agreement shall not be changed, amended, or altered in any way except in writing and executed by both parties.

C. This Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, and all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by email delivery of a "PDF" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or "PDF" signature page were an original thereof.

D. This Agreement is entered into and shall be performed in Guam and shall be governed by and controlled by the law of Guam.

E. Any notices which are required to be given by the terms of this Agreement shall be made as follows:

[Party 1]: Via email and/or certified mail, return receipt requested, postage prepaid to:

GUMA Architects, LLC
Suite 904, DNA Building
238 Archbishop FC Flores Street
Hagatña, Guam 96932
+1 671 989-4862
info@guma.space

[Party 2]: Via email and/or certified mail, return receipt requested, postage prepaid to:

Mr. Ray S. Topasna | Executive Director
Guam Housing and Urban Renewal Authority
117 Bienvenida Ave, Sinajana, Guam 96910
+1 671 475-9851

F. This Agreement shall be binding upon the parties and their respective successor and assigns.

G. In the event that one or more provisions of this Agreement shall be declared to be invalid, illegal or unenforceable in any respect, unless such invalidity, illegality and unenforceability shall be tantamount to a failure of consideration, the validity, legality and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected or impaired thereby.

H. This Agreement has been fully negotiated by the parties to it and shall not be construed in favor of or against either party, regardless of who may have drafted it or any of its terms.



I. In the event of litigation to enforce the terms of this Agreement, the prevailing party shall be entitled to its costs, including reasonable attorney's fees.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date indicated above, and each of the undersigned personally represent and warrant that they have the full right, power and authority to execute this Agreement on behalf of the respective parties.

Guam Housing and Urban Renewal Authority Memorandum

Date: November 12, 2021

To: Board of Commissioners

From:  Ray S. Topasna, Executive Director 

Subject: Notice of Intent to Award: RFP #GHURA-10-30-2020 Public Private Partnership to Finance, Design, Build, Operate, and Maintain a Roof-Top Mounted Photo-Voltaic Systems at the Guma Trankilidat Facilities

At the Regular Board Meeting of November 12, 2021, a motion was made by Resident Commissioner Corpus and seconded by Commissioner Ishizaki to award the Intent of Award for RFP#GHURA-10-30-2020; Public Private Partnership to Finance, Design, Build, Operate, and Maintain Roof-top Mounted Phot-Voltaic Systems at Guma' Trankilidat Facilities. Without any further discussion and objection, the motion was approved.

Background and Purpose

GUMA Trankilidat is located at 145 Guam Trankilidat in Tumon, consisting of 50 fully concrete family dwellings for Guam's elderly population qualified and managed by the Guam Housing and Urban Renewal Authority (GHURA). There are two (2) other support buildings in this compound for a total of 52 facility structures.

The Guma Trankilidat program focuses on providing Guam's elderly domiciled in this community with the best of care, safety, and amenities to promote their health and well-being. This project is a renewable energy project aimed at providing GUMA Trankilidat facilities with photovoltaics (PV) and battery storage to each dwelling and support facility. The delivery of this project will be through a Power Purchase Agreement with a defined and expandable period or term that encompasses the design, installation, warranty, maintenance, and technical support to GHURA when the best qualified and most responsive and responsible PV vendor has been selected.

Analysis

RFP #GHURA-10-30-2020 was advertised between October 30, 2020, through April 1, 2021. A pre-proposal conference was held on November 17, 2020, whereby four potential pv vendors attended. GHURA received one proposal from Marianas Renewable Energy (MRE) when the RFP closed on April 1, 2021. A review committee was assembled and convened for procedural purposes, ensuring compliance to existing procurement policies, and to determine whether the sole respondent achieved the required qualifications as stated in the RFP. The proposal review committee members had no communications with MRE until the evaluations were completed. It was never revealed to MRE they were the sole respondent since this would cause GHURA to lose their negotiating leverage. The proposal committee determined MRE as a qualified, responsive, and responsible, vendor to the RFPs requirements.

GHURA management invited MRE to present their program to the BOC on August 13, 2021. From then, GHURA's management and legal counsel has with MRE's representatives met to discuss contract details. The contract presented to you is a result of our October 13, 2021, meeting when GHURA executives and legal counsel met with MRE executives and their attorneys.

Recommendation

GHURA management requests BOC approval to award a contract and proceed with official contract negotiations with Marianas Renewable Energy / Isla Soleada, LLC.

SOLAR ENERGY POWER PURCHASE AGREEMENT
Between
ISLA SOLEADA LLC
And
GUAM HOUSING AND URBAN RENEWAL AUTHORITY

October 19, 2021

Table of Contents

ARTICLE ONE: GENERAL DEFINITIONS AND RULES OF INTERPRETATION	6
ARTICLE TWO: TERM AND TERMINATION; MILESTONES	6
2.1 BINDING NATURE.....	6
2.2 CONDITIONS PRECEDENT TO SELLER’S OBLIGATIONS.	6
2.3 TERM.....	7
ARTICLE THREE: FACILITIES’ PURCHASE OPTION	7
3.1 PURCHASE OPTION.	7
ARTICLE FOUR: PURCHASE AND SALE OF OUTPUT.....	7
4.1 SELLER’S AND BUYER’S OBLIGATIONS AND OWNERSHIP.	7
4.2 DELIVERY OF OUTPUT.....	8
4.3 TITLE AND RISK OF LOSS.	8
4.4 EXPECTED DELIVERED POWER AND MINIMUM DELIVERED POWER.	8
4.5 BILLING AND PAYMENT.....	8
4.6 BOOKS AND RECORDS.	8
4.7 DISPUTES AND ADJUSTMENTS OF INVOICES.....	9
4.8 TAXES.	9
4.9 CURTAILMENT.....	9
ARTICLE FIVE: FACILITIES’ CONSTRUCTION	9
5.1 CONSTRUCTION OF THE FACILITIES.	9
5.2 RESERVED.....	10
5.3 PROGRESS REPORTS.	10
ARTICLE SIX: FACILITIES’ OPERATION	10
6.1 METERING.	10
6.2 METER TESTS.....	10
6.3 METERING ACCURACY.....	10
6.4 OUTAGES.	11
6.5 OPERATION AND MAINTENANCE.....	11
6.6 HEALTH AND SAFETY.	11
ARTICLE SEVEN: SITE USE	11
7.1 USE OF THE SITES.	11
7.2 UTILITIES.	11
7.3 NOTIFICATION REQUIREMENTS.	12
7.4 GENERAL EASEMENTS; SOLAR EASEMENT.....	12
7.5 DESIGN AND CONSTRUCTION OF THE FACILITIES.	12
7.6 REMOVAL UPON TERMINATION OR EXPIRATION.	13
7.7 SITE OWNERSHIP; TRANSFERS.	13
7.8 SUBORDINATION.....	13
7.9 LIENS AND LIENHOLDERS.	13
7.10 CONFIRMATION OF FACILITIES’ OWNERSHIP.	13
7.11 SECURITY, HEALTH, AND SAFETY AT THE SITES.....	14
7.12 MAINTENANCE DURING OPERATIONS.	14
7.13 OTHER MATTERS.	14
7.14 TAXES.....	14

ARTICLE EIGHT: REPRESENTATIONS AND WARRANTIES	15
8.1 SELLER REPRESENTATIONS AND WARRANTIES.	15
8.2 BUYER REPRESENTATIONS AND WARRANTIES.	15
ARTICLE NINE: FORCE MAJEURE.....	16
9.1 EXCUSE.	16
9.2 DEFINITION.	16
9.3 EXCLUSIONS.....	16
9.4 COVENANTS.....	17
9.5 TERMINATION FOR EXTENDED FORCE MAJEURE EVENT.....	17
9.6 MATERIAL CASUALTY EVENT.	17
ARTICLE TEN: ASSIGNMENT	17
10.1 ASSIGNMENT.....	17
10.2 SELLER PERMITTED ASSIGNMENT.	18
10.3 RESERVED.....	18
10.4 SUCCESSORS AND ASSIGNS.	18
10.5 SELLER PERMITTED ASSIGNMENT FOR FINANCING.	18
10.6 COLLATERAL ASSIGNMENT BY SELLER.	18
ARTICLE ELEVEN: INDEMNIFICATION; INSURANCE; LIMITATION OF LIABILITY.....	19
11.1 INDEMNIFICATION.....	19
11.2 INDEMNIFICATION PROCEDURES.	19
11.3 INSURANCE.	20
11.4 DAMAGE TO PROPERTY.	20
11.5 LIMITATION ON DAMAGES.	20
ARTICLE TWELVE: DEFAULT; REMEDIES	20
12.1 EVENTS OF DEFAULT.....	20
12.2 DECLARATION OF EARLY TERMINATION DATE.	21
12.3 CALCULATION OF TERMINATION PAYMENT.....	21
12.4 NOTICE OF TERMINATION PAYMENT.....	22
12.5 DISPUTES WITH RESPECT TO TERMINATION PAYMENT.....	22
12.6 RIGHTS AND REMEDIES ARE CUMULATIVE.	22
12.7 RIGHTS AND OBLIGATIONS SURVIVING TERMINATION.	22
ARTICLE THIRTEEN: DISPUTE RESOLUTION.....	22
13.1 MEDIATION.....	22
13.2 ARBITRATION.....	22
13.3 CONFIDENTIAL NATURE OF PROCEEDINGS.	23
ARTICLE FOURTEEN: MISCELLANEOUS.....	23
14.1 PUBLIC ANNOUNCEMENTS.....	23
14.2 RESERVED.....	23
14.3 FURTHER ASSURANCES.	23
14.4 GOVERNING LAW.	24
14.5 NOTICES.....	24
14.6 RESERVED.....	24
14.7 INTEGRATION.	24
14.8 COUNTERPARTS.	24
14.9 INTERPRETATION.....	24

14.10 HEADINGS AND TITLES.....	24
14.11 SEVERABILITY.	24
14.12 WAIVERS; REMEDIES CUMULATIVE.....	25
14.13 AMENDMENTS.....	25
14.14 NO THIRD PARTY BENEFICIARY	25

EXHIBITS

Exhibit A:	Definitions and Rules of Interpretation
Exhibit B:	Facilities' Specifications
Exhibit C:	Performance Tests
Exhibit D:	Contract Price
Exhibit E:	Seller Shareholders
Exhibit F:	Production Estimates
Exhibit G:	Required Insurance
Exhibit H:	Notices and Billing Information
Exhibit I:	Seller's Penalties in the Event of Under-Generation
Exhibit J:	Buyout Schedule

Solar Energy Power Purchase Agreement

This Solar Energy Project Power Purchase Agreement (the “**Agreement**”), dated as of October 19, 2021 (the “**Execution Date**”), is entered into by and between Isla Soleada LLC, a Guam limited liability company (the “**Seller**”), and Guam Housing and Urban Renewal Authority, a public agency affiliated with the Government of Guam (the “**Buyer**”).

RECITALS

- A. Seller intends to install, finance, own, and operate numerous solar energy facilities (together the “**Facilities**” and each a “**Facility**”), as more particularly defined herein, in the Territory of Guam, on properties owned or controlled by the Buyer (each a “**Site**” and collectively the “**Sites**”) as mutually agreed upon by Buyer and Seller;
- B. Buyer will permit the installation and operation by Seller of the Facilities on the Sites; and
- C. Seller desire to sell to Buyer, and Buyer desires to purchase from Seller, all of the energy output generated by the Facilities during the term of this Agreement in accordance with the terms and conditions described herein.

In consideration of the mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller agree as follows:

ARTICLE ONE: GENERAL DEFINITIONS AND RULES OF INTERPRETATION

Capitalized terms used and not otherwise defined herein shall have the meanings set forth in Exhibit A, unless the context clearly requires otherwise. The Rules of Interpretation set forth in Exhibit A shall apply to the interpretation of this Agreement.

ARTICLE TWO: TERM AND TERMINATION; MILESTONES

2.1 Binding Nature.

This Agreement shall be effective and binding as of the Execution Date only to the extent required to give full effect to, and enforce, the rights and obligations of the Parties under Articles One, Eight, Ten, Eleven, Twelve, and Thirteen and Sections 2.1, 2.2, 14.1, 14.2, 14.4, 14.5, and 14.7 through 14.14. This Agreement shall be in full force and effect, enforceable and binding in all respects, upon occurrence of the Effective Date.

2.2 Conditions Precedent to Seller’s Obligations.

The following conditions (the “**Seller Conditions Precedent**”) must be satisfied or waived by mutual consent of the Parties, any such consent to not be unreasonably withheld, before Seller is obligated to construct and operate the Facilities:

- a) Seller shall have obtained all Permits materially necessary for it to construct the Facilities; and
- b) Seller shall have obtained a financing commitment for the construction of the Facilities.

Seller shall use commercially reasonable efforts to achieve the satisfaction of the Seller Conditions Precedent by the Condition Precedent Deadline. At Seller’s request and at Seller’s cost and to the extent commercially reasonable, Buyer will reasonably cooperate with Seller as may be necessary in

order to assist Seller in achieving the satisfaction of the Seller Conditions Precedent. Seller may terminate this Agreement by written notice to Buyer if the Seller Conditions Precedent are not satisfied by the Condition Precedent Deadline. Termination of this Agreement pursuant to this Section 2.2 shall not trigger the default provisions contained herein or any liability under this Agreement. The Parties may mutually agree in writing to extend the Condition Precedent Deadline.

2.3 Term.

Seller's obligation to deliver the Output, and Buyer's obligation to accept and pay for the Output, under this Agreement shall commence on the Commercial Operation Date and shall continue for periods of twenty (20) years from such Commercial Operation Date, subject to earlier termination of this Agreement pursuant to the terms hereof (the "**Initial Term**"). Seller and Buyer may, upon mutual written agreement, extend this Agreement for up to two (2) additional five (5) year terms (each such additional term, a "**Renewal Term**").

ARTICLE THREE: FACILITIES' PURCHASE OPTION

3.1 Purchase Option.

Provided no Default or Event of Default of Buyer shall have occurred and is continuing, Seller may, at its option, provide the Buyer the option to purchase the Facilities on the tenth (10th) Business Day following the seventh (7th) anniversary of the Commercial Operation Date and any such anniversary of the Commercial Operation Date thereafter. Not more than one hundred eighty (180) days, nor less than ninety (90) days, prior to the each such anniversary of the Commercial Operation Date following the seventh (7th) anniversary of the Commercial Operation Date and any such anniversary of the Commercial Operation Date thereafter, Seller may provide written notice to Buyer of Seller's offer to Buyer to allow such purchase option, which Buyer may elect to exercise by written notice to Seller no more than ten (10) Business Days after the date of Seller's offer to Buyer to allow such purchase option. If Buyer elects to purchase the Facilities pursuant to this Section 3.1, the purchase price (the "**Purchase Price**") shall be the In-Place Fair Market Value, which is listed herein in Exhibit J, plus any applicable prepayment and breakage fees charged by the Seller's Lenders.

ARTICLE FOUR: PURCHASE AND SALE OF OUTPUT

4.1 Seller's and Buyer's Obligations and Ownership.

From and after no later than the Commercial Operation Date, Seller shall sell and deliver, or cause to be delivered, and Buyer shall purchase and receive, or cause to be received, all Delivered Power at the Delivery Points and Buyer shall pay Seller the Contract Price therefore. All Environmental Attributes and Environmental Incentives, including RECs and Tax Benefits, shall remain with the Seller. Seller shall be responsible for any costs or charges imposed on or associated with the Output or its delivery of the Output up to the Delivery Points. Buyer shall be responsible for any costs or charges imposed on or associated with the Output or its receipt of the Output at and from the Delivery Points.

Notwithstanding the sale by Seller to Buyer of all the Facilities' Delivered Power, Seller shall retain title to all Environmental Incentives and RECs, as well as retain all Tax Benefits, associated with the Facilities or their Output. Throughout the Term of this Agreement, Seller shall be the legal and beneficial owner of the Facilities at all times and the Facilities shall remain the personal property of the Seller and shall not attach to or be deemed a part of, or fixture to, the Sites. The Facilities shall at

all times retain the legal status of personal property as defined under the Uniform Commercial Code of the Territory of Guam. Buyer covenants that it will use reasonable commercial efforts to place all parties having an interest in or lien upon the real property comprising the Sites on notice of the ownership of the Facilities and the legal status or classification of the Facilities as personal property and Buyer shall not cause or permit any liens on or with respect to the Facilities or any interest therein.

4.2 Delivery of Output.

Commencing on the Commercial Operation Date and continuing throughout the remainder of the Term, Seller shall make available to Buyer, and Buyer shall take delivery of, at the Delivery Points all of the Output produced by the Facilities.

4.3 Title and Risk of Loss.

Seller shall convey good title to the Output to Buyer at the Delivery Points free and clear of any liens or other encumbrances or title defects, including any which would affect Buyer's ownership of any portion of such Output or prevent the subsequent transfer of such Output by Buyer to a third party. Title to and risk of loss with respect to Output delivered to Buyer by Seller in accordance with this Agreement shall pass from Seller to Buyer when such Output is delivered at the Delivery Points. Until title passes, Seller shall be deemed in exclusive control of the Output and shall be responsible for any damage or injury caused thereby. After title to the Output passes to Buyer, Buyer shall be deemed in exclusive control of such Output and shall be responsible for any damage or injury caused thereby.

4.4 Expected Delivered Power and Minimum Delivered Power.

Seller has estimated that following the Commercial Operation Date, the Facilities shall deliver an annual expected performance output of Delivered Power for each year of the Term as set forth in Exhibit F (the "**Expected Delivered Power**"). Moreover, the Seller shall be required to provide the Buyer with no less than the minimum annual expected performance output of Delivered Power for each year of the Term as also set forth in Exhibit F (the "**Minimum Delivered Power**"). In the event that (i) the Seller does not deliver the Minimum Delivered Power in any given year during the Term and (ii) the Contract Price in the applicable year is greater than the average utility power rate available to the Buyer during that same year, then Seller shall pay the Buyer a payment (the "**Seller's Under-Generation Penalties**") calculated in accordance with the calculation provided in Exhibit I, attached hereto.

4.5 Billing and Payment.

Unless otherwise specifically agreed upon by the Parties, the calendar month shall be the standard period for all payments under this Agreement (other than Termination Payments). As soon as practicable after the end of each month, Seller will render to Buyer an invoice for the payment obligations, if any, incurred hereunder during the preceding month (each an "**Invoice**"). All undisputed amounts under any Invoice under this Agreement shall be due and payable in accordance with Seller's Invoice instructions. Payment on all Invoices under this agreement will be due within thirty (30) calendar days of issuance (the "**Due Date**"). Buyer will make payments by electronic funds transfer, or by such other mutually agreeable method(s), to the account designated by the Seller. Any undisputed amounts not paid by the Due Date will be deemed delinquent and will accrue interest at the Interest Rate, such interest to be calculated from and including the Due Date to but excluding the date the delinquent amount is paid in full.

4.6 Books and Records.

To facilitate payment and verification of payment, each Party shall maintain all books and records

necessary for billing and payments, including copies of all invoices under this Agreement, for a period of at least two (2) years. Seller shall grant Buyer reasonable access to accounting books and records pertaining to all invoices generated pursuant to this Agreement at the principal place of business of Seller or such other place designated by Seller on Guam or such other mutually agreed upon location. Buyer may examine such books and records relating to transactions under, and administration of, this Agreement, at any time during the period the records are required to be maintained, upon request with reasonable notice and during normal business hours.

4.7 Disputes and Adjustments of Invoices.

Buyer may, in good faith, dispute the correctness of any Invoice or any adjustment to an Invoice, rendered under this Agreement or adjust any Invoice for any arithmetic or computational error within three (3) months of the date the Invoice, or adjustment to an Invoice, was rendered. In the event an Invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed by Buyer, payment of the undisputed portion of the Invoice shall be required to be made when due, with notice of the objection given to the Seller. Buyer shall not have the right to withhold any past required, current or future required payment of any other sum due to the Seller. Any Invoice dispute or Invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment. Upon resolution of the dispute, any required payment shall be made within five (5) Business Days. Inadvertent overpayments by Buyer shall be returned upon request or deducted by the Seller receiving such overpayment from the subsequent payment. Any dispute with respect to an Invoice is waived unless the other Party is notified in accordance with this Section 4.7 within three (3) months after the Invoice is rendered or any specific adjustment to the Invoice is made. If an Invoice is not rendered within twelve (12) months after the close of the month during which performance occurred, the right to payment for such performance is waived.

4.8 Taxes.

Seller shall be responsible for and shall pay (or reimburse Buyer for) any and all taxes or similar governmental charges of any type that may be assessed on or with respect to the Output prior to the Delivery Points, and Buyer shall be responsible for and shall pay (or reimburse Seller for) any and all taxes or similar governmental charges of any type that may be assessed on or with respect to the Output at and from the Delivery Points (including the sale and transfer of the Output to Buyer). Either Party, upon written request of the other Party, shall provide a certificate of exemption or other reasonably satisfactory evidence of exemption if either Party is exempt from taxes, and shall use reasonable efforts to obtain and cooperate with the other Party in obtaining any exemption from or reduction of any tax.

4.9 Curtailment.

Buyer may require Seller to curtail the production and delivery of Output at any time in the event of an Emergency; provided that, except when such curtailment results from an event of Force Majeure impacting Buyer, Buyer shall be responsible for and shall pay Seller for all curtailed Output at the full Contract Price for the full amount of curtailed Output (as determined by Seller in a commercially reasonable manner).

ARTICLE FIVE: FACILITIES' CONSTRUCTION

5.1 Construction of the Facilities.

Seller shall design and construct the Facilities in accordance with Good Industry Practices.

5.2 RESERVED.

5.3 Progress Reports.

After the Effective Date, Seller shall report each quarter on the progress regarding significant permitting, financing, construction, testing, startup, and operation of the Facilities. The report shall be provided to Buyer no later than the tenth (10th) Business Day of each calendar quarter detailing the following, as applicable: (i) any planned outages, maintenance activities or other activities for the upcoming calendar quarter, (ii) the list of any issues that could potentially impact Seller's delivery obligations under this Agreement and Seller's expected mitigation measures, and/or (iii) any upcoming or previously unreported changes to the Facilities. Notwithstanding the foregoing, during the permitting, financing, construction, testing, and startup of the Facilities, the Buyer may reasonably request additional written reports on the status of the development or construction of the Facilities and the Buyer shall provide a written report on the status of the development or construction of the Facilities within no more than 15 Business Days after receiving such request from Buyer.

ARTICLE SIX: FACILITIES' OPERATION

6.1 Metering.

Seller shall provide, install, own, operate and maintain all Meter(s) in good operating condition. If more than one Meter is installed, then data from all Meters shall be provided to the Buyer in a clear fashion such that the Buyer can examine their total energy consumption. The Meters shall be used for quantity measurements under this Agreement. Such equipment shall be bi-directional and shall be capable of measuring and reading instantaneous and hourly real and reactive energy and capacity. Seller shall provide Buyer with access to all data generated from Meter(s). Buyer, at its expense, may install additional check meters. Buyer shall not undertake any action that may interfere with the operation of the Meters, and shall be liable for all costs, expense, and liability associated with any such interference with the Meters.

6.2 Meter Tests.

Meters shall be tested at least once every calendar year by Seller and Seller shall provide testing of operation at Seller's expense. Either Party may request a special test of Meters or check meters, but the testing Party shall bear the cost of such testing unless there is an inaccuracy outside the limits established in American National Standard Institute Code for Electricity Metering (ANSI C12.1, latest version), in which case the Party whose Meters or check meters, as applicable, were found to be inaccurate shall be responsible for the costs of the special testing. Meters installed pursuant to this Agreement shall be sealed and the seal broken only when the Meters or check meters are to be adjusted, inspected or tested. Authorized representatives of both Parties shall have the right to be present at all routine or special tests and to inspect any readings, testing, adjustment or calibration of the Meters or check meters. Seller shall provide at least fifteen (15) days' prior notice of routine Meter testing to Buyer. If Buyer has installed check meters in accordance with Section 6.1, Buyer shall test and calibrate each such meter at least once every calendar year. Seller shall be provided fifteen (15) days' prior notice of routine check meter testing by Buyer. In the event of special Meter testing, the Parties shall notify each other with as much advance notice as practicable.

6.3 Metering Accuracy.

If the Meters are registering but their accuracy is outside the limits established in American National Standard Institute Code for Electricity Metering (ANSI C12.1, latest version), Seller shall repair and

recalibrate or replace the Meters and Buyer shall adjust payments to Seller for the lesser of the period in which the inaccuracy existed and one hundred eighty (180) days. If the period in which the inaccuracy existed cannot be determined, adjusted payments shall be made for a period equal to one-half of the elapsed time since the last prior test and calibration of the Meters; provided, however, that the adjustment period shall not exceed ninety (90) days. If adjusted payments are required, Seller shall render a statement describing the adjustments to Buyer within thirty (30) days of the date on which the inaccuracy was rectified. Additional payments to Seller by Buyer shall be made within thirty (30) days of receipt of Buyer's statement. Any payments due to Buyer from Seller pursuant to this Section shall accompany Seller's subsequent Invoice and appear as a reduction to the amount due.

6.4 Outages.

In the event of any Forced Outage, Seller shall promptly notify Buyer verbally of the same as soon as practicable under the circumstances and shall then, within twenty-four (24) hours thereafter, provide written notice to Buyer. Such written notice shall be submitted electronically to Buyer by e-mail and will generally describe the nature of the Forced Outage, the expected duration and any other pertinent information that will assist Buyer in planning for the decreased Delivered Power and/or availability of the affected Facility (or Facilities) as a result of the Forced Outage. Seller shall return the affected Facility (or Facilities) to service as soon as reasonably possible, consistent with Good Industry Practice, after the circumstances that caused the Forced Outage cease to exist.

6.5 Operation and Maintenance.

Seller, at all times shall operate, maintain and repair the Facilities in accordance with Good Industry Practice.

6.6 Health and Safety.

Seller shall take reasonable precautions with respect to the operation, maintenance, repair and replacement of the Facilities. If Seller becomes aware of any circumstances relating to any Facility that create an imminent risk of damage or injury to any Person or any Person's property, Seller shall take prompt, reasonable action to prevent such damage or injury and shall give Buyer notice of such condition.

ARTICLE SEVEN: SITE USE

7.1 Use of the Sites.

For the entirety of the term of this Agreement, Seller shall have the right to use the Sites for solar energy conversion, for the collection and transmission of electric power, and for related and incidental purposes and activities including, but not limited to, the construction, installation, improvement, relocation, operation, maintenance and repair of the Facilities and, as may be occasioned by the termination of this Agreement, the removal of the Facilities. In addition, Buyer shall provide Seller sufficient space on or near the Sites for the temporary storage and staging of tools, materials and equipment reasonably necessary during installation of the Facilities as well as for any maintenance, repair, replacement, or removal of the Facilities, provided that Buyer shall use commercially reasonable efforts to minimize disruption to Buyer's operations.

7.2 Utilities.

Buyer shall provide existing and available utilities to the Sites in connection with Seller's construction, start-up, maintenance, repair, replacement, operation, and removal of the Facilities. Buyer

acknowledges and agrees that Seller's use of the areas of the Sites where the Facilities are located includes the nonexclusive appurtenant right to the use of water lines, sewer lines, stormwater lines, power lines, and telephone and communication lines.

7.3 Notification Requirements.

Except as may be required by an emergency, Seller shall give Buyer reasonable written or telephonic notice before any entry onto the Sites outside of normal business hours by Seller's employees, agents, or contractors. Notwithstanding anything to the contrary in this Agreement, Seller shall be permitted to access the Sites (i) during normal business hours and (ii) twenty-four (24) hours a day, seven (7) days a week for emergency purposes as reasonably determined by Seller. In the event Seller enters any Site due to an emergency, Seller shall promptly notify Buyer of its entry and the nature of the emergency. Unless otherwise agreed in advance, normal business hours shall mean Monday through Friday, 8:00 AM through 5:00 PM, Chamorro Standard Time.

7.4 General Easements; Solar Easement.

Buyer shall grant Seller an adequate easement for access and use of the Sites and any other real property adjacent to the Sites owned or controlled by Buyer (collectively, the "**Easement Areas**"), for the purposes of locating, installing, operating, maintaining, improving, repairing, relocating, and removing the Facilities on the Sites (the "**Use Rights**"). For the construction period of the Facilities, the Parties shall collectively agree on the exact Easement Areas prior to the commencement of the construction of the Facilities. The Use Rights include the right of parking, access, and ingress to and egress from the Facilities on, over, and across the Easement Area during the Term of this Agreement, and shall survive, unless Buyer has exercised the Purchase Option under Section 3.1, for a period of one hundred eighty (180) days following the termination or expiration of this Agreement for the purpose of removing the Facilities. Buyer also hereby grants Seller a solar easement on, over, and above the Easement Area for the free passage of solar radiation to the Facilities. Buyer shall not obstruct, or allow any assignee of Buyer to obstruct, the passage of direct solar radiation across the Easement Area to the Facilities. Trees, structures, and improvements located on the Easement Area as of the Effective Date shall be allowed to remain, and Seller may not require their removal; provided that Seller may require that any trees or other vegetation be pruned or trimmed to the point that they do not obstruct the passage of direct solar radiation across the Easement Area to the Facilities to a degree greater than on the Effective Date. Buyer shall not place or plant any trees, structures, or improvements on the Easement Area after the Effective Date that may, in Seller's sole judgment, impede or interfere with the passage of direct solar radiation to the Facilities, unless Buyer has received prior written approval from Seller.

7.5 Design and Construction of the Facilities.

Buyer hereby consents to the construction of the Facilities in accordance with the specifications set forth in Exhibit B. Seller shall cause its contractors to comply with Buyer's reasonable and customary safety requirements and to coordinate construction of the Facilities with Buyer so as to minimize disruption to Buyer's normal operations and activities at the Sites. Buyer acknowledges that the installation of the Facilities will require physically mounting and adhering the Facilities to the roofs of certain buildings at the Sites, including penetrations into roof surfaces. Seller agrees to carry out customary and standard load studies for each Facility in line with Good Industry Practice in connection with the installation of each Facility, including those relating to the weight of any Facility and the integrity of any roof. Finally, Seller shall not release Hazardous Materials at the Sites.

7.6 Removal upon Termination or Expiration.

Upon the termination or expiration of this Agreement, unless Buyer has exercised its Purchase Option under Section 3.1, Seller shall, within one hundred eighty (180) days after the date of termination or expiration, remove the Facilities from the Sites, and restore the Sites to their condition as of the Effective Date, normal wear and tear excepted.

7.7 Site Ownership; Transfers.

At the request of Seller, Buyer shall obtain executed and acknowledged instruments or documents as Seller, Seller's title company, Seller's Lender(s), or any other of Seller's financiers may require to confirm Buyer's ownership or long-term control of the Sites. In addition, Buyer shall not transfer all or any portion of the Sites unless the transferee agrees in writing that its interest in the applicable Sites is subject and subordinate in all respects to the terms of this Agreement. Buyer shall give Seller at least ninety (90) days' prior notice of any transfer of all or any portion of the Sites. Any such notice shall identify the transferee, the portion of the Sites to be transferred, and the proposed date of the transfer.

7.8 Subordination.

If requested by the Seller, Buyer shall cooperate with Seller to obtain a Subordination, Non-Disturbance and Attornment Agreement (a "SNDA"), or such other similar agreement, from each lienholder that shall provide, on terms reasonably acceptable to Seller, that the lien and rights of the lienholder shall be subordinate to the Seller's occupancy rights under this Agreement. Buyer will also obtain any necessary consent and/or SNDA in favor of Seller and on terms reasonably acceptable to Seller from any and all entities having a possessory interest in any of the Sites.

7.9 Liens and Lienholders.

Buyer shall give effective notice of Seller's ownership of the Facilities and the Facilities' status as personal property to all parties that have an interest in or any mortgage, pledge, lien (including mechanics', labor or materialmen's liens), charge, security interest, or encumbrance of any nature (collectively, "Liens") upon the real property and fixtures that comprise the Sites. If there is any Lien against any of the Sites that could reasonably be construed as prospectively attaching to any Facility as a fixture of such Site, Buyer shall obtain a disclaimer or release of such Lien. Buyer consents to the filing of a disclaimer of the Facilities as fixtures of the Sites at the public agency where real estate records are customarily filed in Guam. In addition, Buyer shall not allow any Lien on or with respect to any Facility by, through, or under Buyer. If Buyer becomes aware of a Lien on any Facility by, through, or under Buyer, Buyer shall promptly give Seller written notice of such Lien and shall take such action as is necessary or appropriate to have such Lien discharged and removed. Buyer shall indemnify Seller against all costs and expenses (including attorneys' fees) incurred in discharging and releasing any Lien. Notwithstanding anything to the contrary in this Agreement, Seller may assign, sublease, or transfer its interest in the Facilities, including its rights included under this Agreement, subject to Buyer's prior written consent, such consent to not be unreasonably withheld, conditioned or delayed.

7.10 Confirmation of Facilities' Ownership.

Buyer acknowledges and agrees that Seller is the exclusive owner and operator of the Facilities and all equipment (including, but not limited to, photovoltaic modules or panels, inverters, meters, wire, data monitoring equipment, and cabling), components and moveable property of Seller attached to or used in the operation of the Facilities, that no portion or component of the Facilities is a fixture, and that in the event that the Sites are sold, leased, assigned, mortgaged, pledged, or otherwise alienated or

encumbered (a “**Transfer**”), such Transfer shall not attach to or affect the Facilities, or Seller’s ownership rights to the Facilities.

7.11 Security, Health, and Safety at the Sites.

Buyer shall provide adequate and sufficient measures for the security of the Sites, including restricting access to the area on which the Facilities are located. Buyer shall maintain the Sites in a structurally sound and safe condition consistent with all applicable Laws. If Buyer becomes aware of any circumstances relating to any Facility that creates an imminent risk of damage or injury to such Facility or any employee, agent, or contractor of Seller, Buyer shall promptly notify Seller. Notwithstanding the foregoing, Seller may also install reasonable security measures that Seller determines are or may be necessary for the protection of the Facilities. Such measures may, but will not necessarily, include warning signs, appropriate fencing that shall not include barbed wire unless consented to by the Buyer in its sole discretion, and other measures appropriate to protect against the damage or destruction of the Facilities or injury or damage to persons or property resulting from the Facilities or their construction or operation.

7.12 Maintenance During Operations.

Buyer shall, without interfering with the operation of the Facilities, maintain the Sites, including all parts of the applicable roofs except where the Facilities are attached, in good condition so that Seller is able to comply with its obligations under this Agreement. Notwithstanding the foregoing, the Seller shall be responsible for the maintenance of where the Facilities affix to the roof of each Site, including any perforations in the Sites’ roofs. Buyer shall use commercially reasonable efforts to maintain Buyer’s electrical energy equipment located on the Sites in good condition so as to be able to receive and use the electricity generated by the Facilities. Buyer shall maintain its connection and service contract(s) with the Interconnecting Utility so that Buyer can, upon any suspension or interruption of delivery of energy from the Facilities, provide the Sites with their full requirements for electricity. For the avoidance of doubt, Buyer shall be solely responsible for, and bear all costs and expense relating to, maintaining the roofs of the buildings on which the Facilities are located, including all required repair (including leak repair), remediation and maintenance of such roof, unless such repair, remediation and maintenance is required as a direct result of the negligent installation of the Facilities. Buyer shall consult with Seller before performing any required roof repair, remediation and maintenance that may affect the Facilities. In the event any Facility must be temporarily disconnected or removed in order for Buyer to perform roof repair, remediation, or maintenance, Buyer shall consult with Seller in advance of any such activity, Seller shall disconnect and remove the applicable Facility at Buyer’s expense, and Buyer shall pay to Seller any damages for foregone generation due Buyer under this Agreement.

7.13 Other Matters.

In the event of an emergency, Buyer may request that Seller relocate any Facility, at Buyer’s expense, to another suitable location on the applicable Site, provided that (a) the Parties shall use reasonable efforts to perform the relocation during the months of October through March and outside of normal business hours and (b) Buyer shall pay to Seller any damages for lost production due Seller for the period during which the Facility being moved is disconnected in connection with such relocation. In addition, during the term of this Agreement, Seller shall not unreasonably clutter the Sites and shall collect and dispose of any and all of Seller’s refuse and trash.

7.14 Taxes.

Buyer shall pay when due all real property taxes and assessments possessory interest taxes, business

or license taxes or fees, service payments in lieu of such taxes or fees, annual or periodic license or use fees, excises, assessments, bonds, levies, fees or charges of any kind which are assessed, levied, charged, confirmed, imposed or levied against the Sites by any Governmental Authority. Notwithstanding the foregoing, for the avoidance of doubt, Seller shall be responsible for any taxes which are assessed, levied, charged, confirmed, imposed or levied against any of the Facilities by any Governmental Authority.

ARTICLE EIGHT: REPRESENTATIONS AND WARRANTIES

8.1 Seller Representations and Warranties.

Seller represents and warrants to Buyer as of the Execution Date as follows:

- a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- b) its shareholders as of the Execution Date are listed in Exhibit E, attached hereto;
- c) it has or will have all regulatory authorizations necessary for it to legally perform its obligations under this Agreement (other than Permits or other regulatory authorizations to be obtained by Seller for the construction, operation or maintenance of the Facilities, which Seller reasonably anticipates it will be able to obtain in due course);
- d) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, including any law, rule, regulation, order or the like governing the production and/or sale of electricity, and the Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms except as the enforcement thereof may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of rights generally;
- e) there is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
- f) no Default or Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement; and
- g) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement.

8.2 Buyer Representations and Warranties.

Buyer represents and warrants to Seller as of the Execution Date as follows:

- a) it is duly organized and validly existing public agency engaged in, among other things, providing services to the residents of Guam;
- b) it has or will have all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;
- c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order

or the like applicable to it, and the Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms except as the enforcement thereof may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of rights generally;

- d) there is not pending or, to its knowledge, threatened against it any legal proceedings that could materially adversely affect its ability to perform its obligations under this Agreement;
- e) no Default or Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or the proposed Lease; and
- f) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement.

ARTICLE NINE: FORCE MAJEURE

9.1 Excuse.

Neither Party shall be considered in default under this Agreement for any delay or failure in the performance of its obligations under this Agreement (including any obligation to deliver or accept Output) if such delay or failure is due to an event of Force Majeure. Time periods for compliance and deadlines will be extended on a day-for-day basis for the duration of any event of Force Majeure.

9.2 Definition.

“**Force Majeure**” means, subject to Section 9.3, any events that occur subsequent to the Execution Date and before the termination or expiration of the Term of this Agreement that delays or prevents a Party’s performance of its obligations under this Agreement, but only to the extent that (i) such event of Force Majeure is not attributable to fault or negligence on the part of that Party, (ii) such event of Force Majeure is caused by factors beyond that Party’s reasonable control and (iii) despite taking all reasonable technical and commercial precautions and measures to prevent, avoid, mitigate or overcome such event and the consequences thereof, the Party affected has been unable to prevent, avoid, mitigate or overcome such event or consequences. Force Majeure shall include, among other things, the following:

- a) acts of God such as storms, hurricanes, typhoons, tsunamis, floods, lightning, fire, explosion, quarantine, pandemics, epidemics, earthquakes, volcanic eruptions, or other natural disasters;
- b) sabotage or destruction by a third party of facilities and equipment relating to the performance by the affected Party of its obligations under this Agreement;
- c) war, riot, acts of a public enemy, or other civil disturbance;
- d) strike, walkout, lockout, or other significant labor dispute; or
- e) action or inaction of a Governmental Authority (including any change in law) that prevents Seller from operating the Facilities or prevents the Buyer from taking delivery of the Output from Seller.

9.3 Exclusions.

For the avoidance of doubt, none of the following shall be considered an event of Force Majeure:

- a) Buyer’s inability to economically use or resell the Output;

- b) Seller's ability to sell the Output at a price greater than the Contract Price; or
- c) a Forced Outage that is not caused by an event of Force Majeure.

9.4 Covenants.

A Party claiming Force Majeure shall:

- a) provide prompt notice of such Force Majeure event to the other Party, giving an estimate of its expected duration and the probable impact on the performance of its obligations under this Agreement;
- b) exercise all reasonable efforts to continue to perform its obligations under this Agreement;
- c) expeditiously take action to correct or cure the event or condition excusing performance so that the suspension of performance is no greater in scope and no longer in duration than is dictated by the problem (provided that settlement of strikes or other labor disputes will be completely within the sole discretion of the Party affected by such strike or labor dispute); and
- d) provide prompt notice to the other Party of the cessation of the Force Majeure event or condition giving rise to its excuse from performance.

9.5 Termination for Extended Force Majeure Event.

This Agreement may be terminated by either Party, by written notice to the other Party, if a Party's obligations hereunder have been excused by the occurrence of an event of Force Majeure pursuant to this Article Eight for longer than nine (9) consecutive months, with ten (10) Business Days' notice. Termination of this Agreement pursuant to this Section 9.5 shall not be considered a termination due to an Event of Default or require the payment of damages by either Party. Following such termination, both Parties will be released from any further liability under this Agreement.

9.6 Material Casualty Event.

This Agreement may be terminated (i) by Seller, by written notice to Buyer, following a Material Casualty Event or (ii) by Buyer, by written notice to Seller, following a Material Casualty Event occurring after the Commercial Operation Date if Seller has not repaired or rebuilt the Facilities, in their aggregate, to at least eighty percent (80%) of the installed Facilities' Capacity within one (1) year of the occurrence of such Material Casualty Event; provided, however, that said one year (1) year period may be extended, by Seller in its discretion, for a commercially reasonable period of time not to exceed ninety (90) days in the event that commencement of repairs are delayed because of safety, demolition, or preparation issues related to any Site. Termination of this Agreement pursuant to this Section 9.6 shall not be considered a termination due to an Event of Default or require the payment of damages by either Party. Following such termination, both Parties will be released from any further liability under this Agreement.

ARTICLE TEN: ASSIGNMENT

10.1 Assignment.

Except as stated in Sections 10.2, 10.3 and 10.5, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either Party, including by operation of law, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. As a condition to any assignment under Section 10.1, the assignee must be of a financial strength equal to, or better than, the Party making such assignment. Any assignment of this Agreement in violation of the foregoing shall be null and void.

10.2 Seller Permitted Assignment.

Seller may, upon the written consent of Buyer, such consent to not be unreasonably withheld, delayed, or conditioned, transfer or assign this Agreement and its rights, interests and obligations hereunder, including any account, revenues or proceeds hereof, to any affiliate of Seller, in which event Seller shall be released and discharged from all obligations to Buyer under this Agreement and said affiliate shall be responsible for all obligations of Buyer under this Agreement and shall execute and become a party to this Agreement. Notwithstanding any such transfer or assignment, Seller shall not be released or discharged from and shall remain liable for any and all obligations to Buyer arising or accruing hereunder prior to such transfer or assignment.

10.3 RESERVED.

10.4 Successors and Assigns.

This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

10.5 Seller Permitted Assignment for Financing.

Seller may, without the consent of the Buyer, transfer, pledge, encumber, collaterally assign,⁴⁶ or assign this Agreement and its rights, interests and obligations hereunder, including any account, revenues or proceeds hereof, to any of the Seller's Lenders in connection with any financing or other financial arrangements for the Facilities. Notwithstanding any such transfer, pledge, encumbrance, collateral assignment or assignment, Seller shall not be released or discharged from and shall remain liable for any and all obligations to Buyer arising or accruing hereunder prior to such transfer or assignment, including such transfer or assignment resulting from the exercise of such pledge, encumbrance or collateral assignment. Notwithstanding the foregoing or anything else expressed or implied herein to the contrary, Seller shall not transfer, pledge, encumber or assign, sell or otherwise dispose of all or any portion of the Output (not including the proceeds thereof) to any of the Seller's Lenders.

10.6 Collateral Assignment by Seller.

In the event the Seller transfers, pledges, encumbers or collaterally assigns this Agreement to the Seller's Lenders, Seller shall provide notice to the Buyer of such transfer, pledge, encumbrance or assignment, including the address of the Seller's Lenders. In connection with any financing or refinancing of the Facilities, Buyer shall, at Seller's request, enter into (i) one or more estoppel certificates in respect of this Agreement in a form reasonably acceptable to the Seller's Lenders and (ii) a consent to assignment with Seller's Lenders in a form reasonably acceptable to the Seller's Lenders that shall, among other things, include the following terms:

- a) that upon the foreclosure (or assignment in lieu of foreclosure) of Seller's Lenders' mortgage or security interest in the Facilities, Seller's Lenders shall succeed to the rights and obligations of Seller under this Agreement;
- b) that the Parties shall not amend or modify this Agreement in any material respect without the prior written consent of Seller's Lenders, such approval shall not be unreasonably withheld;
- c) that simultaneously with providing notice to Seller of an Event of Default by Seller, the Buyer shall give notice of such Event of Default by Seller to the Seller's Lenders that Buyer has been provided written notice of;
- d) that Seller's Lenders shall have the right, but not the obligation, to cure an Event of Default on behalf of Seller in accordance with the provisions of this Agreement; provided that so long

as Seller's Lenders have initiated efforts to effect a cure of such Event of Default and are diligently pursuing such efforts, Seller's Lenders shall be provided an additional period not to exceed an additional ninety (90) days from the end of the cure period provided to Seller pursuant to this Agreement to effect a cure of such Event of Default;

- e) that if this Agreement is rejected, terminated or disaffirmed by Seller pursuant to bankruptcy law or other law affecting creditor's rights, then upon the request of Seller's Lenders, Buyer shall execute and deliver to Seller's Lenders or their designee a new power purchase agreement which shall be for a term equal to the remainder of the Term before giving effect to such rejection, termination or disaffirmation and shall contain the same covenants, agreements, terms, provisions and limitations as this Agreement; and
- f) that upon receipt of a written request from Seller's Lenders, Buyer shall make any and all payments due and owing by Buyer under this Agreement to an account designated by Seller's Lenders, which payments Seller agrees will fully satisfy Buyer's payment obligations under this Agreement to the extent of such payments.

ARTICLE ELEVEN: INDEMNIFICATION; INSURANCE; LIMITATION OF LIABILITY

11.1 Indemnification.

Each Party to this Agreement (the "**Indemnifying Party**") shall indemnify, defend and hold harmless, the other Party, its Affiliates and each of their officers, directors, employees, attorneys, agents and successors and assigns (each an "**Indemnified Party**") from and against any and all Indemnified Losses related to injury to persons or damage to property arising out of or resulting from the Indemnifying Party's breach of, or the performance or non-performance of its obligations under, this Agreement (including reasonable attorneys' fees, but excluding any Indemnified Losses for which liquidated damages or other remedies are explicitly provided for pursuant to this Agreement); provided, however, that no Party shall be indemnified hereunder for any Indemnified Loss to the extent resulting from its own negligence, fraud or willful misconduct.

11.2 Indemnification Procedures.

Any Indemnified Party seeking indemnification under this Agreement for any Indemnified Loss shall give the Indemnifying Party notice of such Indemnified Loss promptly but in any event on or before thirty (30) days after the Indemnified Party's actual knowledge of such claim or action. Such notice shall describe the Indemnified Loss in reasonable detail, and shall indicate the amount (estimated if necessary) of the Indemnified Loss that has been, or may be sustained by, the Indemnified Party. To the extent that the Indemnifying Party will have been actually and materially prejudiced as a result of the failure to provide such notice, the Indemnified Party shall bear all responsibility for any additional costs or expenses incurred by the Indemnifying Party as a result of such failure to provide notice. In any action or proceeding brought against an Indemnified Party by reason of any claim indemnifiable hereunder, the Indemnifying Party shall assume the defense at the Indemnifying Party's expense, and shall have the right to control the defense thereof and to determine the settlement or compromise of any such action or proceeding. Notwithstanding the foregoing, an Indemnified Party shall in all cases be entitled to control its own defense in any action if it (i) may result in injunctions or other equitable remedies with respect to the Indemnified Party which would affect its business or operations in any materially adverse manner, (ii) may result in material liabilities which may not be fully indemnified hereunder or (iii) may have a material adverse effect on the business or the financial condition of the

Indemnified Party (including a material adverse effect on the tax liabilities, earnings, ongoing business relationships or regulation of the Indemnified Party) even if the Indemnifying Party pays all indemnification amounts in full. Subject to the immediately preceding sentence, neither Party may settle or compromise any claim for which indemnification is sought under this Agreement without the prior written consent of the other Party; provided, however, said consent shall not be unreasonably withheld or delayed.

11.3 Insurance.

At all times during the Term of this Agreement, Seller shall maintain at its own expense insurance policies for the Facilities and their tangible assets in such amounts and against such risks and losses as set forth in Exhibit G hereto. Such insurance policies shall be maintained only with insurers rated at least A- VII by AM Best or comparable ratings agency. Within twenty (20) Business Days after receipt of a request for the same from Buyer, Seller shall deliver to Buyer a certificate of insurance for any or all policies maintained in accordance with this Section 11.3, which certificate shall include at least the following information: (i) the name of the insurance company, policy number and expiration date; and (ii) the coverage and limits on coverage, including the amount of deductibles or self-insured retentions. If Seller fails to comply with the provisions of this Section 11.3, Seller shall save harmless and indemnify Buyer from any direct or indirect loss and liability, including attorneys' fees and costs of litigation, resulting from the injury or death of any person or damage to any property if Buyer would have been protected had Seller complied with the requirements of this Section 11.3.

11.4 Damage to Property.

Except where caused by the other Party's negligence, fraud or willful misconduct, each Party shall be responsible for all physical damage to or destruction of the property, equipment and/or facilities owned by it, and each Party hereby releases the other Party from any reimbursement for such damage or destruction. The provisions of this Section 11.4 shall survive any termination, cancellation, expiration or suspension of this Agreement.

11.5 Limitation on Damages.

To the fullest extent permitted by law and notwithstanding other provisions of this Agreement, in no event shall a Party be liable to the other Party, whether in contract, warranty, tort, negligence, strict liability or otherwise for special, indirect, incidental, consequential (including lost profits or revenues, business interruption damages and lost business opportunities), exemplary or punitive damages related to, arising out of, or resulting from performance or nonperformance of this Agreement. For purposes of clarification, payment made by either Party to satisfy penalties or payments owing under Section 11.2, shall not be considered special, indirect, incidental, multiple, punitive, consequential or incidental damages under this Section. In addition, this limitation on damages shall not apply with respect to claims brought by third parties for which a Party is entitled to indemnification under this Agreement. The provisions of this Section 11.5 shall survive any termination, cancellation, expiration or suspension of this Agreement.

ARTICLE TWELVE: DEFAULT; REMEDIES

12.1 Events of Default.

Except to the extent excused due to an event of Force Majeure in accordance with Article Eight, an event of default ("Event of Default") shall be deemed to have occurred with respect to a Party (the "Defaulting Party") upon the occurrence of one or more of the following events:

- a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within twenty (20) Business Days after written notice is received by the Party failing to make such payment;
- b) any representation or warranty made by such Party in Section 8.1 or 8.2, as applicable, is false or misleading in any material respect; provided that:
 - I. if the misrepresentation or breach of warranty is capable of a cure, an Event of Default will be deemed to occur only if the misrepresentation or breach of warranty is not remedied within sixty (60) days after notice; and
 - II. if the misrepresentation or breach of warranty is not capable of a cure, but the Non-Defaulting Party's damages resulting from the inaccuracy can reasonably be ascertained, an Event of Default will be deemed to occur only if the payment of such damages is not made within thirty (30) Business Days after a notice of such damages is provided by the Non-Defaulting Party to the Defaulting Party;
- c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default), if such failure is not remedied within sixty (60) days after notice; provided that such sixty (60) day period shall be extended for up to an additional ninety (90) days if such Party reasonably commences the cure of such failure and diligently pursues the same; and
- d) such Party (i) admits in writing its inability to pay its debts generally as they become due, (ii) files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any State, district, or territory thereof; (iii) makes an assignment for the benefit of creditors, (iv) consents to the appointment of a receiver of the whole or any substantial part of its assets or (v) has a petition in bankruptcy filed against it, and such petition is not dismissed within ninety (90) days after the filing thereof.

12.2 Declaration of Early Termination Date.

If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the Non-Defaulting Party shall have the right (a) to send written notice, designating a day, no earlier than ten (10) days after the day such notice is deemed to be received and no later than twenty (20) days after such notice is deemed to be received, as an early termination date of this Agreement ("**Early Termination Date**"), (b) to terminate this Agreement and end the Term effective as of the Early Termination Date and collect the Termination Payment, which shall be calculated in accordance with Section 11.3 below or as otherwise expressly provided in this Agreement; (c) withhold any payments due to the Defaulting Party under this Agreement; (d) suspend performance; and (e) exercise any other right or remedy available at law or in equity to the extent otherwise permitted under this Agreement.

12.3 Calculation of Termination Payment.

The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Termination Payment as of the Early Termination Date. The Termination Payment receivable by the Non-Defaulting Party shall be: (i) for Seller, a payment from Buyer equal to the Contract Price multiplied by the remaining Expected Delivery Power; and (ii) for Buyer, a payment from Seller equal to the difference between the Contract Price and Utility Retail Price, if any, multiplied by the remaining Minimum Delivered Power as set forth in Exhibit F, attached hereto. Notwithstanding the foregoing and for the avoidance of doubt, in the event of an Early Termination under this Agreement, the Non-Defaulting Party shall have no legal or financial liability to the Defaulting Party with respect to any damages payable under this Section 12.3.

12.4 Notice of Termination Payment.

As soon as practicable after delivery of a notice of termination, notice shall be given by the Non-Defaulting Party to the Defaulting Party of the amount of the Termination Payment due from the Defaulting Party to the Non-Defaulting Party, if any. The notice shall include a written statement explaining in reasonable detail the calculation of such amount and the sources for such calculation. The Termination Payment shall be made to the Non-Defaulting Party, as applicable, within fifteen (15) Business Days after such notice of the Termination Payment is delivered.

12.5 Disputes with Respect to Termination Payment.

If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within ten (10) Business Days of receipt of the Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute. Following delivery of such a notice, disputes regarding the Termination Payment shall be resolved in accordance with Article Twelve.

12.6 Rights and Remedies Are Cumulative.

Except as otherwise provided herein, the rights and remedies of a Party pursuant to this Article Twelve shall be cumulative and in addition to the rights of the Parties otherwise provided in this Agreement.

12.7 Rights and Obligations Surviving Termination.

The rights and obligations that are intended to survive a termination of this Agreement are all of those rights and obligations that this Agreement expressly provides shall survive any such termination and those that arise from Buyer's or Seller's covenants, agreements, representation and warranties applicable to, or to be performed, at or during any time prior to or as a result of the termination of this Agreement, including:

- a) the obligation of the Buyer to pay all outstanding Invoices under this Agreement prior to the date of termination under Section 4.6;
- b) the obligations to make a Termination Payment under Section 12.2;
- c) the indemnity obligations provided in Section 11.1;
- d) the obligations of confidentiality set forth in Section 14.2;
- e) the right to pursue remedies under Article Eleven and Section 14.2;
- f) the right to receive a Termination Payment under Section 12.2; and
- g) the limitations of liabilities under Article Eleven.

ARTICLE THIRTEEN: DISPUTE RESOLUTION.

13.1 Mediation.

If a dispute arises out of or relates to this Agreement, or the breach thereof, and if such dispute cannot be settled through negotiation, the Parties agree first to try in good faith to settle the dispute by mediation administered by the American Arbitration Association in accordance with its Commercial Mediation Procedures before resorting to arbitration pursuant to Section 13.2.

13.2 Arbitration.

In the event that mediation under Section 13.1 does not result in resolution of the dispute within fifteen (15) days after commencement of meditation, either Party may submit such dispute for resolution by final and binding arbitration. Such arbitration shall be administered by the American

Arbitration Association in accordance with its Commercial Arbitration Rules in effect at the time of the arbitration or such other rules that the Parties may mutually agree upon in writing. The Parties will cooperate in selecting the arbitrator within thirty (30) days after the demand for arbitration is made and shall further cooperate in scheduling the arbitration to commence no later than ninety (90) days from the date of the demand for arbitration. If the Parties are unable to agree upon a mutually acceptable arbitrator, then each Party will propose an arbitrator, which two arbitrators will then together select a third arbitrator who shall serve as the arbitrator with respect to the dispute. Unless otherwise agreed by the Parties, any individual acting as the mediator shall be disqualified from serving as the arbitrator in the dispute. The arbitration shall be held in a location that is mutually agreeable to the Parties or, if they are unable to agree, in Hagåtña, Guam. Subject to any limitations on remedies set forth in this Agreement, the arbitrator shall have the authority to grant any form of equitable or legal relief a Party might recover in a court action; provided, however, that the arbitrator shall have no authority to award consequential, punitive or exemplary damages or any other damages other than direct damages or liquidated damages as contemplated by this Agreement. The arbitrator shall have the authority to require payment of the costs of the binding arbitration (other than each Party's separate attorneys' fees and costs, which fees and costs shall be borne solely by such Party), including the fees of the arbitrator and any expert witnesses, by the Party who did not prevail, but, unless and until such award is made, the Parties shall share equally in the costs of the arbitration. The results of the arbitration shall be binding on the Parties, and judgment on the award may be entered in any court having jurisdiction.

13.3 Confidential Nature of Proceedings.

All communication, offers and statements, whether oral or written, and documents and other writings exchanged between the Parties shall be confidential and shall not be discoverable, admissible in evidence or used or referred to in any subsequent binding adjudicatory process between the Parties; provided, however, that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in such negotiations.

ARTICLE FOURTEEN: MISCELLANEOUS

14.1 Public Announcements.

The Parties share a common desire to generate favorable publicity regarding the Facilities and their association with them. The Parties agree that they may, from time to time, issue press releases regarding the Facilities and that they shall, if so requested by the other Party, cooperate with each other in connection with the issuance of such releases. The Buyer agrees that it shall not issue any press release regarding the Facilities without the prior consent of the Seller, and Seller agrees not to unduly withhold or delay any such consent.

14.2 RESERVED.

14.3 Further Assurances.

The Parties hereto agree to execute and deliver promptly, at the expense of the Party requesting such action, any and all other and further instruments, documents and information which a Party may request and which are reasonably necessary or appropriate to give full force and effect to the terms and intent of this Agreement.

14.4 Governing Law.

THIS AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED, ENFORCED AND PERFORMED IN ACCORDANCE WITH THE LAWS OF THE TERRITORY OF GUAM, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. EACH PARTY WAIVES ITS RESPECTIVE RIGHT TO ANY JURY TRIAL WITH RESPECT TO ANY LITIGATION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT.

14.5 Notices.

All notices, requests, statements or payments shall be made as specified on Exhibit H. Notices (other than scheduling requests) shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, or overnight courier service. Notice by hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or courier shall be effective on the next Business Day after it was sent. A Party may change its addresses by providing notice of same in accordance herewith.

14.6 RESERVED

14.7 Integration.

This Agreement contains the entire agreement and understanding between the Parties with respect to all of the subject matter contained herein, thereby merging and superseding all prior agreements and representations by the Parties with respect to such subject matter. Notwithstanding the foregoing, the Parties agree that the terms of this Agreement and the collaboration between the Parties are intended to materially conform with the commercial terms of the public tender issued by the Buyer for the construction and long-term operation of the Facilities and in which the Seller was selected to provide such construction and long-term operation by the Buyer.

14.8 Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

14.9 Interpretation.

In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

14.10 Headings and Titles.

The headings or section titles contained in this Agreement are inserted solely for convenience and do not constitute a part of this Agreement between the Parties, nor should they be used to aid in any manner in the construction of this Agreement.

14.11 Severability.

If any term, provision or condition of this Agreement is held to be invalid, void or unenforceable by a Governmental Authority and such holding is subject to no further appeal or judicial review, then such invalid, void, or unenforceable term, provision or condition shall be deemed severed from this

Agreement and all remaining terms, provisions and conditions of this Agreement shall continue in full force and effect. The Parties shall endeavor in good faith to replace such invalid, void or unenforceable provisions with valid and enforceable provisions which achieve the purpose intended by the Parties to the greatest extent permitted by law.

14.12 Waivers; Remedies Cumulative.

No failure or delay on the part of a Party in exercising any of its rights under this Agreement or in insisting upon strict performance of provisions of this Agreement, no partial exercise by either Party of any of its rights under this Agreement, and no course of dealing between the Parties shall constitute a waiver of the rights of either Party under this Agreement. Any waiver shall be effective only by a written instrument signed by the Party granting such waiver, and such shall not operate as a waiver of, or estoppel with respect to, any subsequent failure to comply therewith. The remedies provided in this Agreement are cumulative and not exclusive of any remedies provided by law.

14.13 Amendments.

No amendment to this Agreement shall be effective unless it is mutually agreed upon by the Parties, in writing and duly executed by an authorized representative of each Party.

14.14 No Third Party Beneficiary

Nothing in this Agreement will provide any benefit to any third party or entitle any third party (other than an Indemnified Party) to any claim, cause of action, remedy or right of any kind.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the Execution Date.

SELLER
ISLA SOLEADA LLC

By: _____

Name: _____

Title: _____

BUYER:
GUAM HOUSING AND URBAN RENEWAL AGENCY

By: _____

Name: _____

Title: _____

Exhibit A

Definitions and Rules of Interpretation

A. Definitions.

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Agreement” means this Solar Energy Project Power Purchase Agreement and all exhibits attached hereto.

“Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank holiday, or a Guam statutory holiday.

“Buyer” has the meaning set forth in the Preamble.

“Casualty Event” means any physical damage to or destruction of all or any portion of the Facilities by any cause which qualifies as an event or circumstance described in subparts (a) through (c) of the definition of Force Majeure set forth in Section 9.2.

“Claims” means all third party claims or actions, threatened or filed and, whether groundless, false, fraudulent or otherwise, that directly or indirectly relate to the subject matter of an indemnity, and the resulting losses, damages, expenses, attorneys’ fees and court costs, whether incurred by settlement or otherwise, and whether such claims or actions are threatened or filed prior to or after the termination of this Agreement.

“Commercial Operation” means that the Facilities or any part thereof, as applicable, has been constructed in accordance with Good Industry Practices and is capable of delivering Delivered Power to and at the Delivery Points in compliance with all Interconnecting Utility requirements for the Facilities’ interconnection and the Interconnection Agreements.

“Commercial Operation Date” or **“COD”** means the date declared by Seller, on which date (i) (A) Seller has achieved Commercial Operation with respect to the Facilities’ Capacity equal to or greater than the Expected Facilities’ Capacity; and (ii) all of the requirements set forth in Section 5.2 and Exhibit C have been satisfied.

“Condition Precedent Deadline” means the date that is eighteen (18) months after the Execution Date, as may be extended by the mutual written agreement of the Parties.

“Confidential Information” means the specific terms of this Agreement (including the pricing terms hereof) and other information provided by one Party to the other in connection with the negotiation or performance of this Agreement that is clearly labeled or designated by the disclosing party as “confidential” or “proprietary” or with words of like meaning or, if disclosed orally, clearly identified as confidential with that status confirmed promptly thereafter in writing. Confidential Information shall be deemed not to include (i) information which is or becomes generally available to the public other than as a result of a disclosure by the receiving Party, (ii) information which was available to the receiving Party on a non-confidential basis prior to its disclosure by the disclosing Party or (iii) information which becomes available to the receiving Party on a non-confidential basis from a Person other than the disclosing Party or its agents or representatives who is not otherwise bound by a confidentiality agreement with disclosing Party or its agents or representatives or is otherwise not

under any obligation to disclosing Party or its agents or representatives not to disclose the information to the receiving Party.

“Contract Price” means the price in U.S. dollars as set forth in Exhibit D to be paid by Buyer to Seller for the purchase of the Output.

“Contract Year” means a period of twelve (12) consecutive months. The first Contract Year shall commence on the Commercial Operation Date and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

“Costs” means, with respect to the Non-Defaulting Party, (a) brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement entered into pursuant to this Agreement or entering into new arrangements which replace this Agreement (including, in the case of Seller as the Non-Defaulting Party, tax recapture costs), (b) all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party or the Seller’s Lenders in connection with the termination of this Agreement, (c) any prepayment and breakage fees incurred by the Seller or any of the Seller’s Lenders, as applicable, under any financing or refinancing agreement for the Facilities, and (d) any equity make whole payment required by the owner of the Facilities.

“Default” means an event which, with notice or the passage of time, or both, would constitute an Event of Default.

“Defaulting Party” has the meaning set forth in Section 12.1.

“Delivered Power” means the total quantity of electrical power (alternating current) generated by the Facilities as measured by Seller’s Meters at the Delivery Points.

“Delivery Points” means the points at which the Output will be delivered and received, as specified in Exhibit B attached hereto.

“Early Termination Date” has the meaning set forth in Section 12.2.

“Easement Area” has the meaning set forth in Section 7.4.

“Effective Date” means the date on which all of the conditions set forth in Section 2.2 have been satisfied or waived in writing by Seller.

“Emergency” means an operational condition or situation affecting Buyer’s transmission or distribution system that in the reasonable judgment of Buyer is likely to result in imminent significant disruption of service or is imminently likely to endanger life or property.

“Environmental Attributes” means all environmental and other attributes as may exist from time to time that differentiate the Facilities or their Delivered Power from energy generated by fossil fuel or nuclear powered generating units, and any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Facilities, and their displacement of conventional energy generation, including (i) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SO_x), nitrogen oxides (NO_x), carbon monoxide (CO) and other pollutants designated by the United States Environmental Protection Agency or other governmental agencies, (ii) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydro fluorocarbons, per fluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the earth’s

climate by trapping heat in the atmosphere, and (iii) credits, benefits or allowances resulting from the compliance of the Facilities or their Delivered Power with the laws, rules and standards of the United Nations Framework Convention on Climate Change (the “UNFCCC”) or the Kyoto Protocol of the UNFCCC or crediting “early action” with a view thereto. Environmental Attributes do not include Environmental Incentives (RECS or Tax Benefits) or any capacity, reliability or other power attributes related to the Facilities or their Delivered Power.

“**Environmental Incentives**” means all grants, credits, rebates, incentive payments, benefits, allowances and entitlements of any kind awarded or payable in connection with the installation, ownership or operation of a solar hybrid renewable energy system, including rebates, payments and incentives under the American Recovery and Reinvestment Act. “Environmental Incentives” shall exclude Environmental Attributes but shall include Tax Benefits and RECs.

“**Event of Default**” has the meaning set forth in Section 12.1.

“**Execution Date**” has the meaning set forth in the Preamble.

“**Expected Delivered Power**” has the meaning set forth in Section 4.5.

“**Expected Facilities’ Capacity**” means approximately 372 kW_{DC}, which will deliver the Output to the Delivery Points at the Sites, as specified in Exhibit B.

“**Facilities**” or “**Facility**” means the electric power generation equipment, controls, meters, switches, connections, conduit, wires and other equipment connected to the Delivery Points installed on the Sites by Seller pursuant to the specifications attached hereto as Exhibit B for the purposes of providing electric power to Buyer under this Agreement.

“**Facilities’ Capacity**” means the total nameplate capacity of the Facilities, in kW direct current, that has achieved Commercial Operation as of the Commercial Operation Date.

“**Force Majeure**” has the meaning set forth in Section 9.2.

“**Forced Outage**” means any shutdown or unavailability of greater than fifty percent (50%) of the Facilities’ Capacity other than pursuant to a Planned Outage, including for reasons of unanticipated equipment breakdown, human error or emergency conditions. A Forced Outage shall not include any Outage that may be deferred to the next scheduled Planned Outage, consistent with Good Industry Practice and without materially increasing the risk of damage to equipment, decreasing safety or incurring additional costs.

“**Gains**” means with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of costs), resulting from the termination of the Agreement for the remainder of the Term, determined in a commercially reasonable manner. Factors used in determining economic benefit may include reference to information supplied by one or more third parties, including quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, market price referent, market prices for a comparable transaction, forward price curves based on economic analysis of the relevant markets, settlement prices for a comparable transaction at liquid trading hubs (e.g., NYMEX), all of which should be calculated for the remainder of the Term to determine the value of the Output. A Party shall use commercially reasonable efforts to obtain third party information in order to determine Gains and shall use information available to it internally for such purpose only if it is unable, after using commercially reasonable efforts, to obtain relevant third party information.

“**Good Industry Practice**” means any of the practices, methods and acts engaged in or approved by

a significant portion of the electric power industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Industry Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to acceptable practices, methods or acts generally accepted in the region and industry.

“Governmental Authority” means, as to any Person, any federal, state, territorial, local, or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over such Person or its property or operations.

“Hazardous Materials” means any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic under any applicable law, and asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas).

“Indemnified Loss” means any and all claims, demands, suits, obligations, payments, liabilities, costs, fines, penalties, sanctions, taxes, judgments, damages, losses or expenses imposed by a third party upon an Indemnified Party or incurred in connection with a Claim by a third party against an Indemnified Party.

“Indemnified Party” has the meaning set forth in Section 11.1.

“Indemnifying Party” has the meaning set forth in Section 11.1.

“Initial Operation Date” means the first date on which all the Facilities are energized and operate in parallel with the Interconnecting Utility System and delivers Delivered Power (including test Delivered Power) to and at the Delivery Points.

“Initial Term” has the meaning set forth in Section 2.3.

“In-Place Fair Market Value” means value of the Facilities determined in accordance with Section 3.1.

“Interconnection Agreements” means the agreements for the electrical interconnection of the Facilities to the Interconnecting Utility System by and between Seller and the Interconnecting Utility.

“Interconnection Facilities” means the equipment and facilities, including any modifications, additions and upgrades made to such facilities, which are necessary to connect the Facilities to the Interconnecting Utility System as described in Exhibit B.

“Interconnecting Utility” means (i) Guam Power Authority or (ii) any successor operator or owner of the Interconnecting Utility System.

“Interconnecting Utility System” means the facilities used for the collection, distribution and/or transmission of electric energy at and after the Delivery Points owned or operated by the Interconnecting Utility, except the Interconnection Facilities.

“Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in The Wall Street Journal under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

“kW” means kilowatts of electrical power.

“kWh” means kilowatt hours of electrical energy.

“Lease” means, as applicable, the agreement(s) for long-term lease of the Sites, as described in Exhibit B, by the Seller.

“Liens” has the meaning set forth in Section 7.9.

“Losses” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of costs), resulting from the termination of this Agreement for the remainder of the Term, determined in a commercially reasonable manner. Factors used in determining the loss of economic benefit may include reference to information supplied by one or more third parties, including quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, market price referent, market prices for a comparable transaction, forward price curves based on economic analysis of the relevant markets, settlement prices for a comparable transaction at liquid trading hubs (e.g. NYMEX), all of which should be calculated for the remainder of the Term to determine the value of the Output. A Party shall use commercially reasonable efforts to obtain third party information in order to determine Losses and shall use information available to it internally for such purpose only if it is unable, after using commercially reasonable efforts, to obtain relevant third party information. If the Non-Defaulting Party is the Seller, then in addition to lost payments for Output pursuant to this Agreement, **“Losses”** shall also include any associated loss of Environmental Incentives or Tax Benefits.

“Material Casualty Event” means the occurrence of a Casualty Event (i) if prior to the Commercial Operation Date, that is reasonably likely to extend achievement of the Commercial Operation Date by more than one (1) year or (ii) if after the Commercial Operation Date, where the Casualty Event has caused the Facilities’ Capacity to be reduced by more than fifty percent (50%) and the period for the full restoration or repair of that portion of the Facilities damaged by the Casualty Event is reasonably likely to exceed one (1) year.

“Meter” means any of the physical or electronic metering devices, data processing equipment and apparatus associated with the meters owned by Seller, or its designee, required for (a) accurate determination of the quantities of Output from the Facilities and for recording other related parameters required for the reporting of data to Buyer, and (b) the computation of the payment due to Seller from Buyer. Meters do not include any check meters Buyer may elect to install as contemplated by Section 6.1.

“MW” means megawatts of electrical power.

“MWh” means megawatt hours of electrical energy.

“Non-Defaulting Party” means the Party other than the Defaulting Party.

“Outage” means the period during which the Facilities or a portion thereof is out of service.

“Output” means, collectively, the Delivered Power produced by the Facilities.

“Party” means Buyer or Seller.

“Parties” means Buyer and Seller.

“Performance Tests” shall mean the performance tests required under this Agreement as set forth in Exhibit C in connection with the establishment of the Facilities’ Capacity at the Commercial

Operation Date.

“Permits” means all permits and approvals, regulatory or otherwise, required from Governmental Authorities for the construction and operation of the Facilities.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, Governmental Authority (or any agency or political subdivision thereof) or any other form of entity.

“Planned Outage” means an Outage that is not a Forced Outage, and refers to the shutdown or unavailability of greater than fifty percent (50%) of any Facility’s installed capacity for inspection or maintenance in accordance with an advance schedule.

“Purchase Price” has the meaning set forth in Section 3.1.

“RECs” means a renewable energy credit or similar credits defined under applicable law by a relevant Governmental Authority associated with the production of electricity from an eligible renewable energy resource.

“Renewal Term” has the meaning set forth in Section 2.3.

“Seller” has the meaning set forth in the Preamble.

“Seller’s Lenders” means any Persons or institutions, and their permitted successors and assignees, providing funding in connection with any development, bridge, construction, permanent debt or tax equity financing or refinancing for the Facilities.

“Sites” means the real property or properties, as applicable, on which the Facilities are located, to be determined in accordance with the provisions set forth in Exhibit B.

“Site Control” means that Seller or Buyer, as applicable, either (a) owns the Sites or (b) has obtained the necessary rights to construct and operate the Facilities on the Sites throughout the Term.

“SNDA” means a Subordination, Non-Disturbance and Attornment Agreement, as more fully described in Section 7.8.

“Tax Benefits” means incentive tax credits attributable to the Facilities or their Delivered Power (or cash grants in lieu thereof), accelerated depreciation attributable to the Facilities or their Delivered Power, and any other tax credit or tax write-offs allowed under applicable law attributable to the Facilities or their Delivered Power, irrespective of whether such Tax Benefits accrue for the benefit of Seller, any of its Affiliates or any investor of Seller or any of its Affiliates.

“Term” means the Initial Term and any Renewal Term(s).

“Termination Payment” means, with respect to the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. dollars, which such Party incurs as a result of the termination and liquidation of this Agreement pursuant to Section 12.2 and all amounts then owed to the Non-Defaulting Party by the Defaulting Party. If the Non-Defaulting Party’s aggregate Gains exceed its aggregate Losses and Costs, if any, resulting from the termination of this Agreement, the Termination Payment shall be zero.

“Transfer” has the meaning set forth in Section 7.10.

“Use Rights” has the meaning set forth in Section 7.4.

“Utility Retail Price” means the retail price per kilowatt hour paid by the Buyer as of the Termination Date.

B. Rules of Interpretation.

The following rules of interpretation shall apply to this Agreement:

1. Unless otherwise specified herein, all references herein to any agreement or other document of any description shall be construed to give effect to amendments, supplements, modifications or any superseding agreement or document as then exist at the applicable time to which such construction applies.
2. Capitalized terms used in this Agreement, including the exhibits hereto, shall have the meaning set forth in Part A of this Exhibit A, unless otherwise specified.
3. Unless otherwise specified herein, references in the singular shall include references in the plural and vice versa, pronouns having masculine or feminine gender will be deemed to include the other. Other grammatical forms of defined words or phrases have corresponding meanings.
4. References to a particular article, section, subsection, paragraph, subparagraph, appendix or attachment shall, unless specified otherwise, be a reference to that article, section, subsection, paragraph, subparagraph, appendix or attachment in or to this Agreement.
5. Any reference in this Agreement to any natural person, Governmental Authority, corporation, partnership or other legal entity includes its permitted successors and assigns or to any natural person, Governmental Authority, corporation, partnership or other legal entity succeeding to its functions.
6. All references to dollars are to U.S. dollars.
7. A reference to a law includes any amendment or modification to such law, and all regulations, rulings and other laws promulgated under such law.
8. The words “hereof,” “herein” and “hereunder” and words of similar import when used in any document shall refer to such document as a whole and not to any particular provision of such document.
9. The words “include,” “includes” and “including” means “including but not limited to.”
10. References to “days” mean calendar days, unless the term “Business Days” shall be used.

Exhibit B

Facilities' Specifications

Delivery Points

One or more on-site meters at or contiguous to each Site. The meters, in their aggregate, will receive 372 kW_{DC} of electrical power.

Facilities' Specifications

The Facilities will consist of the major equipment and technical characteristics as found in the below table. Notwithstanding the foregoing, Seller may, at its sole discretion, substitute other equipment for the equipment listed below, provided such substitute equipment is of comparable quality and offers similar levels of warranties and other guarantees, as applicable.

System Details	
PV Module Manufacturer	JA Solar
PV Module DC Power Rating	340 W
PV Module Quantity	1,094
Inverter Manufacturer	Ginlong Technologies
Energy Storage System Details	Sufficient to cover the installed capacity of the Facilities, as agreed upon by the Parties, or such other capacity as may be required by the Interconnecting Utility.
DC System Size – All Facilities	372 kW
AC System Size – All Facilities	359 kW

Table B.1 Summary of Facilities' Specifications.

Sites' Assumptions

The Parties anticipate that the Sites will be located in a manner such that the Facilities will interconnect directly with Buyer's distribution system. Seller will be responsible for any interconnection related costs as provided under the Interconnection Agreement.

Exhibit C

Performance Tests

The Performance Test shall demonstrate that the Facilities are capable of producing the “**Contract AC Power Rating**,” which shall mean 372 kW_{DC}, at the Delivery Points. The Performance Test shall employ the PVUSA Power Rating Analysis¹, an industry-accepted rating protocol that is used to determine the actual AC power capacity (“**Actual AC Power Rating**”) of a project based on historical operating data. After the Facilities are placed in service, their Actual AC Power Rating will be calculated using the PVUSA Power Rating Analysis regression and compared against the Contract AC Power Rating. The Buyer shall be allowed to be present at all Performance Tests, provided that scheduling such attendance will not unreasonably delay the carrying out of such Performance Tests.

Performance Test Procedure

The test procedure shall include the following elements:

1. During the Performance Test, the Facilities’ EPC contractor will use the Facilities’ SCADA system to collect and store simultaneous data readings.
2. Sensors to be used for data collection:
 - A minimum of two (2) pyranometers, meeting secondary standard (ISO 9060:1990) and designated as high quality (per WMO) to measure plane-of-array irradiance.
 - A minimum of one (1) pyranometer, meeting secondary standard (ISO 9060:1990) and designated as high quality (per WMO) to measure global horizontal irradiance.
 - A minimum of one (1) ambient temperature sensor, with an accuracy of +/- 0.5 degrees Celsius.
 - A minimum of one (1) wind speed sensor, with an accuracy of +/- 0.12 m/s.
 - Use the installed revenue grade power meter(s) measuring the AC power output at the Delivery Points.
3. Data collected for the purposes of performing the PVUSA regression shall include at a minimum:
 - AC power output (kWac) as collected at the Points of Interconnection
 - Plane-of-array irradiance (W/m²)
 - Ambient temperature (°C)
 - Wind speed (m/sec)
4. The data will be queried at 15-minute averaging intervals.
5. Minimum, maximum, and standard deviation will be provided for the averaged intervals in case further analysis of variability is desired.

¹ From “PVUSA Model Technical Specification for a Turnkey Photovoltaic Power System,” (Bechtel Corporation and the PVUSA Project Team,) November 1995.

6. Data shall be collected for a minimum of four (4) hours per day over five (5) days. Days are not required to be consecutive, but shall occur within a ten (10) day test period.
 - There shall be a minimum of 80 data points for analysis.
7. Data will be screened for missing and/or out of range values.
8. Data points collected during periods of any maintenance issue that limits capacity and any moments of grid outage will be flagged and removed.
9. Data points collected during periods where any inverter operated at full power to the inverter capacity (clipping) will be flagged and removed.
10. Data points with irradiance values below 400 W/m² should be excluded unless this leaves fewer than 80 data points for analysis, in which case 300 W/m² should be used.
11. It is acknowledged that the PVUSA regression method may involve extrapolation beyond the range of the collected data to calculate the Actual AC Power Rating at PVUSA Test Conditions (PTC)².
12. The Actual AC Power Rating shall be calculated using the following two step process:

Step 1: A regression analysis shall be performed using all non-excluded operating data in the test period to determine the coefficients a, b, c and d according to the following equation

$$P_{\text{measured}} = \text{POA}_{\text{measured}} \times (a + b \times \text{POA}_{\text{measured}} + c \times T_{\text{measured}} + d \times \text{WS}_{\text{measured}})$$

where,

$$\begin{aligned} P_{\text{measured}} &= \text{Average quarter-hour AC power output (kW}_{\text{AC}}) \text{ as measured by the revenue grade power meter at the Points of Interconnection} \\ \text{POA}_{\text{measured}} &= \text{Average quarter-hour irradiance in the Plane-of-Array (W/m}^2) \text{ as measured by the one on-site plane-of-array (1) pyranometer} \\ T_{\text{measured}} &= \text{Average quarter-hour ambient temperature (}^{\circ}\text{C) as measured by the on-site ambient temperature sensor} \\ \text{WS}_{\text{measured}} &= \text{Average quarter-hour wind speed (m/sec) as measured by the on-site wind speed sensor} \end{aligned}$$

Step 2: Once the coefficients are calculated using the operating data, the same equation (using the calculated values for coefficients a, b, c, d and the PTC values for variables POA, T and WS) will be used to calculate the Actual AC Power Rating for the Facilities:

$$\text{Actual AC Power Rating} = \text{POA}_{\text{PTC}} \times (a + b \times \text{POA}_{\text{PTC}} + c \times T_{\text{PTC}} + d \times \text{WS}_{\text{PTC}})$$

where,

$$\begin{aligned} \text{POA}_{\text{PTC}} &= 1,000 \text{ W/m}^2 \\ T_{\text{PTC}} &= 20^{\circ}\text{C} \\ \text{WS}_{\text{PTC}} &= 1.0 \text{ m/sec} \end{aligned}$$

² PTC Test Conditions are defined as (1) 20°C ambient temperature, (2) 1.0 m/sec wind speed at 10m above grade, and (3) 1,000 W/m² global plane-of-array irradiance.

a,b,c,d = Regression coefficients obtained from Step 1.

13. If the Actual AC Power Rating is greater than or equal to ninety seven percent (97%) of the Contract AC Power Rating, the EPC contractor will have been deemed to have successfully passed the Performance Test. If the Actual AC Power Rating is less than ninety seven percent (97%) of the Contract AC Power Rating, the EPC contractor will have been deemed to not have successfully passed the Performance Test and will owe liquidated damages in accordance with the liquidated damages provisions provided for in the applicable EPC agreement.

Exhibit D

Contract Price

Assuming the Initial Capacity	
Contract Year	Contract Price (USD/kWh)
1	\$ 0.2000
2	\$ 0.2050
3	\$ 0.2101
4	\$ 0.2154
5	\$ 0.2208
6	\$ 0.2263
7	\$ 0.2319
8	\$ 0.2377
9	\$ 0.2437
10	\$ 0.2498
11	\$ 0.2560
12	\$ 0.2624
13	\$ 0.2690
14	\$ 0.2757
15	\$ 0.2826
16	\$ 0.2897
17	\$ 0.2969
18	\$ 0.3043
19	\$ 0.3119
20	\$ 0.3197

Table D. 20-Year Contract Price.

Exhibit E
Seller Shareholders

Shareholder	Address	Stake Owned
Micronesia Renewable Energy Inc.	177 Ipilog Dr. Tamuning Guam 96913	75%
Tyee Energy LLC	215 E. Nottingham Dr. San Antonio, Texas 78209	25%

Exhibit F

Production Estimates

Assuming the Initial Capacity		
Contract Year	Expected Delivered Power (MWh)	Minimum Delivered Power (MWh)
1	527.0	421.6
2	523.3	418.6
3	519.6	415.7
4	516.0	412.8
5	512.4	409.9
6	508.8	407.0
7	505.2	404.2
8	501.7	401.4
9	498.2	398.6
10	494.7	395.8
11	491.3	393.0
12	487.8	390.2
13	484.4	387.5
14	481.0	384.8
15	477.6	382.1
16	474.3	379.4
17	471.0	376.8
18	467.7	374.1
19	464.4	371.5
20	461.2	368.9

Table F 20-Year Production Estimates.

Exhibit G

Required Insurance

Throughout the term of the Agreement Seller shall carry, at its sole cost and expense, Commercial General Liability insurance, including product liability, errors and omissions, and completed operations coverage and broad form vendors and contractual liability endorsements to protect against, and from, loss by reason of personal injury and/or property damage based upon and arising out of the Seller's liability under this Agreement as follows:

- \$1 million per occurrence
- \$2 million aggregate

Seller will also carry Umbrella or Excess Liability in an amount not less than \$3.5 million.

Commercial Property:

Throughout the Term of the Agreement Seller shall carry all-risk commercial property insurance in an amount not less than one hundred percent (100%) of replacement cost of the Facilities, against risks of physical loss or damage, including, coverage for service interruption, business interruption, earth movement and flood, and mechanical breakdown with sublimits consistent with Good Industry Practice.

Workers' Compensation and Other:

If applicable, throughout the term of the Agreement Seller shall obtain and maintain in effect statutory Workers' Compensation insurance as required by applicable law and employer's liability insurance whether or not set by statutory laws.

General Conditions and Certificates of Insurance

Unless designated with an "*", all insurance policies required in this Exhibit G will be written on an occurrence form and be primary over and above any other insurance available to Buyer with respect to Seller's activities and commitments in the Agreement. All policies will include Buyer as an additional insured and will provide for a waiver of subrogation in favor of the Buyer. The insurance policies required in this Exhibit will be issued by insurance companies with an A.M. Best rating of no less than "B+ VI". Seller shall deliver to Buyer, within five (5) Business Days of the commencement of construction of the Facilities, certificates of insurance as evidence of its contractual obligation. Should any of the above described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. The specified insurance obligations in Exhibit G apply to the Seller. In any event, Seller's liability is not limited to the policy limits described above.

Exhibit H
Notices and Billing Information

If to Seller:

Isla Soleada LLC
c/o Micronesia Renewable Energy, Inc.
Attn: Jeff Voacolo
177 Ilipog Dr.
Tamuning, GU 96913

If to Buyer:

Guam Housing and Urban Renewal Agency
117 Bien Venida Ave.
Sinajana, GU 96910

Exhibit I
Seller's Penalty in the Event of Under-Generation

$$P_{\text{penalty}} = (E_{\text{minimum}} - E_{\text{delivered}}) \times (\text{Rate}_{\text{utility}} - \text{Rate}_{\text{PPA}})$$

Where

P_{penalty} = Penalty payment due when Facilities' generation is less than the Minimum Delivered Power during the applicable Contract Year

E_{minimum} = Minimum Delivered Power for that Contract Year

$E_{\text{delivered}}$ = the power actually delivered to the Delivery Points during the Contract Year

$\text{Rate}_{\text{utility}}$ = the average rate the local power utility charged the Buyer during the Contract Year

Rate_{PPA} = the Contract Price of the Agreement during the Contract Year

Exhibit J

Buyout Table

Year of Agreement	Equity Buyout at Beginning of Year of PPA	Equity Buyout at End of Year of PPA	Debt Paydown at Beginning of Year of PPA*	Debt Paydown at Beginning of Year of PPA*	Total Purchase Price at Beginning of Year of PPA	Total Purchase Price at End of Year of PPA
1	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed
2	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed
3	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed
4	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed
5	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed
6	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed
7	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed	n/a; purchase not allowed
8	\$ 442,587	\$ 414,576	\$ 1,481,433	\$ 1,403,225	\$ 1,924,020	\$ 1,817,801
9	\$ 414,576	\$ 385,659	\$ 1,403,225	\$ 1,319,74	\$ 1,817,801	\$ 1,705,401
10	\$ 385,659	\$ 355,170	\$ 1,319,742	\$ 1,226,355	\$ 1,705,401	\$ 1,581,525
11	\$ 355,170	\$ 322,625	\$ 1,226,355	\$ 1,124,379	\$ 1,581,525	\$ 1,447,004
12	\$ 322,625	\$ 289,095	\$ 1,124,379	\$ 1,016,128	\$ 1,447,004	\$ 1,305,223
13	\$ 289,095	\$ 254,563	\$ 1,016,128	\$ 901,331	\$ 1,305,223	\$ 1,155,895
14	\$ 254,563	\$ 219,017	\$ 901,331	\$ 779,709	\$ 1,155,895	\$ 998,726
15	\$ 219,017	\$ 182,427	\$ 779,709	\$ 650,970	\$ 998,726	\$ 833,397
16	\$ 182,427	\$ 144,427	\$ 650,970	\$ 514,811	\$ 833,397	\$ 659,586
17	\$ 144,775	\$ 106,044	\$ 514,811	\$ 370,917	\$ 659,586	\$ 476,961
18	\$ 106,044	\$ 66,215	\$ 370,917	\$ 218,961	\$ 476,961	\$ 285,176
19	\$ 66,215	\$ 25,263	\$ 218,961	\$ 58,604	\$ 285,176	\$ 83,686
20	\$ 25,263	\$ 0	\$ 58,604	\$ 0	\$ 83,868	\$ 0

* The actual debt payoff amount to be paid will be determined at financial close of the debt facility to be used for the construction of the Facilities. While the Seller believes that the estimates included in this Exhibit J are reasonable and in line with the actual debt payoff amounts, the actual values may increase or decrease in accordance with the final debt terms and conditions. Finally, for the avoidance of doubt, as stated in Section 3.1, the above numbers also do not include any breakage fee costs or other similar costs that may be incurred in connection with the unscheduled prepayment of any related debt facility. Such breakage fees shall be calculated by the financial institution providing the interest rate swap and shall be, for the avoidance of doubt, the standard breakage fee calculation customarily used by interest rate swap providers in the financial services industry.



GUMA TRANKILIDAT

Roof-top Photovoltaic System



MICRONESIA
RENEWABLE ENERGY INC.



Generation Renewable, Inc.

Established in 2012

- Full Service Solar Provider
- 40 Employees
- Skilled Local Workforce
- >2000 Installations
- 100% Turnkey Company
- *Do the Right Thing 100% of the Time*



Solar Energy Systems: GMHA



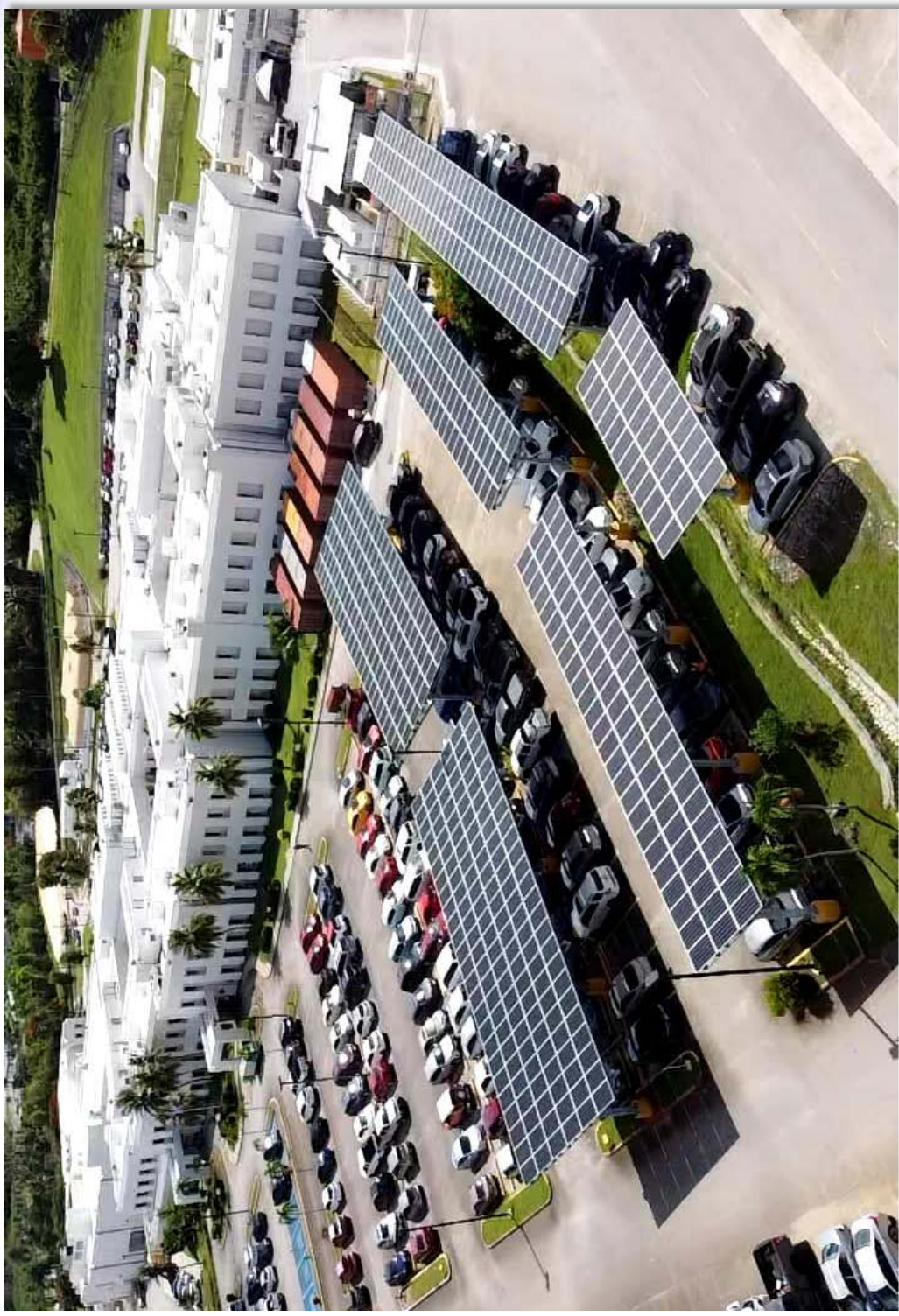
Solar Energy Systems: Pay-Less Markets +



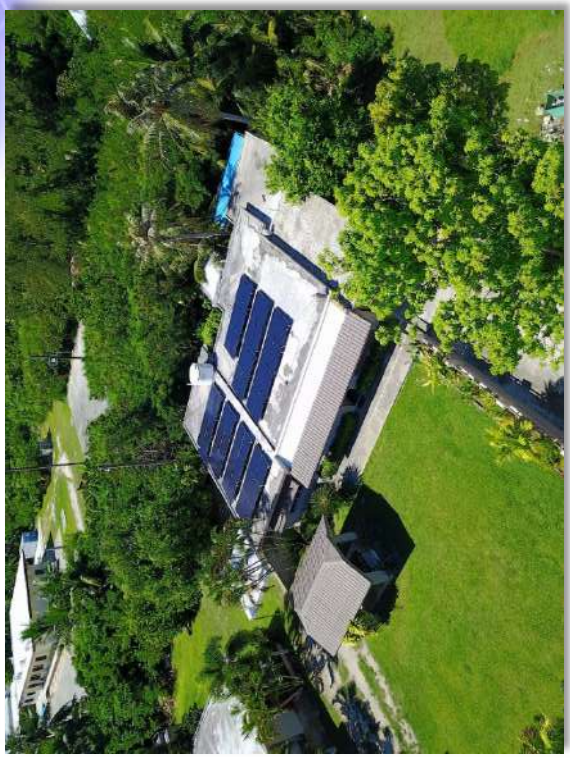
Solar Energy Systems: Julale Center



Solar Energy Systems: CHCC



Solar Energy Systems – Residential



Solar Energy Solution - GHURA

Power Purchase Agreement (PPA)

- Zero Capital Outlay
 - Installation
 - Insurance
 - Maintenance
 - Monitoring
- Pay for Power



Hassle-free, Worry-free Solar!



Checking the Boxes

GHURA

- ☒ Zero Capital Investment
- ☒ Hundreds of Thousands of Dollars in Energy Savings
- ☒ Zero Maintenance Cost
- ☒ 100% Fully Insured
- ☒ Guaranteed Energy Production
- ☒ Setting New Standards
- ☒ Guam Green Growth Initiative (G3)
- ☒ National Lieutenant Governors Association's *Energy & Environmental Stewardship Award*

Tenant Benefit

- ☒ Training & Employment Opportunity
- ☒ Skilled Local Workforce
- ☒ Apprenticeship Program with GCC and GCA

Environment

- ☒ Zero Erosion into Tumon Bay



Solar Energy Solution - GHURA



- Total System Size: 350KW
- 6.40KW p/Unit
- Energy Storage System



GT Consumption and Savings

Total Consumption (annually):

315,372kWh

GPA:

\$117,294.04

PPA:

\$ 79,851.85

Total Annual Savings (est.):

\$ 37,442.20

20 Year Term

GPA:

\$2,345,880.86

PPA:

\$1,597,036.95

Total Savings (est.):

\$ 748,843.91

GT PPA/GPA Rate Schedule

Year	GPA RATE	PPA RATE	Diff
1	0.40	0.165	0.24
2	0.42	0.168	0.25
3	0.44	0.172	0.27
4	0.46	0.175	0.29
5	0.49	0.179	0.31
6	0.51	0.182	0.33
7	0.54	0.186	0.35
8	0.56	0.190	0.37
9	0.59	0.193	0.40
10	0.62	0.197	0.42
11	0.65	0.201	0.45
12	0.68	0.205	0.48
13	0.72	0.209	0.51
14	0.75	0.213	0.54
15	0.79	0.218	0.57
16	0.83	0.222	0.61
17	0.87	0.227	0.65
18	0.92	0.231	0.69
19	0.96	0.236	0.73
20	1.01	0.240	0.77

Total Savings (est.)

\$748,843.91

GT + 82 Elderly Homes

Total Consumption (annually):

1,240,332.26kWh

GPA:

\$496,132.90

PPA:

\$233,387.16

Total Annual Savings (est.):

\$262,387.16

20 Year Term

GPA:

\$9,922,658.08

PPA:

\$4,674,914.96

Total Savings (est.):

\$5,247,743.12

Program Highlights

- Zero Capital Outlay
- No Cost Insurance/Maintenance
- Energy Production Guarantee
- Hundreds of Thousands in Savings
- Energy Storage Systems
- GHURA Tenants Employment Opportunity
- Rate Lower than Utility
- Repurpose Waste

PARTNERS in ENERGY!



Low Income Housing Tax Credit

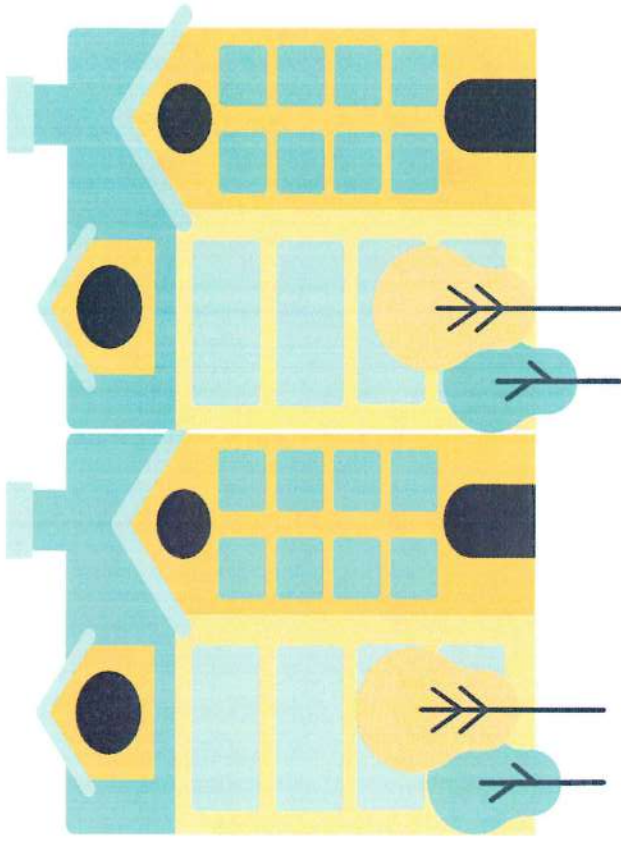
Presentation for the GHURA BoC
Date: November 12, 2021





LIHTC OVERVIEW

The Low-Income Housing Tax Credit (LIHTC - often pronounced "lie-tech", Housing Credit) is a dollar-for-dollar tax credit in the United States for affordable housing investments. It was created under the Tax Reform Act of 1986 (TRA86) and gives incentives for the utilization of private equity in the development of affordable housing aimed at low-income Americans. Housing Finance Agencies (HFA's) such as GHURA administer the LIHTC program.



WHAT'S THE BIG DEAL ABOUT LIHTC?

DEVELOPERS

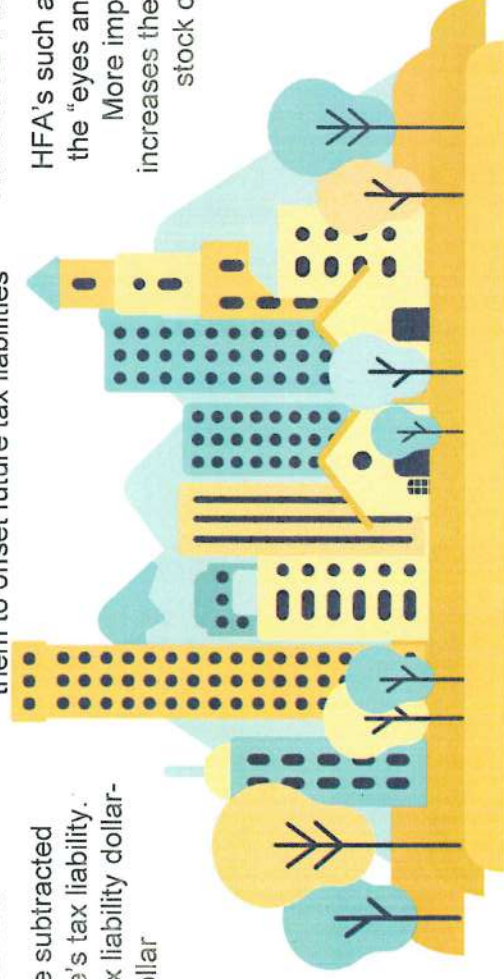
Many communities to increase affordable housing stock in communities. LIHTC allows developers to increase that stock and to retain credits and utilize them to offset future tax liabilities

TAX CREDITS

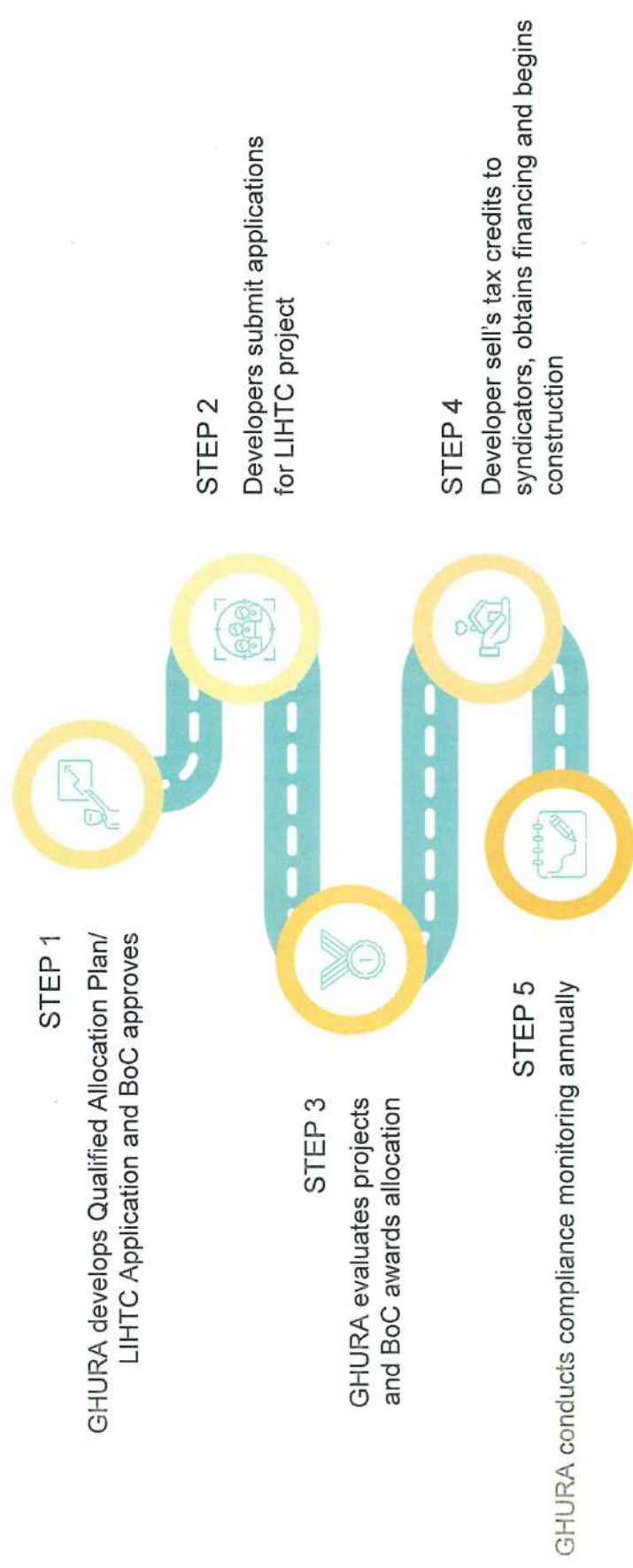
Tax credits are subtracted directly from one's tax liability. Credits reduce tax liability dollar-for-dollar

HOUSING FINANCE AGENCIES

HFA's such as GHURA become the "eyes and ears" of the IRS. More importantly, LIHTC increases the affordable housing stock on the island.



WHAT IS THE LIHTC APPLICATION PROCESS?



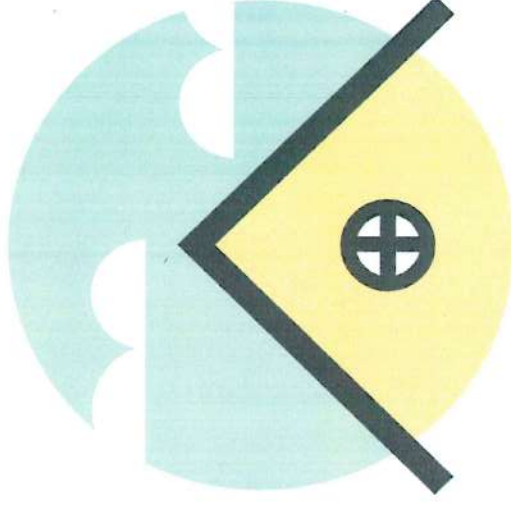


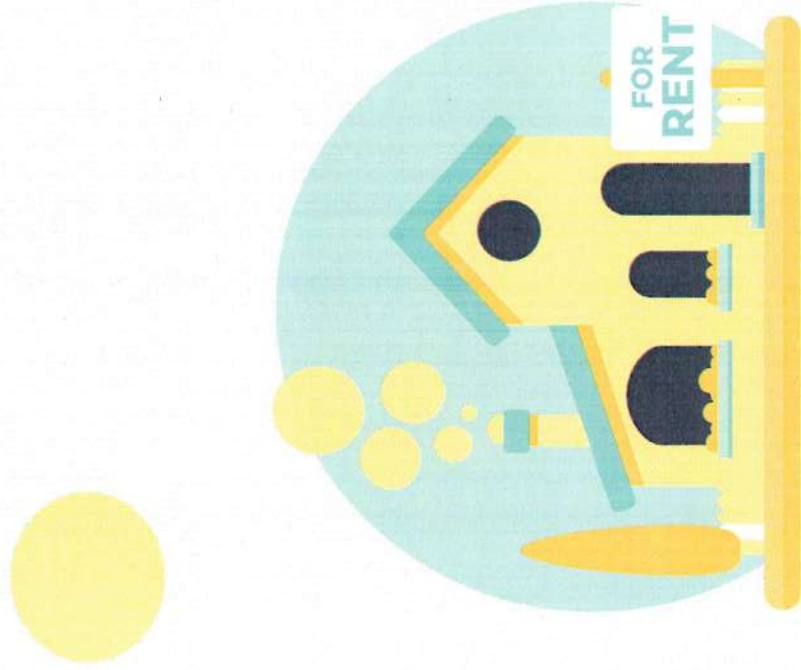
Qualified Allocation Plan

The Qualified Allocation Plan (QAP) works as a guide for the LIHTC program as well as establishes the election criteria for project selection.

Section 42 requires that state agencies develop QAPs that prioritize projects that serve the lowest-income tenants and ensures affordability for the longest periods.

Additionally, the QAP establishes the compliance monitoring requirements for the project to ensure it is in line with IRS guidance.





QAP Selection Criteria

QAP selection criteria must include the following considerations:

- Project Location
- Housing needs characteristics
- Project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan
- Sponsor characteristics
- Tenant populations with special housing needs
- Public Housing waiting lists
- Tenant populations of individuals with children
- Projects intended for eventual tenant ownership
- Energy efficiency of the project
- Historic nature of the project

IRC 42(m)(1)(c)

Threshold Criteria

State HFA's may also establish threshold criteria for developments. Such criteria may include:

- The availability of development amenities (community rooms, laundry facilities, etc.)
- Any unit amenities provided
- Visitability (housing that is "visitabile" has a very basic level of accessibility that enables persons with disabilities to visit friends, relatives, and neighbors in their homes within a community
- Any energy conservation measures

GHURA BoC may even establish size of units, projects strictly for elderly, or having a minimum number of units per project (has been done in past projects).





Syndication & Equity Investment

In order to actually build the housing development, the owner/developer generally needs money up-front to pay for the costs of the development. Accordingly, the owner/developer syndicates—sell the rights to the future credits in exchange for money that can be used for up-front costs.

The basics on how syndication works:

The owner/developer can sell the tax credits:

- Directly to an investor; OR
- To a syndicator, who assembles a group of investors and acts as their representative

Syndication

IRS

IRS



State HFA

Application



Owner/Developer



Rent



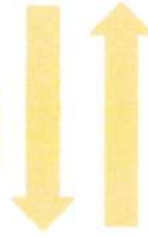
Family



Syndicator



Loan

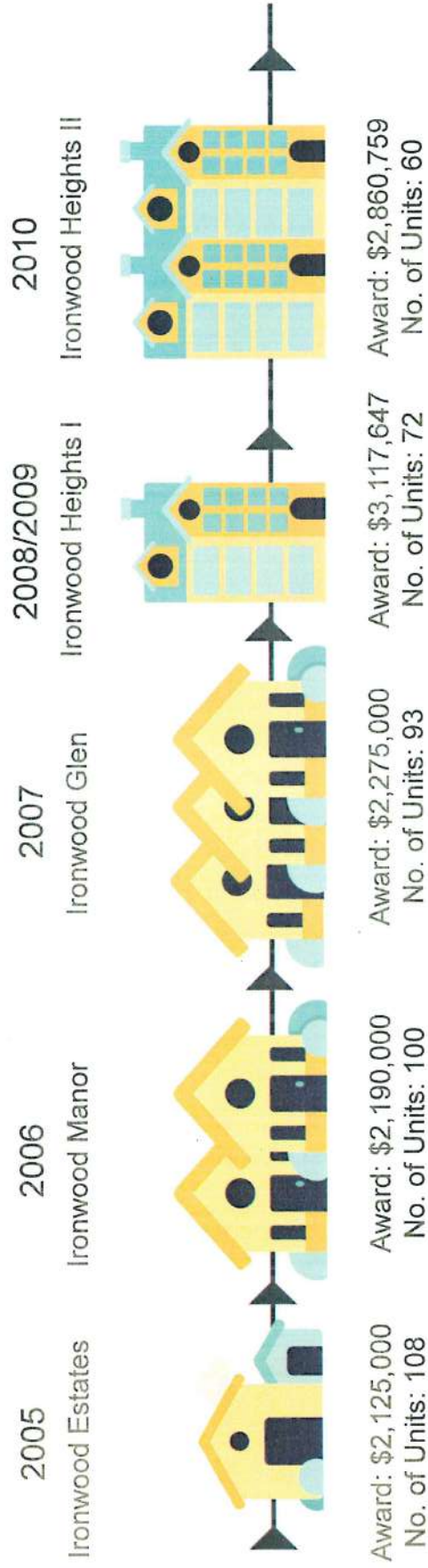


Loan payment

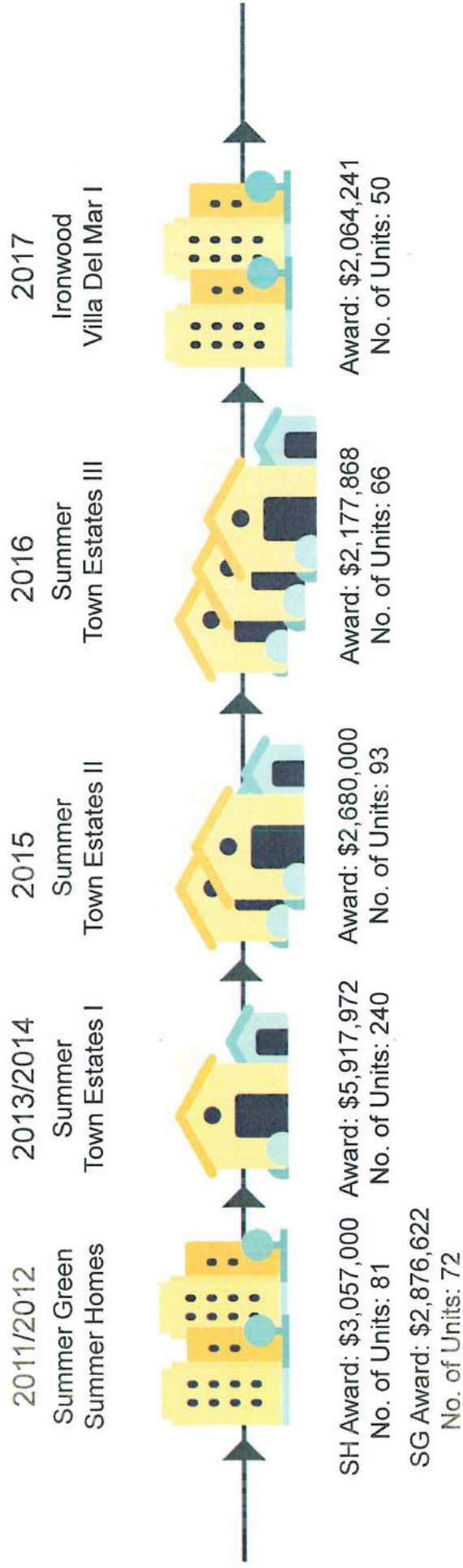


Lender

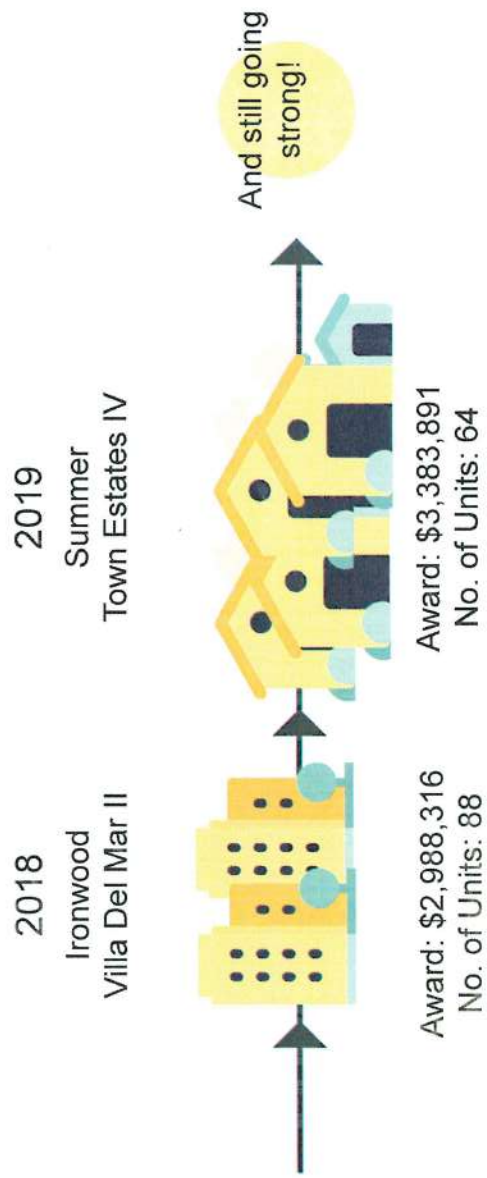
GHURA LIHTC EVOLUTION



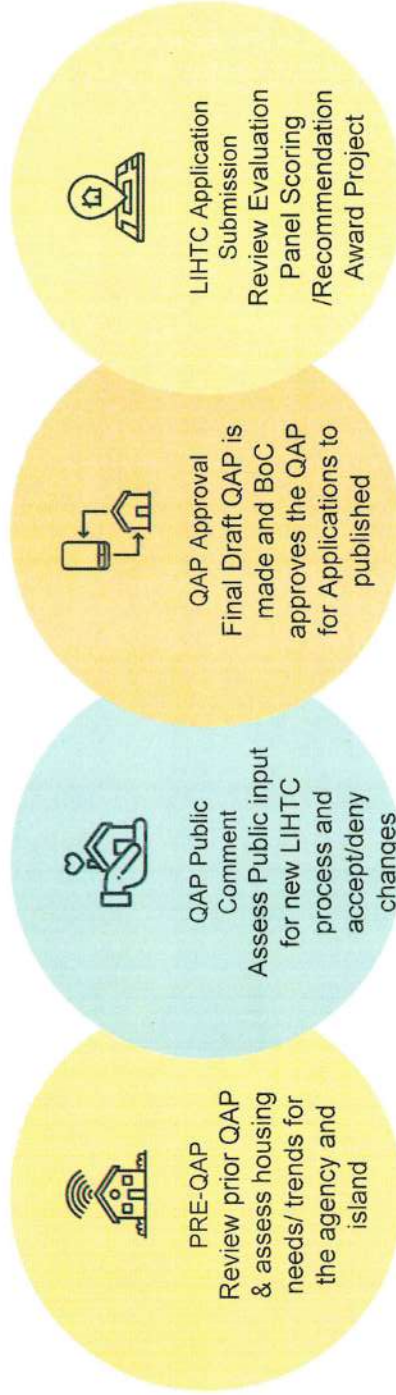
GHURA LIHTC EVOLUTION



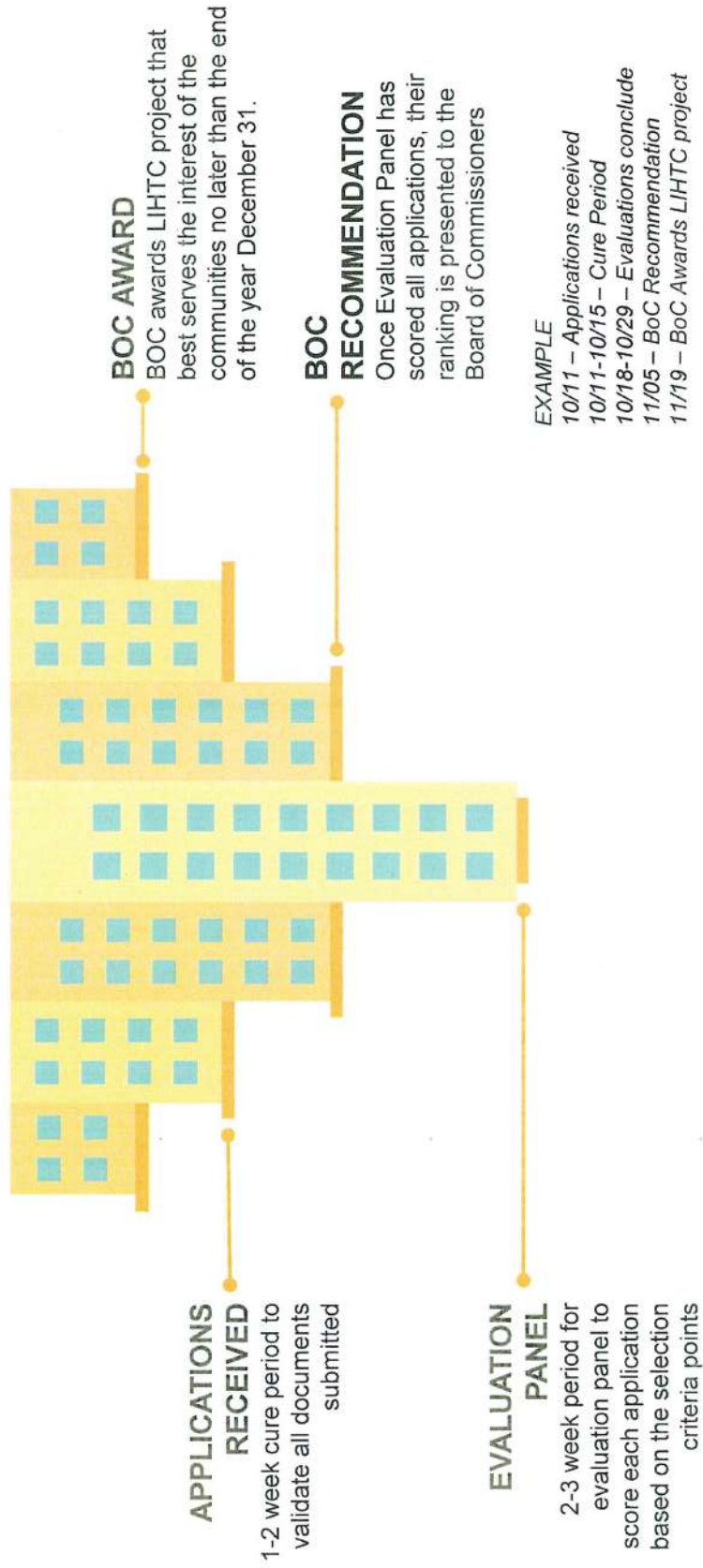
● ● GHURA LIHTC EVOLUTION



GHURA's BOC RESPONSIBILITIES & ROLE IN LIHTC PROCESS



LIHTC AWARD TIMELINE



THANKS

Does anyone have any questions?

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