



PORT OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, Piti, Guam 96925
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Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

REGULAR MEETING OF THE BOARD OF DIRECTORS
Jose D. Leon Guerrero Port Authority of Guam
Thursday, November 12, 2015
11:45am

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES
 - a. October 9, 2015 – Regular Board Meeting
- III. PUBLIC COMMENTS:
 - a. Public Comments
 - b. Employee Comments
 - c. PAGGMA Association
- IV. GENERAL MANAGER'S REPORT
- V. OLD BUSINESS
 1. Procurement Status of Yard Equipment
- VI. NEW BUSINESS
 1. IP&E Pipeline Easement
 2. IP&E F3 Lease
 3. Hanson Sublease Amendment
 4. Travel Authorization Request:
 - a. Maritime Law Enforcement Training, January 2016 thru May 2016, Port of Los Angeles, CA
 - b. Incident Response to Terrorist Bombing Training, New Mexico Tech, January 2016 and February 2016, Socorro, New Mexico
 - c. Emergency Management Institute, April 2016 thru September 2016, Emmitsburg, MD
 - d. Association of Pacific Ports Winter Conference, January 13-15, 2016, Big Island, Hawaii
- VII. ADJOURNMENT



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**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
Friday, October 9, 2015**

I. CALL TO ORDER

There being a quorum, the regular meeting of the Board of Directors was called to order at 11:50 a.m., Friday, October 9, 2015. Present at the meeting were:

Francisco G. Santos, Chairman
Oscar A. Calvo, Vice Chairman
Timothy T. Kernaghan, Board Secretary
Joanne M.S. Brown, General Manager
Felix R. Pangelinan, Deputy General Manager (Operations)
Alfred F. Duenas, Deputy General Manager (Admin & Finance)
Atty. Darleen Hiton, Co-Counsel

Also present was KUAM-Ken Quintanilla, Jacob Sablan and Port Management staff.

II. APPROVAL OF MINUTES

a. **September 8, 2015 – Regular Board Meeting:** Director Kernaghan made motion to approve the minutes of September 8, 2015 subject to correction. The motion was seconded by the Vice Chairman and was unanimously passed.

III. PUBLIC COMMENTS

- a. **Public Comments:** None.
- b. **Employee Comments:** None.
- c. **PAGGMA Association:** Mr. Raymond Santos, PAGGMA President, informed the Board of the upcoming Port Week events such as the Golf Friendship Tournament, Fun Day Bowling and the Softball Game. Also, the PAGGMA Christmas Party is slated for December 5, 2015 at Hotel Nikko Guam.

IV. GENERAL MANAGER'S REPORT

The General Manager's report was provided for Board's information. The following key item(s) are noted as follows:

1. **Port Receives Federal Port Security Grant for 2015:** The Port announced on September 21, 2015 that it was awarded \$495,897.00 in Federal Port Security Grants from FEMA to maintain the Port's Command and Control Integration System and repair existing damaged security light poles and fixtures in the Port yard. The Board was informed that as in previous years, the Port will request a waiver from FEMA on the Port's contribution share.

2. **Port's Participation in the GPA Interruptible Load Program:** On September 11, 2015, Guam Power Authority General Manager John Benavente requested assistance from large load users of the government to participate in the GPA Interruptible Load Program to off-set the high demand on the island's power system as a result of the decreased power generation capacity. The decrease is due to a major fire damage sustained on August 31, 2015 by GPA's Cabras Power Plant. The request was for large load government agencies to run its standby generators only during GPA's most critical power situations which will help to minimize the load demand on GPA. Response made to GPA was that the Port is in the process of installing its generators which anticipates completion by the end of the month. At that point, the Port will be able to participate in the program. Director Kernaghan inquired of any potential off-set or credit. The General Manager replied that a credit will be made to participants.

3. **Installation Status of Port's Generators:** As per the contract, Load Centers 1 and 2 are 100% completed. Load Center 3 at 75% and Load Center 4 at 94% is completed. Also, all ventilation systems will be changed.

4. **Procurement Status of Yard Equipment:** GSA published the Invitation to Bid for Port equipment in the Pacific Daily News on September 17, 2015 that identified the following:

- a. Bid No.: GSA/PAG-018-15 – Fork Lifts
- b. Bid No.: GSA/PAG-019-15 - Street Sweeper
- c. Bid No.: GSA/PAG-020-15 – Articulated and Telescopic Boom
- d. Bid No.: GSA/PAG-021-15 - Tractors
- e. Bid No.: GSA/PAG-022-15 - Welding Machine

Opening bids for items (a), (b), and (e) has been extended to this date from October 1, 2015. Item (c) has a current stay on procurement due to a protest. Item (d), there was only one bidder and this will require further negotiations as the price per tractor from the bidder exceeds the budgeted amount authorized.

5. **PUC Hearings for the Port Authority Tariff Petition:** The Public Utilities Commission (PUC) held two public hearings on October 15, 2015. The first hearing will be conducted at the Asan Community Center at 5:00pm, and the second hearing will be held at the Dededo Senior Citizens Center at 7:00pm. The third hearing will be held at the PUC office on October 16, 2015 at 6:00pm. Port Management and staff will be in attendance.

6. **Meeting with Office of Economic Adjustment:** On September 22, 2015, management met with Mr. Gary Kuwabara, Office of Economic Adjustment. Topics of

discussion include: status of Port modernization project, terminal operation system implementation and training, Service Life Extension project, Port tariff petition, possible funding options for Hotel Wharf, and Port's application on the TIGER grant.

7. **40th Anniversary and Port Week Celebration:** The Port Authority will be celebrating its 40th anniversary as an autonomous government agency during the week of October 19-23, 2015. The Flag Raising Ceremony will be held on October 19, 2015 followed by the Grand Finale on October 23, 2015.

V. OLD BUSINESS

1. **Guam YTK Corporation:** The General Manager mentioned that with the long standing issue of Guam YTK Corporation, and pursuant to Supreme Court Case No. CVA13-009, concludes that the arbitration process is to proceed in connection with the Lease Agreement by and between the Port Authority and Guam YTK Corporation. In light of this, management is requesting Board approval to proceed with the arbitration process. Additionally, management requests Board approval to transfer the sum of \$25,000.00 from the Public Utilities Commission account to cover the cost of the arbitration service fees. The Chairman asked for the duration of the arbitration process. Atty. Hiton replied that the arbitration proceedings is scheduled to begin in November 2015, and should be completed by the end of that month. The General Manager reminded the Board that upon advisement of Legal Counsel, the actual physical ownership of Hotel Wharf property remains with the Port Authority which does not inhibit the Port with the ability to use such property. She mentioned that the arbitration process will only address the issue of monetary compensation.

Director Kernaghan made motion to authorize management to proceed with the arbitration process as court ordered by the Supreme Court Case No. CVA13-009 as well as to transfer \$25,000.00 from the Public Utilities Commission account to cover the arbitration service fees. Motion was seconded by the Vice Chairman and was unanimously approved.

VI. NEW BUSINESS

1. **Budget Transfer Request – Port Week 2015:** Director Kernaghan made motion to approve the budget transfer of \$12,000.00 to PAGGMA Association for purposes of Port Week 2015 festivities. Motion was seconded by the Vice Chairman and was unanimously approved.

2. **CCTV Connectivity System – New Guard House:** Mr. Felix R. Pangelinan, Deputy General Manager of Operations (DGMO) presented the Executive Summary for the Technical/Professional Services for the Closed Circuit Television (CCTV) Detection System Sole Source Procurement. By way of background, the Port had completed the installation of its Access Control System and CCTV System in all areas of Port compound back in June 2014. Maeda Pacific was awarded the contract who then subcontracted G4S for this project. These systems are sub-systems controlled by the main system and network integration through Kantech System. G4S was provided a Corporate Certification from Kantech for technical support and

certification. In July 2015, the Port became aware of a break in the fiber “ring” topology as a result of the demolition of the old guard house to expand the break bulk area under the Guam Commercial Port Improvement Program (GCPIP). As part of the GCPIP, a new guard house has been constructed at the reconfigured break bulk area and will be turned over to the Port in a few months. In anticipation of the turnover, the Port began discussions with G4S for the reinstallation of the CCTV cameras to the new guard house. Since the warranty of the Command and Control Integration System through G4S has elapsed in June 2015, the work to reinstate the CCTV in the new guard house would require a new contract. As a result, the initial proposal to complete the work is \$28,327.40. The Port has successfully negotiated a lower cost in the amount of \$25,474.00. Thus, the contract may be awarded and is authorized pursuant to Section 3112 of the Guam Procurement Regulations, upon determination of Sole Source Procurement. Having determined this project to be in accordance with sole source procurement, management requests the Board to approve contract award to G4S Security Systems and further request approval to use the Facility Maintenance Fund to support this project. The draft agreement, the determination of sole source procurement, scope of work and Kantech’s Corporate Certification to G4S to include other supporting documents will be forwarded to Legal Counsel for review and approve as to form.

Director Kernaghan made motion to approve the contract award to G4S Security Systems, Inc. for the Technical and Professional Services of installation, integration, and certification of the CCTV at the new Break Bulk Guard House in the amount of \$26,000.00 to be funded through the Facility Maintenance Fund to include sole source procurement authorization for this project. Motion was seconded by the Vice Chairman and was unanimously approved.

3. **Board Resolution No. 2015-09 - Richard P. Quiambao**
4. **Board Resolution No. 2015-10 - Kenneth N. Camacho**
5. **Board Resolution No. 2015-11 - Terrence R. Aflague**
6. **Board Resolution No. 2015-12 - Jlawrence M. Cruz**
7. **Board Resolution No. 2015-13 - Katherine J.S. Cruz**
8. **Board Resolution No. 2015-14 - Daniel B. Carayoan**
9. **Board Resolution No. 2015-15 - Anthony J. Aguon**

As to items 3 thru 9 under new business, Director Kernaghan made motion to approve Board Resolution Nos. 2015-09 to 2015-15 relative to extending best wishes to retirees of the Port Authority of Guam on the occasion of their retirement. Motion was seconded by the Vice Chairman and was unanimously approved.

10. **Travel Authorization Request:**
 - a. **Invest Guam – China Trade Mission, October 13-17, 2015, Shanghai-Pudong, China:**

The General Manager said the Governor of Guam Eddie Baza Calvo extended an invite for Port Board Chairman and a member of Port Management to accompany him and Guam Economic Development Authority representatives to China Trade Mission scheduled for October

13 -17, 2015. Deputy General Manager of Admin/Finance Alfred F. Duenas was designated on behalf of Management to attend. The cost estimate per traveler is \$3,965.51.

Director Kernaghan made motion to approve the travel authorization request for Port Board Chairman and the Deputy General Manager of Admin/Finance Alfred F. Duenas to accompany the Governor of Guam to the China Trade Mission scheduled for October 13-17, 2015 in the amount of \$3,965.51 per traveler. Motion was seconded by the Vice Chairman and unanimously approved.

VII. ADJOURNMENT

There being no further business to discuss, it was moved by Director Kernaghan and seconded by the Vice Chairman to adjourn the meeting at 12:50 p.m. The motion was unanimously passed.



TIMOTHY T. KERNAGHAN, Board Secretary
Board of Directors

APPROVED BY:



FRANCISCO G. SANTOS, Chairman
Board of Directors





Port Authority of Guam Goodwill and Morale Association
1026 Cabras Hwy., Suite 201, Piti, Guam 96915 Tel: 477-5931-4 Ext. 204/240

November 12, 2015

UPCOMING PAGGMA EVENTS:

PAGGMA MEMBERS CHRISTMAS PARTY

December 05, 2015

Hotel Nikko Guam Resort

1800 to 2300 hours

General Manager Report
To
PAG Board of Directors
November 12, 2015

General Port Operations

Incident at Hagatna Boat Basin

On Friday, October 9, 2015, a 25-foot recreational vessel named Meagan Moana with three (3) boaters on board flipped and sank early that morning at the entrance to the channel of the Gregorio D. Perez Hagatna Marina. Fortunately, the boaters were safely rescued by the Guam Fire Department and two of them were transported to GMH where they were treated and released that same day.

That afternoon the Captain of the Port James Pruett issued a Safety Zone notice to support response and recovery efforts for the vessel that was placed in effect at 12:00 p.m. that day, up until Thursday, October 15, 2015 unless canceled sooner by the Captain of the Port.

On Saturday afternoon, October 10, 2015, the Coast Guard requested the assistance of the Port to assign Port Police to the marina to assist with the enforcement of the Safety Zone. Deputy GM for Operations Felix Pangelinan contacted the GM and received her concurrence on this request.

On Monday morning, October 12, 2015, the Coast Guard in coordination with the Guam Fire Department (GFD) and the Guam Police Department (GPD) accessed the location of the vessel to determine if it was still a hazardous obstruction to the marina channel. Once the joint assessment was completed, the Coast Guard determined that the channel was clear to be reopened. A Notice of Safety Zone Cancellation was issued by Captain Pruett early that afternoon notifying the public that the Safety Zone was lifted and that the marina was opened for maritime transit.

The GM also met with Captain Pruett that afternoon to discuss the process and procedures for joint notices to the public to insure that consistent and timely information is provided to the public during such events.

APL Announces U.S. Flagged Services to Guam and Saipan

On Monday, October 12, 2015, the Port received notice that American President Lines (APL) was initiating a Guam Saipan Express (GSX) service that will connect the islands with Yokohama, Japan and the U.S. mainland. APL also announced that it has dedicated one of its vessels with a capacity of 1,100 TEU to service this new route.

APL anticipates the GSX service to commence on Tuesday, November 24, 2015 with the departure of its vessel from Yokohama.

On Wednesday, October 14, 2015, the GM, Deputy GM for Operations Felix Pangelinan, Assistant Operations Manager Ken Calvo and Transportation Superintendent Ray Santos met with the following management representatives from APL: SVP Government Trade and Affairs, President/CEO, Eric Mensing, General Manager for Guam and Micronesia John Selleck, and Managing Member for Asia Pacific Solutions Thomas Ahillen.

After appropriate introductions, Mr. Mensing discussed the interest of APL in returning to service Guam and provide additional shipping capacity to the island. He touched on the military buildup and the capabilities of APL to move cargo worldwide. He relayed that Mr. Selleck will be in charge as General Manager of APL for Guam and Micronesia. Mr. Mensing relayed that Mr. Ahillen is no stranger to Guam and the Port have previously worked for Matson as its General Manager.

The GM responded that the Port welcomes the additional cargo capacity that APL will bring to Guam and provided an overview of current Port construction projects funded by DOD and other federal grants to include Port funded projects. She also discussed the implementation of the Port's new Terminal Operating System that will be in place between March and April of 2016. Deputy GM Pangelinan went onto talk about the vessel schedules and the other carriers that come to Guam on a weekly basis. Operations Assistant Calvo stated that the Port has regular weekly meetings regarding the shipping schedules on both Monday's and Friday's and he welcomed Mr. Selleck to attend the next meeting that was scheduled for Friday, October 16, 2015. In addition, the GM relayed that the Port would be conducting its regular PUGG meeting on Thursday, October 15, 2015 and she invited him to attend.

Deputy GM Pangelinan informed the group that the Port still had available office space for lease in the Administration Building should APL want to have its offices located near the Port.

Mr. Mensing concluded his visit by stating the APL is excited to be returning to the Guam market and looked forward to working with the Port.

PUC Hearings for Port Authority Tariff Petition

On Thursday, October 15, 2015, Port management attended the two public hearings conducted by the PUC related to the Port's Tariff Petition request. Present on behalf of the Port were the GM, Deputy GM for Operations Felix Pangelinan, Maintenance Manager Ernie Candoleta, Commercial Manager Glenn Nelson, Assistant Operations Manager Ken Calvo, Acting Financial Affairs Controller Joann Conway, Tariff Supervisor Jennifer Leon Guerrero and Administrative Officer Frances Aguon. Present on behalf of the PUC were Administrative Law Judge (ALJ) Joephet Alcantara, PUC Assistant Lou Palomo and Recorder George Castro. The first hearing was conducted at the Asan Community Center at 5:00 p.m. and the second hearing was held later that same evening at 7:00 p.m. at the Dededo Senior Citizens Center.

At the Asan Public Hearing, the GM relayed that the Port would wait to provide comment at the Friday evening PUC hearing. Otherwise there was no public input at the Asan hearing. At the Dededo hearing, Dededo Mayor Melissa Savares provided her testimony and relayed that it was important for the PUC to keep in mind that anytime fees are raised in our community, they need to consider the impact to island residents most especially the island's elderly that live on a limited income. She stated that she understood the need to maintain and upgrade the Port but she also wanted everyone to understand that that increased rates from power to water to trash collection make it more difficult for citizens to pay for basic services. In the case of the elderly in her village, she relayed that the Mayor's office provides assistance to collect the trash for the Manamko since they cannot afford to pay for trash collection services. These are real issues for her constituents.

Mayor Savares also asked if she could direct questions to the Port representatives concerning the purpose of the tariff increase. ALJ Alcantara responded that she could direct her questions to the Port. Commercial Manager Nelson responded with an outline of projects intended to be funded by the initial 7% petition and the GM went on to discuss the additional cost for equipment acquisitions as well as increased facility maintenance needed as a result of the newly constructed Port Yard and Gatehouse. The GM stated that it was critical to address funding requirements to insure that the Port can respond to the demands for more efficient service which requires the expansion and maintenance of its equipment fleet from its cranes, Top Lifters, tractors and forklifts.

Mayor Savares thanked the Port for responding to her questions and concluded her statements by relaying to the PUC to keep in mind the impact of the tariff increase to the public.

In addition, the PUC conducted a public hearing on Friday, October 16, 2015 at 6:00 p.m. at its offices located at the GCIC Building in Hagatna. There were no testimonies provided by the

public. All Port management and staff members listed for the Thursday night hearings were in attendance.

On Thursday, October 29, 2015, the PUC scheduled its regular business meeting and included the following Port matter on its agenda:

PAG Docket 15-04, Tariff Increase Petition, Report by Slater
Nakamura, ALJ Report, and Proposed Order

Attending the hearing on behalf of the Port was the GM, Deputy GM for Administration and Finance Alfred Duenas, Deputy GM for Operations Felix Pangelinan, Acting Financial Affairs Controller Joann Conway, Procurement Manager Alma Javier, and Tariff Supervisor Jennifer Leon Guerrero.

The GM testified on behalf of the Port and provided an outline of Port's tariff request as it relates to maintenance and the continued upgrades for Port operations.

The PUC voted that evening to approve the Port Authority's tariff rate request.

On Friday, October 30, 2015, the GM sent a memorandum to all Shipping Agents and Port Users notifying them of the PUC's approval of the Port's Tariff Increase Petition. The GM also relayed that in consideration of a request from the Port Users Group, all increases in tariffs, rate charges, and fees as recently approved would not take effect until December 1, 2015. The GM provided a copy of the approved Tariff Rates for the Agents and Port Users reference. She also informed them that a copy of the PUC Order on Port Docket 15-04 regarding the Port's request for PUC Investigation of rates and Tariff would be posted on the Port's website www.portguam.com.

FEMA Reimbursement for Tropical Storm Halong

On Friday, October 30, 2015, the Port received a memorandum from HSA, Guam Homeland Security/Office of Civil Defense Johnny Lizama informing the GM that Port's request for assistance from FEMA for Tropical Storm Halong had been approved in the amount of \$19,187.24. This amount represents the eligible cost up to 75% of what FEMA provides for reimbursement.

The Port encumbered a total of \$106,071 in actual labor and equipment cost. According to Acting Financial Affairs Controller Joann Conway the breakdown was \$97,782 for labor and \$8,289 for equipment. As FEMA does not cover administrative cost and regular pay, the amount resubmitted for overtime labor cost was \$17,293.45 which also included the \$8,289 for

equipment. The combined total was \$25,582.98 of which FEMA only compensates 75% which totaled 19, 187.24.

PUGG Meeting for the Month of October 2015

The monthly PUGG Meeting was held on Thursday, October 15, 2015. Present on behalf of the Port were the GM, Assistant Operations Manager Ken Calvo, Port Police Chief Doris Aguero, Safety Administrator Vincent Acfalle, Chief Planner Dot Harris, Systems Manager Dennis Perez, Acting Personnel Services Administrator Carmen Nededog, Stevedore Superintendent Simon Pinaula, Administrative Service Officer Antoinette Mafnas, Acting Financial Affairs Controller Joann Conway, Contract Management Administrator Steve Muna, Engineer Manager Simeon Delos Santos and Maintenance Manager Ernie Candoleta.

Present on behalf of the PUGG were: Matson Representatives Bernie Valencia and Alex Peterson, MSA Representative Byron Valera, Norton Lily Representative Emy Reyes, APL Representative John Selleck, Dewitt Representative Ray Hartley, and Mell Representative Ed Cruz.

Present on behalf of the U.S. Coast Guard was Chief of Prevention LCDR Christy Casey.

The GM began the meeting by thanking everyone present for their attendance and participation at the monthly PUGG Meeting. She recognized APL General Manager for Guam and Micronesia John Selleck, as this was his first PUGG meeting since APL announced its return to provide shipping services Guam. All members present introduced themselves to Mr. Selleck who relayed that his company was happy to be back to service the Guam market.

Assistant Operations Manager Ken Calvo provided the group with an update on the status of operational Yard equipment. He stated that there are currently 15 out of a total of 18 tractors that are operational. He also relayed that two (2) of the four (4) Top Lifters were also in operation. He also provided an update on the status of repairs related to a cylinder leak for the 20-ton and steering cylinder seals for the 10-ton forklift.

Engineer Manager Simeon Delos Santos provided an update on the Service Lift Extension (SLE) projects and also updated the status of the Load Center generators. He reported that LC-1, LC-2 and LC-4 were currently undergoing a load bank test to include the activation of an Automatic Transfer Switch (ATS). Mr. Delos Santos also relayed that the renovations of the High and Low Towers have since been completed and awaiting the issuance of an Occupancy Permit from DPW.

Contract Management Administrator Steve Muna also provided an update on the status of equipment procurement GSA. Of major concern to the PUGG is the status of the two (2) Top

Lifters. Mr. Muna explained that a protest had been logged by one of the two bidders prior to the bid opening. He stated that the Port was awaiting GSA decision on the protest. The GM interjected and relayed that the Port initiated the procurement process for the Top Lifters since May of this year.

Chief Doris Aguero informed the PUGG Members that the new Guard Gate for the Breakbulk Yard will be opened and operational on Tuesday, October 27, 2015. The temporary gate at Lower Tower will be closed and secured.

Commercial Manager Glenn Nelson provided an updated on the opening of the restaurant facility down at the Agat Marina. He relayed that Kals Corporation was awarded the lease for the building and the company is currently working with its building contractor to address additional modifications to accommodate its kitchen, dining and bar facilities. He anticipates the completion of the renovations in November.

Systems Manager Dennis Perez informed the PUGG that Port staff is currently undergoing training for the installation and operation of the Terminal Operating System (TOS). He stated that the Port anticipates live operations of the TOS by March of 2016. He added that the initial training for the Port staff and reoccurring training will be important to keep them well versed on the TOS. Mr. Nelson added that the Port of Guam has invested \$4.1 million and that the cost of the TOS is part of the Port's Tariff petition.

Stevedore Superintendent Simon Pinaula asked the assistance of the PUGG Members to relay to their agents that if there are any changes that impact vessel operations to please keep the Port informed to avoid any misunderstandings or delays with regards to service.

LCDR Christy Casey informed the PUGG that the Coast Guard has been spending time in Saipan as a result of recent damage from Typhoon Soudelor. However, as more of the recovery efforts have been addressed, Coast Guard resources will shift back to Guam.

APL Representative John Selleck once again thanked everyone for the warm welcome and stated that it was great for APL to be back in Guam. Matson Representative Bernie Valencia and Mell Representative Ed Cruz extended their welcome to APL.

Port's TIGER Grant Application

On Friday, October 30, 2015 the Port received a notice from the American Association of Port Authorities (AAPA) announcing the TIGER Grants that were awarded by the Department of Transportation for 2015. Unfortunately, the Port of Guam was not awarded a grant.

According to APPA there were a total of \$44 million in Infrastructure Grants provided to commercial seaports which represented 9% of the overall \$500 million awarded to transportation related projects.

The Port of Guam submitted its TIGER application back in April of 2015. According to Chief Planner Dot Harris, the Port has also submitted an application for the past seven (7) years that the TIGER has been in existence. The following represent the Port's previous submittals.

TIGER 2009	Port Improvement Project - \$49.7 million
TIGER 2010	Revitalization and Upgrade of Hotel Wharf - \$17,732,770
TIGER 2011	Port Modernization Program Projects - \$23,986,029
TIGER 2012	Port Modernization Program Projects - \$20,695,812
TIGER 2013	Container Yard Drainage and Pavement Repair - \$3,657,397
TIGER 2014	Revitalization and Upgrade of Hotel Wharf - \$17,732,770
TIGER 2015	Maintenance and Repair of "H" Wharf and Access Road - \$21,556,741

Port Week 2015

The Jose D. Leon Guerrero Port Authority of Guam celebrated 40 Years of Service to Guam and the Region as an autonomous agency of the Government of Guam.

An opening ceremony took place on Monday, October 19, 2015 at 11:00 a.m. in front of the newly painted Administration Building at 11:00 a.m. Honored guest attending included the Governor of Guam Eddie Baza Calvo, Speaker of the Guam Legislature Judith Won Pat, Senator and Legislative Secretary Tina Rose Muna-Barnes, Immaculate Heart of Mary Catholic Church Father Mike Crisostomo, Port Distinguished Retiree Lourdes Santos Reyes and Port Distinguished Retiree Tomas Muna Reyes. Present on behalf of the Board were Chairman Francisco Santos, Vice Chairman Oscar Calvo and Board Member Timothy Kernaghan.



Port Police raises the flag for the Port Week Opening Ceremony.

Marine Traffic Controller Helen Aguon served as the Mistress of ceremonies and provided an introduction of the honored guest to include Ms. Kaylee Villasoto who sang a beautiful rendition of the National Anthem and the Guam Hymn. The Port Police served as the Official Color Guard and raised the U.S. and Guam flags in the front of the Administration Building. At this point in the program, the Parade of Tractors commenced representing a number of shipping carriers and private truckers to include the new Port vehicles that have been acquired during this past year.



Parade of Tractors makes its way along Route 11 in celebration of Port Week Opening Ceremony.

Ms. Aguon then introduced the Port Board Chairman Francisco Santos who delivered his welcoming remarks and thanked all the hard working employees at for the Port for their continued service and recognized the importance of the first 40 years of the Port's existence as an autonomous agency of the Government of Guam. Chairman Santos also stated that he started working at the Port back in 1974, a year before the Port became an autonomous agency and served for 36 years before he retired in 2010 as the Port's Harbor Master.

Ms. Aguon introduced the Honorable Governor of Guam Eddie Calvo who served as the main Guest Speaker of the event. Governor Calvo congratulated the Port employees on this very important 40 year anniversary and went on to discuss the critical services that the Port provides to the island and its economy. He welcomed APL for returning back to Guam and providing additional cargo shipping capacity to the island. He talked about his recent trade mission to China where he was accompanied by Chairman Santos and Deputy GM for Administration and Finance Al Duenas. He stated that Guam Port moves over ninety percent of all goods that come into the island in addition to the transshipment role the Port provides to the Micronesia Region.



Governor Eddie B. Calvo presenting closing remarks at the Port Week Opening Ceremony.

The Governor concluded his remarks by recognizing all the efforts of the Port employees and thanked them for their dedicated service.



Legislative Resolution No. 213-33 (COR) was presented by Senator Judith Won Pat and Senator Tina Muna-Barnes during Port Week Opening Ceremony.

Speaker Won Pat and Senator Tina Rose Muna-Barnes presented Resolution 213-33, "Relative to Commending and Congratulating the Employees, Management, and Board of Directors of the Jose D. Leon Guerrero Commercial Port Authority of Guam on the celebration of its Fortieth Year Anniversary, and on the observance of "Port Week," from October 19 to October 23, 2015."

The GM then introduced the two Distinguished Retirees that were selected for 2015: Mr. Tomas Muna Reyes and Mrs. Lourdes Santos Reyes. Mr. Reyes retired as a Preventive Maintenance Mechanic in 1992 after twenty-one (21) and Mrs. Reyes retired in 1994 as a payroll Clerk II after twenty- five (25) years of service.



Distinguished Retirees of the Port Authority, namely Lourdes Santos Reyes and Tomas Muna Reyes were recognized during the Opening Ceremony of Port Week.

Ms. Aguon then recognized the following employees that have recently retired in 2015:

38 Years of Service - Preventive Maintenance Mechanic Supervisor Terrence R. Aflague

28 Years of Service - Electrician supervisor Kenneth N. Camacho

22 Years of Service - Port Police II Daniel B. Carayoan

20 Years of Service - Administrative Assistant Katherine J.S. Cruz

17 Years of Service - Building Maintenance Leader Anthony B. Aguon

16 Years of Service - Accountant III Richard P. Quiambao

3 Years of Service - Contract Management Administrator Jlawrence M. Cruz

The GM provided closing remarks on behalf of Port management and talked about all the major upgrades and improvements to include the new gate and construction yard construction as well as the security and technological upgrades with the anticipated implementation of the Terminal Operating System (TOS). The GM also discussed the important cargo services that the Port of

Guam provides to the island, the region, and as the Sixteenth Strategic Port in the U.S., to the nation. She thanked the Port employees for their continued and dedicated services and stated that this week was dedicated to recognizing all their hard working efforts and let them know that they were appreciated.



Port Authority General Manager Joanne Brown presents closing remarks in celebration of the Port Week 40th Anniversary Opening Ceremony.

The following recognition awards were issued: Years of Service, MagPro Nominees for 2015 and accumulated Sick Leave between 1,500 hours and 3,500 hours.

The GM provided closing remarks for the Port Week events and lunch was served to conclude the Port's celebration.

On Friday, October 23, 2015, the Employees Awards Celebration was held at Port Beach. Marine Traffic Controller Helen Aguon once again served as the Mistress of ceremonies and provided an introduction of the honored guest. Mayor Vicente Gumataotao of Piti and Mayor Doris Lujan from Inarajan were in attendance. Board Chairman Frank Santos and Vice Chairman Oscar Calvo presented certificates to Port employees and thanked them for their continued service.



Port Employees celebrating Port Week at Grand Finale. From top left: Harbor Master-Frank Sablan, Asst. Ops. Mgr. Ken Calvo, Operations Manager John Santos. Front row: Planner IV Donna Acosta-Lizama, Manager Equipment Support Services Joaquin

Marine Traffic Controller Helen Aguon along with Deputy General Alfred Duenas celebrates Port Week at the Grand Finale.





Chairman of the Board Francisco G. Santos delivering welcoming remarks at the Grand Finale congratulating Port Employees for their hard work and dedication.



Congratulations to Operations Manager John Santos as the MagPRO nominee for *Manager of the Year* category.



Congratulations to the Administrative Services Officer Margret Duenas, a recipient of the Sick Leave Hours Certificate Award.



Congratulations to Miami Elordi, General Accounting Supervisor as a recipient of the Sick Leave Hours Certificate Award.



Congratulations to Planning Division as the MagPRO nominee for the *Project/Program of the Year* category. Planning Division front row: Planner IV Jose Javellana, Chief Planner Dorothy Harris, Planner IV Donna Lizama-Acosta and Planner IV Dora Perez.



Port Authority family and friends celebrating the Port Week Grand Finale.

Demolition of Black Construction Site Office at the Port

On Monday, November 2, 2015, construction employees of Black Construction Corporation began the demolition of the company's site office located at the Port. Black Construction has concluded all major construction activities related to the Port's Capital Improvements Projects administered by MARAD and funded by DOD.



EA Field Office:
Building was utilized
for GCPI Program
meetings and
conferences.

**Demolition in
Progress on EA Field
Office building.**



Status of Port Generator Installation

On Thursday, November 5, 2015, Engineer Manager Simeon Delos Santos provided a status update on the installation of the Port's generators. According to his status report, a commissioning test was conducted on Wednesday, November 4, 2015 for LC-1, LC-2 and LC-4. In the case of LC-1, the Automatic Transfer Switch (ATS) did not activate during the

commissioning test. The contractor is currently working to address this issue. In the case of LC-2 and LC-4, the ATS kicked in and were fully operational.

The LC-3 generator which was originally located in LC-1 and transferred two years ago to operate LC-4 to keep the reefers operational during power outages is currently being accessed and repaired. This generator will then be installed into LC-3.



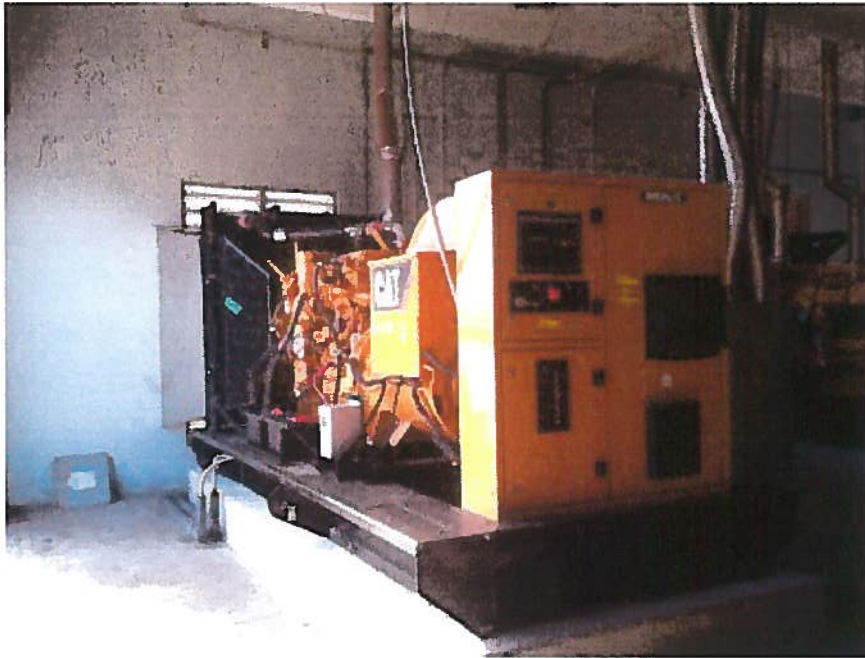
Installed 455KW Prime Power Generator at LC-1.



Installed 455KW Prime Power Generator at LC-2.



Installed External Day Tanks (1,000 and 500 gal.) for LC-4 Generators.



Installed 455KW Prime Power Generator at LC-4.



Installed 725KW Prime Power Generator at LC-4.

Status of F-1 Fencing Project

On Thursday, November 5, 2015, Engineer Manager Simeon Delos Santos provided an update on the status of the new fencing at F-1. According to his status report to the GM, the project is 100% completed with the installation of the barb wires. There are only minor housekeeping items remaining such as raking and cleaning of construction materials around the grounds.



Completion of F1, F3 Container Yard South Side Security Fencing Project.

Port Safety Issues

Hydraulic Oil Spill Top Lifter 09-03

On Friday, October 9, 2015, the GM received a report from Safety Inspector II John T. Santos concerning a hydraulic oil spill incident with Top Lifter 09-03 that had occurred earlier that morning at around 9:40 a.m. while Equipment Operator Albert E. Santos was operating Top Lifter 09-03 and assigned to received and ground containers at HB1a in the Port Yard.

According to Mr. John T. Santos, Mr. Albert Santos was retrieving a container with the Top Lifter when he noticed that the hydraulic pressure hose had disconnected from its fitting. He immediately suspended his operation and reported the incident to Transportation Supervisor Michael Tajjeron.

Mr. John T. Santos further reported that according to Equipment Mechanic II Roy Flores, his shop's crimping tool used to secure the hose may be faulty and the cause of the hydraulic leak.

Mr. John T. Santos reported that approximately one (1) gallon of hydraulic oil was spilled onto the pavement. A sausage boom, sand and absorbent pads were used to contain and cleanup the oil. The National Response was notified and Report # 1130442 issued.

Mr. John T. Santos concluded that the cause of this incident was related to the use of a faulty crimping tool to secure the hydraulic hose. He recommended that a new crimping tool be acquired or have the existing one repaired. He also recommended that this matter be forwarded to the Accident Review Board to provide recommendations to be forwarded to the GM.

Work Injury

On Wednesday, October 14, 2015, the GM received an incident report dated Thursday, October 8, 2015 from detailed Safety Officer Kenneth Santos concerning a work related injury sustained that day at around 1:40 p.m. by Stevedore Christopher Benito while he was assigned to dockside operations during the unloading of the Matson vessel R.J. Pfeiffer. According to Mr. Santos, Mr. Benito was mounting a twist lock on a container when the container was lowered while his hand was still on the twist lock resulting in his hand being caught between the twist lock and the chassis lock. Mr. Santos relayed that Mr. Benito was certain that the container had lifted clear of the chassis before he attempted to install the twist lock. Mr. Santos further relayed that Transportation Leader Anthony Concepcion who had been operating the gantry crane at the time the incident occurred stated that the reason he lowered the container was due to the chassis not releasing the container. Mr. Santos also reported that Stevedore Peterson Guerrero provided a statement to Port Police Officer Keesha Duenas that the container was stuck and caused the container to bounce.

Mr. Santos stated that Mr. Benito was issued a 101a and 101b form for treatment at GMH.

Mr. Santos concluded that the cause of this incident and Mr. Benito injury was due to the lowering and bouncing of the container while Stevedore Benito's hand was still on the container twist lock. He determined that this situation could have been avoided had the twist lock not been mounted until the tractor operator had pulled the chassis clear of the hosted container.

Mr. Santos recommended that an Activity Hazards Analysis for installing and removing twist locks from containers be conducted. He also recommended that this incident be discussed during the next Stevedore Safety Briefing in addition to forwarding this matter to the Accident Review Board to provided recommendations to the GM.

Damage to F-3 from Aggregate Operations

On Sunday, October 18, 2015, the GM received an incident report from Safety Inspector II Joshua Candoleta concerning damages to F-3 that occurred on Thursday, October 15, 2015 as a result of aggregate operations at F-3. According to Mr. Candoleta, aggregate was being loaded on Barge S-7000 when pavement at the east end of the wharf was damaged by the metal plated ramp as a result of scraping back and forth while the barge was listing due to rough waters. He

report that the Harbor Master and Port Police were informed of the incident and were on site to access the damage.



Damage at F3 pier pavement caused by the ramps metal plate scraping back and forth during the aggregate operation of loading gravel.

On Saturday, October 17, 2015 Safety Administrator Vince Acfalle made a decision to detach the ramp from the barge. However, due to high winds and safety concerns it was determined that the ramp could not be detached at that time.

Mr. Candoleta relayed that Ambyth Agent Joe Leon Guerrero and Cabras Agent Ricardo Leon Guerrero were onsite and acknowledged the damages to the pavement at F-3.

On Sunday, October 18, 2015 Mr. Candoleta reported that Port employees and Cabras personnel were able to safely detach the ramp from the barge. On Monday, October 19, 2015 the barge was shifted to the 600 Bollard where the ramp was reattached and vessel loading operations resumed.

Mr. Candoleta concluded that the operation did not have a crane or other equipment on site to detach the ramp from the barge once wind and wave conditions changed. As a result, the ramp could not be safely removed to avoid damages to the pavement.

Mr. Candoleta recommended that during the next bare operation, all equipment to include cranes or heavy lift equipment be stationed on site. He also recommended that this matter be reviewed by the Accident Review Board to provide recommendations to the GM.

Work Injury

On Wednesday, October 24, 2015, the GM received an incident report from Safety Inspector II John Troy Santos concerning a work injury suffered by Information Technology (IT) Systems Programmer Arden Bonto on Monday, October 19, 2015 at around 8:40 a.m. while he was relocating a box in the training room. Mr. Santos reported that IT training room had electronic equipment, personal computers and a computer server on the floor. According to Mr. Santos, Mr. Bonto hit his leg on the corner of a server that caused a two (2) inch laceration on his lower right leg. He also reported that Mr. Bonto complained of pain in his right leg but refused medical transport. However, he was advised to seek further medical treatment. Mr. Bonto was issued a 101a and 101b Worker's Compensation form.

Mr. Santos concluded from his investigation that Mr. Bonto's view of the server was obstructed as a result of carrying a box. He recommended that all trip and falling hazards be identified prior to performing housekeep task.

Mr. Santos also recommended that this matter be forwarded to the Accident Review Board to make final recommendations to be forwarded to the GM.

Incident Involving Golf Cart and Official #6297

On Thursday, October 22, 2015, the GM received a report from Safety Inspector III Paul Salas concerning an incident that occurred around 12:00 p.m. that day when Cargo Checker Julian Taitano was reversing a golf cart at the Check Point parking lot. Mr. Salas reported that while Mr. Taitano was reversing the Terminal Golf Cart (4-Passenger), he struck a Port Official vehicle #6297 on the rear bumper that resulted in damage to the left side of the rear bumper. Mr. Salas also reported that there was minor damage to the golf cart. Cargo Checker Melissa Aguero was a passenger in the golf cart at the time of the incident.

Mr. Salas determined that the primary cause of this incident was the result of Mr. Taitano's haste and inattention. He recommended that this incident be forwarded to the Accident Review Board to provide recommendations to the GM.

Hydraulic Oil Spill

On Friday, October 23, 2015 the GM received a report from Safety Inspector John Troy Santos dated October 19, 2015 concerning a hydraulic oil spill with Top Lifter 09-04. According to Mr. Santos, Equipment Operator Ted Cruz was assigned to ground containers in Area X and was operating Top Lifter 09-04. While he was repositioning the Top Lifter, he noticed that hydraulic fluid had spilled on the ground. Mr. Cruz stopped his operation and informed his supervisor of the incident.

Heavy Equipment Mechanic II William Hudson determined that the seal around the power steering cylinder of Top Lifter 09-04 had broken resulting in the spill of approximately one pint of oil.

Mr. Santos reported that absorbent pads were used to clean the spill and the National Response Center was informed and issued Report #1126800. Mr. Santos also reported that a notice of Federal Interest for the oil pollution incident was issued to the Port.

Mr. Santos determined that the primary cause of this incident was a busted power steering cylinder seal. He recommended that this incident be forwarded to the Accident Review Board to provide recommendations to the GM.

Damaged Bay Door on Warehouse 1

On Friday, October 23, 2015, the GM received a report from Safety Inspector John Troy Santos concerning damage to a bay door on Warehouse 1 that occurred on October 18, 2015. According to Mr. Santos, Stevedore Richard Dydasco was assigned to disassemble a ramp that was used on Barge S-7000. Mr. Dydasco had driven forklift #41 into the Riggers Shop to retrieve a cable rack and discovered that the Rigger's bay door hinge was detached from the door frame and had been pushed and jammed inwards. Mr. Santos reported that Mr. Dydasco secured a chain to the top portion of the door and utilized his forklift to pull the door free, with just enough space to allow the door to be opened. He then provided notice to the Safety Office.

Mr. Santos stated that the Preventive Maintenance Division addressed additional repairs needed to the bay door. He concluded that the cause of the damage to the bay door was the result of gusty winds that blew the door inwards extending the hinge past its range limitation.

Mr. Santos recommended that all doors be inspected and door stoppers be installed where needed. He also recommended that Port personnel secure doors prior to leaving work. He also recommended that this incident be forwarded to the Accident Review Board to provide recommendations to the GM.

Work Injury and Equipment Damage to Tractor #86

On Monday, October 26, 2015, the GM received an incident report from Detailed Mechanic II, Robert Lau concerning a work injury that occurred on Saturday, October 24, 2015 to Equipment Operator II Antonio Mesa who was parking empty chassis with Tractor #86 at Area E when he failed to disconnect an air hose from the chassis he was operating. As a result, the air hose snapped back into the operators cab striking Mr. Mesa causing a deep cut on his right calf muscle. Prior to this incident Mr. Lau reported that Mr. Mesa received a call informing him to take his break after parking the chassis at area E.

Mr. Lau determined that Mr. Mesa's inattention and haste to take his break was a major contributor to his work injury due to his failure to disconnect the Synflex Air Brake Hose Glad Hand which was attached to the chassis.

Mr. Lau reported that Tractor #86 did not have a safety breakaway PVC pipe nipples located outside of the tractors cab. He stated that there was also damage to the Air Brake Hose Glad Hand to T-86.

Mr. Lau stated that Mr. Mesa was transported to GMH by Guam Fire Department Paramedics to treat his injury. Transportation Dispatcher George Pecina accompanied Mr. Mesa to GMH. Safety Officer II Joshua Candoletta provided Mr. Mesa with the WCC 101a, 201 and 202 forms.

Mr. Lau concluded that Mr. Mesa's inattentiveness and haste to take his break time was a major contributor to his injury.

Mr. Lau recommended that this matter be a topic of discussion at the next Safety Transportation Division meeting.

Freedom of Information Act Request

Request from Mr. Jay Lather

On Thursday, October 15, 2015, the Port received a Freedom of Information Act Request from Guam YTK Corporation Authorized Representative Jay Lather requesting the following **information:**

1. All Documents that document, memorialize, or catalog the use of Hotel Wharf by parties other than You and Guam YTK Corporation from January 1, 2008 to the present.
2. All Documents that address, refer, or relate to any valuation of Hotel Wharf from December 1, 2001 to the present.
3. All Documents that address, refer, or relate to the calculations of rent and/or revenue for, from or related to Hotel Wharf or its use or occupation or any portion thereof from December 2001 to the present.
4. All Documents that address, refer, or relate to any agreements or licenses between You and any person or entity other than Guam YTK Corporation for the rental, use, or occupation of Hotel Wharf or any portion thereof at any time from January 1, 2008 to

the present.

5. All Documents that address refer, or relate to any agreements or licenses between You And Guam Shipyard for the rental, use or occupation of Port property at any time From December 1, 2001 to the present.
6. All Documents that address, refer, or relate to any agreements between You and any person or entity other than Guam YTK Corporation for the rental, use , or occupation of any Port property at any time from January 1, 2008 to the present.
7. All Documents that address, refer, or relate to any offers to purchase any agreements Related to the rental, use, or occupation of any Port property at any time from January 1, 2008 to the present.
8. All Documents that address, refer, or relate to the revenue, dockage, wharfage, storage, port And any other fees received by You at any time from January 1, 2008 to the present from any person or entity other than Guam YTK Corporation for the docking, wharfage, rental, use or occupation of Hotel Wharf.

On Wednesday, October 21, 2015, the Port informed Mr. Lather that due to the breath of his request, the Port would provide a response by Friday, October 23, 2015.

On Friday, October 23, 2015, the Port provided a response to Mr. Lather's request.

Note: Pages 26 and 27 are Personnel Related Matters.

FEDERAL GRANT/LOANS & LOCAL FUNDING PROGRAMS
FY2015 Port Modernization Plan
Grant Strategy - Monthly Update

November 9, 2015

Summary Sheet of Funding/Financing

	On-hand	Expenditures	Remaining Balance	NOTES
Port Modernization				
Modernization	\$ 52,600,000.00	\$ 48,854,655.17	\$ 3,745,344.83	\$48.5M Port Enterprise Fund
Security	\$ 7,588,296.00	\$ 5,465,863.13	\$ 1,626,535.87	
Marinas	\$ 322,244.00	\$ 22,322.17	\$ 299,921.83	
Port Police	\$ 35,617.91	\$ 10,767.91	\$ 24,850.00	
Grand Totals:	\$ 60,546,157.91	\$ 54,353,608.38	\$ 5,696,652.53	

Applications/Approved Pending

		NOTES
TIGER 7	\$ -	USDOT H-Wharf, PAG not awarded the TIGER VII Grant
WHSE 1 Hardening Project	\$ 75,629.00	USDHS FEMA
PAG Facilities Hardening Project	\$ 571,628.64	USDHS FEMA
Grand Totals:	\$ 647,257.64	

PORT AUTHORITY OF GUAM - FEDERAL GRANT FUNDING PROGRAMS

Monday, November 09, 2015

I. Port Modernization

ITEM	GRANT #	PROJECT NAME	Federal or Local Agency	Notice to Proceed	% Completed	Award Date / End Date	Award Amount	Draw Down Submitted	Remaining Balance	STATUS:
FY2010-01	Port Enterprise Fund	Guam Commercial Port Improvement Program	DoD to DOT Maritime Administration Agency (MARAD)	09/22/10	95.1%	9/22/2010 - 9/22/2015	\$ 48,500,000.00	\$ 46,134,655.17	\$ 2,365,344.83	Transferred to the Port Enterprise Fund on 09/22/2010. As of 3/31/2015 Dashboard Total Transferred to Project \$50M; Total for Contracts \$48.5M; Total for MARAD Admin \$1.5M; EA Engineering \$45,206,655.17; Pending Contract Obligations \$928,000.00 Version: 3/31/2015 PAG Financial Dashboard
FY2010-03	GR0706-10-10	Project Controls and Program Accountability Services	Office of Economic Adjustment (OEA) DoD	10/01/10	100.0%	10/1/2010 - 9/30/2012 Extension approved 9/30/2013 Extension approved 11/30/2014	\$ 750,000.00	\$ 750,000.00	\$ -	PAG has been reimbursed the full grant amount. Awaiting grant close out documents.
FY 2011-01	GR0706-11-12	Owner's Agent Engineer Support Services	Office of Economic Adjustment (OEA) DoD	04/01/11	100.0%	4/01/2011 - 3/31/2012 Extension approved - 01/31/2014 Extension approved - 11/30/2014	\$ 1,970,000.00	\$ 1,970,000.00	\$ -	PAG has been reimbursed the full grant amount. Awaiting grant close out documents.
FY 2015-02	GR0706-15-21	Owner's Agent Engineer Support Services	Office of Economic Adjustment (OEA) DoD			01/01/2015 - 12/31/2016	\$ 1,380,000.00	\$ -	\$ 1,380,000.00	PAG received deliverables from TO J. Kick Off meeting notes; Recommendations Going Forward & SLE Site Visit Report.
% Performance							\$ 52,600,000.00	\$ 48,854,655.17	\$ 3,745,344.83	

GRAND TOTAL GRANTS FOR MODERNIZATION:

II. SECURITY

ITEM	GRANT #	PROJECT NAME	Federal or Local Agency	Notice to Proceed	% Completed	Award Date / End Date	Award Amount	Draw Down Submitted	Remaining Balance	STATUS:
FY2009-03	2009-PU-78-0043	IJ-3: Communication Duct Work (formerly Radar/Mission Detection Systems)	PSGP	03/01/10	100.0%	2/2009 12/31/2013	\$ 600,832.50	\$ 600,832.50	\$ 0	Project Completed
FY2009-04	2009-PU-R1-0164	Renovation/Upgrade of Existing Port Police Building to Serve as the PAG's Maritime and Port Security Operations Center	President's ARRA Supplemental PSGP	04/12/10	99.1%	09/2009 05/31/13	\$ 910,593.50	\$ 902,156.94	\$ 8,436.56	Project Completed
FY2010-01	2010-PU-TD-0080	IJ-1: Command and Control Integration of CCTV Security Surveillance, Access Control/Secured Credentialing, Radar Intrusion/Detection, and TWIC Readers Systems	PSGP	02/10/11	99.9%	06/01/10 05/31/2014	\$ 2,257,500.00	\$ 2,254,505.74	\$ 2,994.26	Project Completed

11. SECURITY (cont.)

ITEM	GRANT #	PROJECT NAME	Federal or Local Agency	Notice to Proceed	% Completed	Award Date / End Date	Award Amount	Draw Down Submitted	Remaining Balance	STATUS:
FY2011-01	EMW-2011-PU-00200-501	IJ1: Upgrade of Emergency Back-up Generators to Support Maritime and Port Security Management and Operations	PSGP	09/01/11	73.4%	09/01/2011 - 08/31/2014	\$ 867,141.00	\$ 636,858.57	\$ 230,282.43	Generator installation at LC1, LC2, and LC4 are completed. Work at LC3 is 85% complete. Start up, load bank testing, and commissioning have been scheduled for Oct. 4th. Expected completion of project is November 2015.
FY2011-02	EMW-2011-PU-00200-501	IJ2: Mobile Cargo and Vehicle CBRNE Detection and Screening System	PSGP	09/01/11	64.7%	09/01/2011 - 08/31/2014	\$ 1,525,790.00	\$ 987,304.00	\$ 538,486.00	Backscatter X-ray Van continues to be used by Customs. Balance of FY2011 funding has been re-programmed to purchase 4 SUV Port Police vehicles. Planning and GSA has coordinated the completion of this procurement. A purchase order has been issued to FED GSA Auto Choice with a delivery period of 150 days.
FY2013	EMW-2013-PU-00206	CMU Wall & Heavy Duty Chain Link Security Fencing	FEMA Port Security Grant Program	Notification of Award issued 8/24/2013 by DHS Preparedness Grant Program Announcement	18.2%	8/24/2013 - 8/24/2015	\$ 461,712.00	\$ 84,205.38	\$ 377,506.62	Grant Period has been extended to 02/28/2016. Remaining funds will be re-programmed for other security fencing requirements and general port security related projects.
FY2014		Upgrade and Refurbishment of Safe Boat Acquired from the US Coast Guard Sector Guam	FEMA Port Security Grant Program	Waiting on USDHS/FEMA grant award documents	0.0%		\$ 311,330.00	\$ -	\$ 311,330.00	Safe Boats are currently with Ship-Rite vendor. Several parts have been purchased which predominantly includes electrical and mechanical parts.
FY2014		Enhancement of the PAG's Critical Infrastructure Cyber Security	FEMA Port Security Grant Program	Waiting on USDHS/FEMA grant award documents	0.0%		\$ 157,500.00	\$ -	\$ 157,500.00	IT talks are ongoing with US DHS cyber-security assessment team to determine the Port's IT infrastructure monitoring to include off-site scanning by USDHS and other methodologies to secure the IT backbone.
FY2015	EMW-2015-PU-00261	Maintenance and Sustainment Contract for the Port Command Center Port-Wide CCTV and Access Control Systems	FEMA Port Security Grant Program	30-Sep-15	0.0%	09/01/2015 - 08/31/2018	\$ 178,070.00	\$ -	\$ 178,070.00	EHP Review has been received and was waived for this project. No procurement processes initiated at this time. Planning will work with Procurement to develop maintenance and sustainment contract in the next few weeks.
FY2015	EMW-2015-PU-00261	Upgrade and Refurbishment of Existing Damaged Security Light Poles and Fixtures at Strategic Port Locations	FEMA Port Security Grant Program	30-Sep-15	0.0%	09/01/2015 - 08/31/2018	\$ 317,827.00	\$ -	\$ 317,827.00	EHP Review has not yet been received. No activities ongoing at this time.
GRAND TOTAL FOR SECURITY:							\$ 7,588,296.00	\$ 5,465,863.13	\$ 1,626,535.87	
					39.7%					

III. MARINAS

ITEM	GRANT #	PROJECT NAME	Federal or Local Agency	Notice to Proceed	% Completed	Award Date / End Date	Award Amount	Draw Down Submitted	Remaining Balance	STATUS:
FY2014-02	F13AP001023	Harbor of Refuge A/E Design & Environmental Studies - Phase I	DOI/F&WS/Dept. of Ag/DAWR	07/01/14	20.2%	10/1/2013 - 9/30/2015	\$ 95,000.00	\$ 19,177.70	\$ 75,822.30	PAG Sub-grantee through DOAG. PAG Cost Share \$25,000, Total Project Cost \$120,000; Environmental Assessment completed. A/E Design & Environmental Assessment Completed. Contractor approved to obtain US Army Corps of Engineers Permit & Federal Coastal Zone Letter.
FY2014-03	F14AP000191	Renovation of the Guam Harbor of Refuge Phase II - A/E Design, Repairs to Mooring, Acquisition of Pumpout System & Shelter/Housing	DOI/F&WS/DOAG/DAWR	03/31/14	0.0%	10/16/2013 - 9/30/2016	\$ 86,181.00	\$ -	\$ 86,181.00	PAG Sub-grantee through DOAG. PAG Cost Share \$23,750; Total Project Cost: \$109,931. Draft SOW under development for Acquisition of Portable Pumpout System & Shelter at Harbor of Refuge.
FY2014-04	F14AP000130	Renovations of Existing Pump-outs at Marinas	DOI/F&WS/Dept. of Ag/DAWR	02/18/14	5.1%	8/10/2013 - 9/30/2014 *Extension approved until 9/30/2016	\$ 61,063.00	\$ 3,144.47	\$ 57,918.53	PAG Sub-grantee through DOAG. MOU approved. One (1) Year No Cost Extension approved by USWFS. Bid Awarded to ProPacific Builders, Inc. for \$78,800 (Note: Difference of \$9,118.53 is funded by PAG). NTP issued September 2015. Contractor completed 65% Design.
FY2014-05	F10AP00014	Agat Small Boat Marina 1 (Concrete Catwalk Repair)	DOI F&W/Sport Fishing Program/Dept. of Ag/DAWR	Refer to Status column	0.0%	11/17/2014 - 9/30/2015 *Extension approved until 9/30/2016	\$ 80,000.00	\$ -	\$ 80,000.00	PAG Sub-grantee to DOAG. Contractor completed 100% Design and will be processing applications for required permits.
GRAND TOTAL FOR MARINAS:							\$ 322,244.00	\$ 22,322.17	\$ 299,921.83	

IV. Port Police - Highway Safety

ITEM	GRANT #	PROJECT NAME	Federal or Local Agency	Authorization to Proceed	% Completed	Award Date / End Date	Award Amount	Draw Down Submitted	Remaining Balance	STATUS:
FY2015-01	PT15-03-03PAG	Port Police Division - Section 402 Highway Safety Funds	Department of Public Works/Office of Highway Safety	04/23/15	\$ -	10/2/2014 - 9/2/2015	\$ 10,767.91	\$ 10,767.91	\$ -	PAG Sub Grantee through OHS. Agreement approved on 11/21/2014. Final report submitted to OHS. 10/2/2015 - CLOSED *OPW OHS submitted a revised Project Agreement. Agmt to read \$10,767.91
FY2016-01	PT16-03-03PPD	Port Police - Section 402 Highway Safety Funds - Operation Adal He Hao (Watch Out!)	Department of Public Works/Office of Highway Safety	Pending ATP	\$ -	10/1/2014 - 9/30/2016	\$ 24,850.00	\$ -	\$ 24,850.00	Pending ATP as of 8/25/2015
GRAND TOTAL:							\$ 35,617.91	\$ 10,767.91	\$ 24,850.00	

V. OTHER

ITEM	POTENTIAL FUTURE GRANTS	PROJECT NAME	Federal or Local Agency	COMMENTS	PAG Estimated Cost Share	Federal Cost Share %	Total Amount	STATUS:
FY2016-02	Submitted 6/2/2015	Maintenance & Repair of H Wharf and Access Road	USDOT National Infrastructure Investments		\$ -	-	\$ -	As of October 30, 2015, PAG was not awarded the \$2,356,741.00 TIGER VII GRANT. PAG to pursue other funding avenues to address critical repairs to the "H" Wharf.
FY2016-03	Submitted 08/18/2015	Warehouse 1 Hardening Project	USDHS FEMA		\$ -	75.629 00 %	\$ 75,629.00	Subject for review and approval
FY2016-04	Submitted 08/28/15	PAG Facilities Hardening Project	USDHS FEMA		\$ 190,542.88	571.628 64 %	\$ 762,171.52	Subject for review and approval
GRAND TOTAL FOR OTHER:					\$ 190,542.88	\$ 647,257.64	\$ 837,800.52	

OPERATION DIVISION REPORT SUMMARIZATION

November 6, 2015

Prepared By: John B. Santos

CONTAINER REPORT:

For the Month of October:

- Total Cargo Vessels: 22
- Total Containers Handled: 9,365
-

Year to Date (October 2015 – September 2016)

- Total Cargo Vessels: 22
 - Total Containers Handled: 9,365
 - Monthly Container Handled Average: 9,365
-

VESSEL PRODUCTIVITY REPORT:

Average Gross Move Per Hour (AGMPH):

- Matson 21 AGMPH
 - Mana 12 AGMPH
 - MSA Barges 12 AGMPH
 - MSA Kyowa, Condor, S/Islander 13 AGMPH
 - Ambyth 16 AGMPH
 - MEL 15 AGMPH
-

EQUIPMENT REPORT:

Gantry Cranes:

Gantry Cranes 4, 5, & 6 are operational status. Gantry #3 is still under maintenance/repair status. Gantries 4, 5 & 6 were utilized and with **downtime status as follows**: Gantry 4 had .5 hrs downtime due to problems with its spreader, hoist, & gantry; Gantry 5 had 4.2 hrs downtime due to problems with its power, spreader, light, gantry, hoist & oil leak; Gantry 6 had 2.7 hrs downtime due to problems with its spreader, power cable, & twistlock.

OCTOBER 2015 - SEPTEMBER 2016

VESSEL OPERATION RECAP

FISCAL YEAR 2016

Mell														
No. Vessel	4													4
Discharge	572													572
Loaded	754													754
Total Moves	1326	0	0	0	0	0	0	0	0	0	0	0	0	1326
Cranes used	G4,5,6													
Average GMPH	14.8													14.8
Pacific/S-Islander														
No. Vessel														0
Discharge														0
Loaded														0
Total Moves	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cranes used														
Average GMPH														#DNV/OI
Swire														
No. Vessel	2													2
Discharge	151													151
Loaded	111													111
Total Moves	262	0	0	0	0	0	0	0	0	0	0	0	0	262
Cranes used	G5,6													
Average GMPH	16.3													16.3

Summarized	
Total Vessels	22
Total Discharged	4669
Total Loaded	4696
Total Moves	9365

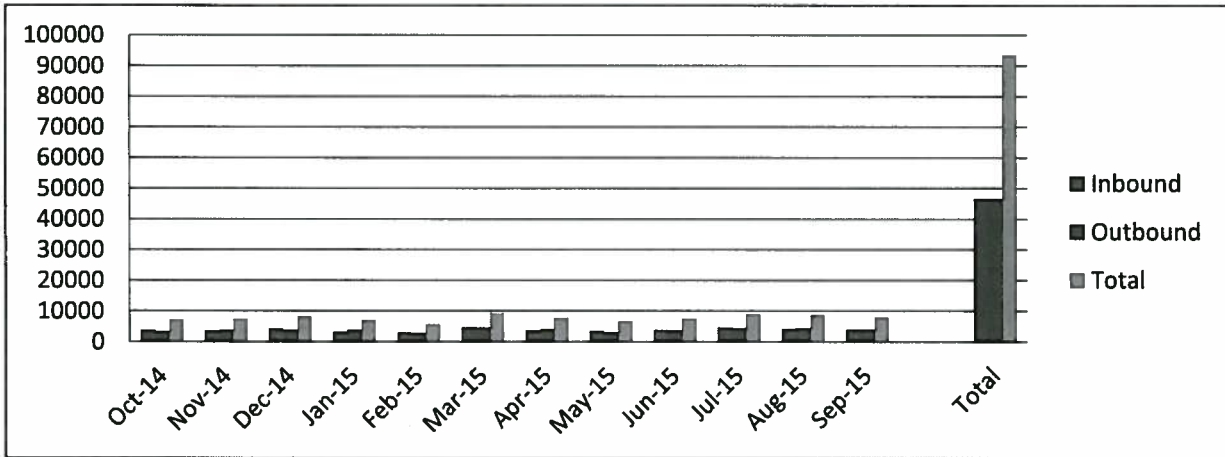
October	
Total Vessels	22
Total Discharged	4669
Total Loaded	4696
Total Moves	9365

Container Total Comparison
Fiscal Year 2015 - Fiscal Year 2016

Month	Inbound	Outbound	Total
Oct-14	3757	3497	7254
Nov-14	3639	3797	7436
Dec-14	4335	3920	8255
Jan-15	3207	3913	7120
Feb-15	2987	2809	5796
Mar-15	4716	4759	9475
Apr-15	3755	4056	7811
May-15	3555	3110	6665
Jun-15	3868	3780	7648
Jul-15	4673	4448	9121
Aug-15	4246	4512	8758
Sep-15	3991	4107	8098

7254	(01 Month Average)
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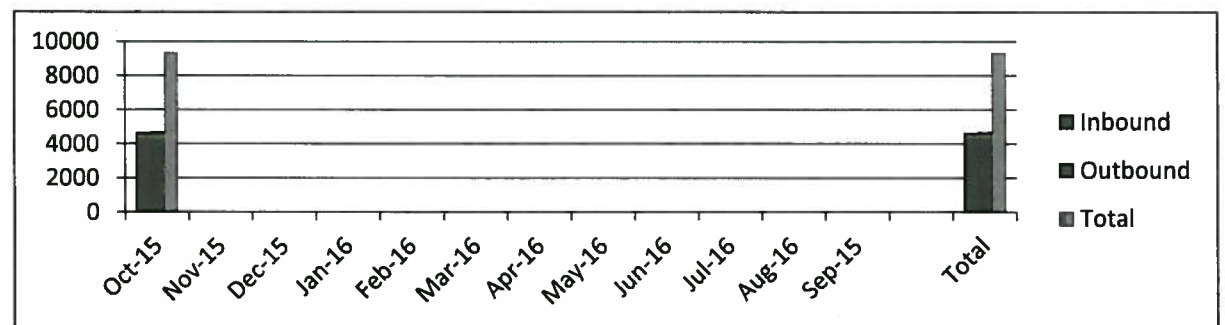
Total	46729	46708	93437
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Month	Inbound	Outbound	Total
Oct-15	4669	4696	9365
Nov-15			0
Dec-15			0
Jan-16			0
Feb-16			0
Mar-16			0
Apr-16			0
May-16			0
Jun-16			0
Jul-16			0
Aug-16			0
Sep-15			0

9365	(01 Month Average)
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Total	4669	4696	9365
--------------	-------------	-------------	-------------



OCTOBER 2015
VESSEL RECAP

"Matson Navigational"														
Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	Lifts		Total Ctnrs	Total TEUs	Ops		Loss		Berth Hours
						In	Out			Hrs	Hrs	Hrs	Hrs	
RJ Pfeiffer	406	07 Oct - 09:58	08 Oct - 17:02	07 Oct - 11:12	08 Oct - 16:20	729	794	1523	2844.8	29.1	6.8	31.1		
Manukai	161	13 Oct - 21:40	15 Oct - 05:08	13 Oct - 22:53	14 Oct - 23:51	564	534	1098	1787.5	24.9	9.2	31.5		
Manulani	115	20 Oct - 21:00	22 Oct - 09:17	20 Oct - 22:53	22 Oct - 08:37	769	554	1323	2472.5	33.7	10.6	36.3		
Maunawili	135	27 Oct - 17:53	29 Oct - 03:07	27 Oct - 19:30	29 Oct - 02:22	597	746	1343	2502.8	25.9	9.9	33.2		
Total:						2659	2628	5287	9607.6					
Monthly Nmph/Gmph Average: 25.0 20.6														
"Matson Mana"														
Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	Lifts		Total Ctnrs	Total TEUs	Ops		Loss		Berth Hours
						In	Out			Hrs	Hrs	Hrs	Hrs	
Mana	77e/78w	02 Oct - 15:36	03 Oct - 15:06	02 Oct - 16:54	03 Oct - 11:15	103	127	230	336.0	18.4	3.4	23.5		
Mana	78e/79w	12 Oct - 14:36	15 Oct - 05:54	12 Oct - 15:59	15 Oct - 00:31	121	99	220	365.8	14.7	3.3	31.2		
Mana	79e/80w	21 Oct - 07:48	22 Oct - 17:10	21 Oct - 17:25	22 Oct - 10:59	100	86	186	343.8	17.6	3.6	33.4		
Mana	80e/81w	26 Oct - 08:54	29 Oct - 16:50	26 Oct - 09:55	29 Oct - 14:45	101	98	199	379.3	32.1	7.6	79.9		
Total:						425	410	835	1424.9					
Monthly Nmph/Gmph Average: 15.8 12.3														
"Marianas Steamship Agency" (Barge)														
Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	Lifts		Total Ctnrs	Total TEUs	Ops		Loss		Berth Hours
						In	Out			Hrs	Hrs	Hrs	Hrs	
S7000	118	01 Oct - 16:20	Oct - 10:25	01 Oct - 17:07	01 Oct - 22:02	92	0	92	176.3	4.9	0.6	18.1		
S-2006	117s/118n	09 Oct - 17:57	10 Oct - 10:33	09 Oct - 22:17	10 Oct - 02:54	0	47	47	85	7.0	4.2	16.6	0:12	11
S-2006	117s/118n	15 Oct - 08:22	17 Oct - 10:20	15 Oct - 08:57	15 Oct - 11:51	35	0	35	59	3.3	2.3	5.6	1:40	11
Total:						127	47	174	320.3					
Monthly Nmph/Gmph Average: 25.0 12.4														

OCTOBER 2015
VESSEL-RECAP

"Marianas Steamship Agency" (Kyowa)

Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	Lifts		Total		Ops		Loss		Berth					
						In	Out	Cntrs	TEUs	Hrs	Hrs	Hrs	Hrs	1st	2nd	3rd	4th	5th	
Cattleya	152	03 Oct - 07:06	03 Oct - 23:48	03 Oct - 09:20	03 Oct - 23:12	117	101	218	283	13.9	2.9	16.7	0:00	0:00	12	23	19.1	16.3	
Orchid	55	09 Oct - 11:12	10 Oct - 17:24	09 Oct - 14:22	10 Oct - 17:03	153	139	292	399.3	26.7	14.2	30.2	0:00	0:00	16	8	14.7	8.6	
Rose	46	19 Oct - 14:26	20 Oct - 11:00	19 Oct - 15:58	20 Oct - 10:08	147	181	328	427	18.2	2.9	19.6	0:00	0:00	8	17	19.3	16.5	
Cattleya	153	22 Oct - 16:42	24 Oct - 06:12	22 Oct - 20:18	24 Oct - 05:56	129	166	295	412	33.6	14.9	37.5	1:04	0:00	8	6	11.9	7.4	
Orchid	55	25 Oct - 07:12	26 Oct - 07:06	25 Oct - 08:43	26 Oct - 06:31	189	159	348	451	21.8	5.5	23.9	0:00	0:00	20	10	17.9	13.9	
Total:						735	746	1481	1972.3										

Monthly Nmpt/Gmph Average: 16.6 | 12.5

"CTSI" (Mell)

Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	Lifts		Total		Ops		Loss		Berth					
						In	Out	Cntrs	TEUs	Hrs	Hrs	Hrs	Hrs	1st	2nd	3rd	4th	5th	
Frisia Lahn	001	04 Oct - 01:32	04 Oct - 18:54	04 Oct - 02:57	04 Oct - 18:01	155	225	380	482	15.1	7.2	17.4	0:00	0:19	20	14	21.9	15.4	
BC Mumbai	002	11 Oct - 10:42	12 Oct - 07:18	11 Oct - 13:36	12 Oct - 06:31	137	206	343	450	15.9	4.1	20.6	0:00	0:25	14	17	22.4	17.7	
Maren S	008	17 Oct - 12:50	17 Oct - 14:12	16 Oct - 19:49	17 Oct - 10:05	152	122	274	342	14.3	7.2	25.4	0:09	0:00	13	13	19.1	12.7	
Frisia Lahn	2	25 Oct - 04:00	26 Oct - 03:18	25 Oct - 05:43	26 Oct - 02:48	128	201	329	412	21.1	5.6	23.3	0:00	0:25	20	14	17.6	13.5	
Total:						572	754	1326	1666										

Monthly Nmpt/Gmph Average: 20.3 | 14.8

"MSA" (Pacific Condor)

Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	Lifts		Total		Ops		Loss		Berth					
						In	Out	Cntrs	TEUs	Hrs	Hrs	Hrs	Hrs	1st	2nd	3rd	4th	5th	
									0										
		No Vessel						0											
								0											
								0											
								0											
Total:						0	0	0	0	0	0	0							

Monthly Nmpt/Gmph Average: ### | ###

OCTOBER 2015
VESSEL RECAP

Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	Lifts		Total Chrs	Total TEUs	Ops Hrs	Loss Hrs	Berth Hours	Gantry #3	Gantry #4	Gantry #5	Gantry #6	Shift GMPH					Gmph								
						In	Out										1st	2nd	3rd	4th	5th									
																							Nmph							
Shantung	1515s	10 Oct - 21:06	11 Oct - 09:18	10 Oct - 22:30	11 Oct - 05:05	51	62	113	145	6.6	0.9	12.2						0:00	21				25.6	21.2						
Shansi	1516s	31 Oct - 07:06	01 Nov - 02:06	31 Oct - 09:10	31 Oct - 23:41	100	49	149	199	14.5	7.3	19.0						0:00	0:12	16	27		25.2	11.3						
Total:												151	111	262	344													Monthly Nmph/Gmph Average:	25.4	16.3

**CY 2015 PAG CRANES
MONTHLY REPORT**

	Total Ops Hrs	Total Vessels	Total Shifts	Total Container Moves	Total Down Time (Hrs)	Types of repairs performed
January	0	0	0	0	0	n/a
Gantry #3	108.7	7	16	1597	3.7	power,spreader,gantry
Gantry #4	176.8	16	31	3355	3.8	power,twistlock,brakes,spreader
Gantry #5	134.9	12	29	2150	1.3	power,light panel,twistlock
Gantry #6	0	0	0	0	0	n/a
February	85.7	8	13	1247	2.1	power,spreader
Gantry #3	101.6	9	17	2137	1.3	hoist,spreader,motor,engine
Gantry #4	130	14	22	2374	1.7	spreader
Gantry #5	0	0	0	0	0	n/a
Gantry #6	19	2	3	437	1.1	power
March	286.3	19	43	5039	5.7	power,spreader,gantry wheel,hoist,light
Gantry #3	216.4	15	29	3960	14.5	spreader,hoist,power tripping,spreader,twistlock
Gantry #4	0	0	0	0	0	n/a
Gantry #5	0	0	0	0	0	generator under repair
Gantry #6	189.8	12	29	3721	4.9	power,twistlock,spreader
April	236.7	15	40	3781	1.6	power,spreader,brakes
Gantry #3	0	0	0	0	0	n/a
Gantry #4	0	0	0	0	0	Under repair status
Gantry #5	119.6	15	31	3658	1.7	Hoist,spreader,power,brake,gantry
Gantry #6	143.9	11	27	2869	2	Spreader,power,loose parts,trolley
May	0	0	0	0	0	n/a
Gantry #3	0	0	0	0	0	Still under repair status.
Gantry #4	178.5	14	35	3960	2.5	Spreader,power,gantry,brake
Gantry #5	191	14	32	3661	8.1	Gantry,twistlock,power cable
Gantry #6	0	0	0	0	0	n/a
June	0	0	0	0	0	Still under repair status.
Gantry #3	0	0	0	0	0	Still under repair status.
Gantry #4	172.7	15	33	4254	3.1	Power.spreader,hoist,lubrication,engine check
Gantry #5	286.5	19	45	4675	1.0	Lights, spreader
Gantry #6						

PORT AUTHORITY OF GUAM
Jose D. Leon Guerrero Commercial Port
ENGINEERING/CIP DIVISION
Piti, Guam 96925

November 9, 2015

MEMORANDUM

TO: General Manager

FROM: Engineer Manager

SUBJECT: 2015 Summary Status
: Ongoing & Proposed CIP Projects
: Guam Commercial Port Improvement Program

The following is a summary list of on-going projects to include the Guam Commercial Port Improvement Program projects. *Latest developments are italicized.*

1) PROJECT: **Replacement of Welded Steel Petroleum Distribution Piping & Appurtenances**

RFP NUMBER: PAG-011-004

CONTRACTOR: Rex International, Inc.

PROJECT AMOUNT: \$1,538,819.00

PAYMENT TO DATE: \$813,907.11

CHANGE ORDER: \$5,274.54 (CO1)

TOTAL AMOUNT \$1,544,093.54

BALANCE TO DATE: \$724,911.89

DESIGNER: N.C. Macario & Associates

FUNDING SOURCE: 1) A/E Design funded by PAG (\$289,928.18)
2) CM funded by PAG (\$245,000.00)
3) Available fund by FHWA (\$2,464,042.22)

A/E Completion Time: February 10, 2012

PAYMENT TO DATE: \$289,928.18 (Design)

BALANCE TO DATE: \$0.00 (Design)

NOTICE TO PROCEED: May 5, 2014 (Construction)

COMPLETION TIME: March 1, 2015 ext. September 30, 2015

Construction Manager: Parson Transportation Group, SSFM, & Port Engineering/CIP Division

CM COST: \$245,000.00 (CM)

CHANGE ORDER: \$96,423.00 (CO1:\$55,968.00, CO2:\$40,455.00)

TOTAL CM COST: \$341,423.00

PAYMENT TO DATE: \$0.00 (CM) (DPW & PTG)

BALANCE TO DATE: \$0.00(CM)

POINT OF CONTACT: Alex Dorado, Design Engr.(NCMA)
Maria Alves, (PTG)
Buster Anderson (PTG)
Crispen Bensen, (DPW)
PAG ENGG/CIP Div.

WORK STATUS: An independent Holiday Test was done by PCS for a 15% of total length on 9/28/2015. Test report will be submitted by

WORK STATUS:

An independent Holiday Test was done by PCS for a 15% of total length on 9/28/2015. Test report will be submitted by SSFM. Mobil's open window on punch list works will be on 10/5-14/2015.

Final Inspection contracted by PAG, DPW & FHWA was conducted on October 7, 2015. Plat form was completed on the week of October 12th thru 16th. Punch list on pipelines are ongoing. Still awaiting on the Waterline for the eye wash connection, this item will be a change order. Awaits contract close-out.

2) PROJECT:

Concrete Storm Drain Channel System Upgrade

IFB NUMBER:

PAG-012-00

CONTRACTOR:

N/A

PROJECT AMOUNT:

\$700,000.00 (Conservative estimate)

DESIGNER:

Design-Built

FUNDING SOURCE:

Port Authority of Guam

NOTICE TO PROCEED:

N/A

COMPLETION TIME:

6 months after NTP

PAYMENT TO DATE:

\$0

Construction Manager:

Port Engineering/CIP Division

WORK STATUS:

N/A

NOTE:

Bid opening was on October 3, 2012. Lowest responsive bid was \$330,000.00 (BME & Sons). Procurement issued a cancellation letter in regards to GEPA requirements affecting this project. Project on hold for additional funding supplement. Project is deferred until the next fiscal year. Engineering office will forward the updated technical scope to A/E Designer for drafting the design plan. Project will be forwarded to A/E for design draft. Awaiting for Cost & Design Plan from AmOrient Engineering.

3) PROJECT:

Concrete Catwalk Repair, LS (Agat Marina Launching Ramp)

IFB NUMBER:

PAG-015-004

CONTRACTOR:

ProPacific Builders

PROJECT AMOUNT:

\$57,818.52

DESIGNER:

Design-Built

FUNDING SOURCE:

Department of Agriculture, Sport Fish Restoration/Boating Access Grant # F-21-B1

NOTICE TO PROCEED:

September 8, 2015

COMPLETION TIME:

February 8, 2016 (5 months after NTP issuance)

PAYMENT TO DATE:

\$0

BALANCE TO DATE:

\$0

Construction Manager:

Port Engineering/CIP Division

WORK STATUS:

N/A

NOTE:

DoAg is waiting for the amendment letter from USFW on this project. Meeting with USFW & DAWR on 2/6/2014 & was informed that the amendment letter is forthcoming. DoAg give the go signal on 3/17/2015 & work permit is forwarded to BBMR for confirmation of fund. Procurement office to indorsed BOD approval. PAG received the approved Work Permit from BBMR on 4/3/2015 & Procurement office to advertise project

for bid. Bid opening was on 6/5/2015, ProPacific Builder as a sole bidder for \$57,818.52. Procurement office to issue Bid Analysis for management approval. Contract is routed for PAG signatories & NTP will be issued to contractor once contract is signed. NTP will be issued on 9/8/2015 & conduct a precon meeting. PPB submitted the 65% drawing plan on 9/22/2015 & PAG return with comments to be incorporated in the 100% drawing plan on 9/23/2015.

Final Design completed on November 2, awaiting Engineer Design Seal for Building permit.

4) PROJECT:

RFP NUMBER:

DESIGNER:

PROJECT AMOUNT:

FUNDING SOURCE:

NOTICE TO PROCEED:

COMPLETION TIME:

PAYMENT TO DATE:

BALANCE TO DATE:

POINT OF CONTACT:

WORK STATUS:

NOTE:

A/E Design Consultant Services

PAG -013-002/P.O. # 10882-OF

AmOrient Engineering

T.O. # 1 - \$182,000.00, T.O. # 2 -\$2,750.00,

T.O. # 3 - \$29,650.95 & T.O. # 4 - \$85,000.00.

Port Authority of Guam

January 6, 2014

May 6, 2014 (4 Months after NTP)

\$145,019.70

\$36,980.00

John Robertson, GM (AmOrient Engg.)

Aquilino Cabrias, Design Engr. (AmOrient Engg)

PAG ENGG/CIP Div.

AmOrient is preparing the design plans & specifications for projects.

Task Order # 2 (Environmental-LC-1/LC-4/LC-5 (Generator air emission) & Task Order # 3(Environmental-Harbor of Refuge) will be issued out to the consultant. AmOrient submitted the SoW for T.O.# 3 on 8/27/2014. Planning forwarded the SoW to DoAg on 9/10/2014 for comments. T.O.#3 is routed for certification of funds & approval. AmOrient is preparing the design aspects & is due by 7/6/2015. Designer is working on the Harbor of Refuge environmental assessment. Designer to submit design cost for Wheel Stopper Repair, CY Striping, CY Asphalt/Concrete Pavement Repair, Storm Drain Upgrade, CY Waterline Valves Repair, & Southside Perimeter Fence Light Pole Upgrade. Awaiting from AmOrient Engineering the design cost. Harbor of Refuge Repair design plan was signed & will be advertized for bid upon approval by DoAg.

PAG still await the DoAg confirmation letter prior to Bid ads.

Task Order No. 4 contains Yard Improvement Design 35% submittal November 2, 2015.

5) PROJECT:

IFB NUMBER:

CONTRACTOR:

DESIGNER:

PROJECT AMOUNT:

CHANGE ORDER:

TOTAL AMOUNT:

FUNDING SOURCE:

NOTICE TO PROCEED:

High & Low Tower Repair & Upgrade Project

PAG-014-006

ProPacific Builders

AmOrient Engineering

\$277,999.00

CO1: \$64,491.02 CO2: \$10,500.00

\$352,990.02

Port Authority of Guam

April 6, 2015

COMPLETION TIME: October 2, 2015 (extended to Nov. 6, 2015)
PAYMENT TO DATE: \$307,387.64
BALANCE PAYMENT: \$45,602.38
Construction Manager: AmOrient Engineering/Port Engineering/CIP Division
POINT OF CONTACT: Vicente Escanilla, Proj. Manager (ProPacific Builders)
Jerlie M. Gutierrez, Proj. Engr. (PPB)
Aquilino Cabrias, Design Engr. (AmOrient)
PAG ENGG/CIP Div.

WORK STATUS: Bid opening was scheduled on 7/17/2014. Lowest responsive bid is ProPacific Builder (\$277,999.00), 2nd is BME & Sons (\$284,578.52), 3rd is Allied Builders (\$285,320.00). Procurement is doing the bid evaluation for management approval. ProPacific Builders is processing for DPW building permit. DPW is requesting for a Flood Certification on this project. PAG is awaiting on the appraisal process for the Lower Tower & High Tower buildings in getting the Flood Certification. PAG received the building appraisal & contractor submit appraisal report for attachment on the DPW building permit. DPW Building Permit was secured on 3/19/2015. NTP was issued on 4/6/2015 & contractor to start mobilization. Repair work in Low Tower bldg. is 50% complete & High Tower bldg. work is 20%. Lower Tower work is 80% complete & High Tower is at 79% complete. Work completion for Lower Tower is 95% & for High Tower is 90%. PPB is doing the CO2 on electrical works in High Tower building & started the railing installation in Lower Tower building.
Final inspection on October 16, 2015. Occupancy permit was given on October 9, 2015. Operations personnel are currently moving in the building. Awaits Final billing & Close-Out document.

6) **PROJECT:** Marine SLE Project, Wharf Repairs
IFB NUMBER: PAGCIP-014-005
CONTRACTOR: BME & Sons Inc.
PROJECT AMOUNT: \$4,541,635.00
DESIGNER: Parson Brinkerhoff
PURCHASE ORDER: No. 11332 OF
CHANGE ORDER: \$45,000.00 (CO1), \$68,958.00 (CO2)
TOTAL AMOUNT: \$4,655,593.00
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: January 5, 2015
COMPLETION TIME: January 5, 2016 (360 CD)
PAYMENT TO DATE: \$2,766,228.60
BALANCE TO DATE: \$1,889,364.40
CM COST: \$459,724.54
PAYMENT TO DATE: \$268,173.42 (CM)
BALANCE TO DATE: \$191,551.12 (CM)
Construction Manager: EMPSCO & Port Engineering/CIP Division
POINT OF CONTACT: Danny Natividad, Proj. Manager (BME & Sons)
Mhanny Sebastian, Proj. Engr. (BME & Sons)
Jun Capulong, Consultant (EMPSCO)
Ferdie F. Cabuhat, Proj. QC (EMPSCO)
PAG ENGG/CIP Div.

WORK STATUS:

Bid opening was on 6/17/2014 & bid result has BME (\$4,541,635.00), Black Construction Corp.(\$4,677,318.00) & SmithBridge (\$8,978,324.88). Procurement is preparing the bid evaluation for management approval. Procurement is awaiting approval by PAG BoD for the Construction Manager budget. PNTP was issued on 9/29/2014. Contractor awaiting the DPW Building Permit approval. NTP was issued on 1/5/2015 & contractor start mobilization. Spur rail removal complete & asphalt pavement pouring is on 2/23-25/2015. Received divers certificate renewal copies & contractor to schedule the Wharf F3 debris removal work. Debris removal & drop-off anodes along Wharf F3 is complete & start prepping sheet pile for anode installation. On-going works under Wharf F5 concrete beams/columns for spalls & cracks. Wharf F3 anode installation is at 90% complete. Anode full welding installation is at Wharf F4 Sta.10+00. FRP material's ETA will be on 9/1/2015 & FRP techrep will be on island on 9/9/2015 to supervise the FRP installation underneath wharf F5. BME continue full welding anode installation in F4 @ Sta.11+00 & part of Wharf F6. FRP jacket installation & epoxy grout pouring was observed by the FRP techrep on 9/10-14/2015 & work set-up was approved. Anode installation is on-going in F4, Sta.14+04 & in F5, Sta.14+05 to Sta.27+04.

Work ongoing on Anode installation at F-5 & F-6 awaiting FRP materials and additional grout. ETA end of November. Work ongoing on Crack & Spalls. C.O. No.3 will be submitted for approval/

7) PROJECT:

IFB NUMBER:

CONTRACTOR:

PROJECT AMOUNT:

DESIGNER:

CHANGE ORDER:

TOTAL AMOUNT:

FUNDING SOURCE:

NOTICE TO PROCEED:

COMPLETION TIME:

PAYMENT TO DATE:

BALANCE TO DATE:

Construction Manager:

POINT OF CONTACT:

WORK STATUS:

F1, F3, & CY Chain Link Perimeter Fence Replacement

PAGCIP-015-001

Inland Builders Corp.

\$197,850.00

Design-Built

CO1: \$24,320.20

\$222,170.20

Homeland Security Grant # 2013 PSGD

April 20, 2015

October 17, 2015 (6 months after NTP issuance)

\$84,124.70

\$138,045.50

PAG ENGG/CIP Division

PAG Engineering Office

Project will be indorsed for BoD approval on 12/15/2014. Bid opening is on 2/10/2015. Procurement is preparing the Bid Analysis for GM approval. Contract is under review by Port's legal Office. Contract routed for signatories. Contractor is awaiting DPW permit approval. Concrete pole formwork inspection was on 8/14/2015 in contractor's jobsite.

Contractor start mobilization on 8/26/2015 in F1 Pier for pole foundation drilling.

On-going excavation & schedule concrete pour on the remaining nine post foundation in F1 area. Start post foundation excavation in CY area near gate G4.

- 8) PROJECT: Relocation & Installation of Emergency Generators**
 IFB NUMBER: PAGCIP-015-002
 CONTRACTOR: ProPacific Builders
 PROJECT AMOUNT: \$249,400.00
 DESIGNER: Design-Built
 CHANGE ORDER: \$72,713.86
 TOTAL AMOUNT: \$322,113.86
 FUNDING SOURCE: Homeland Security Grant # EMW-2011-PU-00200
 NOTICE TO PROCEED: April 6, 2015
 COMPLETION TIME: August 6, 2015, extended Nov.6, 2015
 PAYMENT TO DATE: \$252,927.39
 BALANCE TO DATE: \$69,186.47
 Construction Manager: PAG ENGG/CIP Division
 POINT OF CONTACT: PAG Engineering Office
 WORK STATUS: Bid opening is on 1/27/2015. Bid analysis was approved by PAG Management & contract is reviewed by the Port's legal. Contract routed for PAG signatories & will be forwarded back to Port Legal for signature. NTP was issued on 4/6/2015 & contractor is processing for DPW building permit & submittals. Building Permit was finally issued on 7/6/2015 after Flood Certificate requirement. Work is prioritized on LC-1 & LC-4 due to load factors. LC-1, LC-2, LC-3, & LC-4 generators are ready for start-up & load bank testing. Awaiting Hawthorne Cat technician schedule. Hawthorn Cat is scheduled on 10/5/2015 for Start-up & load bank testing in LC-1 building.
Commissioning of Gen Set & ATS November 4, LC-1, LC-2, & LC-4. Trouble shoot LC-1 that failed awaiting Roof Vents ETA end of November.
- 9) PROJECT: Hotel Wharf 's Bollard/Cleat Pull Test**
 RFQ NUMBER: PAGCIP-015-00_
 CONTRACTOR: N/A
 PROJECT AMOUNT: (\$50,000.00 Conservative estimate)
 DESIGNER: N/A
 CHANGE ORDER: \$0
 TOTAL AMOUNT: \$0
 FUNDING SOURCE: Port Authority of Guam
 NOTICE TO PROCEED: N/A
 COMPLETION TIME: (1 Month after NTP)
 PAYMENT TO DATE: \$0
 BALANCE TO DATE: \$0
 Construction Manager: PAG ENGG/CIP Division
 POINT OF CONTACT: PAG Engineering Office
 WORK STATUS: Engineering routed project for account system approval. Project is not in the priority listing & will be deferred to the next Fiscal Year budget.
- 10) PROJECT: GDP Marina Ejector Pump Repair**
 IFB NUMBER: PAGCIP-015-003
 CONTRACTOR: ProPacific Builders Inc.
 PROJECT AMOUNT: \$78,800.00
 DESIGNER: Design-Build

CHANGE ORDER: \$0
 TOTAL AMOUNT: \$0
 FUNDING SOURCE: DOI F&WS/DoAg
 NOTICE TO PROCEED: September 8, 2015
 COMPLETION TIME: January 7, 2016 (122 CD after NTP)
 PAYMENT TO DATE: \$0
 BALANCE TO DATE: \$0
 Construction Manager: PAG ENGG/CIP Division
 POINT OF CONTACT: PAG Engineering Office
 WORK STATUS: Procurement office to issue Bid Analysis for management approval. Contract is routed for PAG signatories & NTP will be issued to contractor once contract is signed. NTP will be issued on 9/8/2015& conduct a precon meeting.
PPB submit the 65% drawing plan on 9/22/2015 & PAG return with comments to be incorporated in the 100% drawing plan on 9/23/2015.

***COMPLETED PROJECTS:**

- 1) PROJECT: North Side CY CMU Wall Upgrade Project**
 IFB NUMBER: PAGCIP-014-003
 CONTRACTOR: Allied Builders & Construction
 PROJECT AMOUNT: \$69,900.00
 DESIGNER: Deign-Built
 PAYMENT TO DATE: \$56,619.00
 CHANGE ORDER: \$6,832.28(CO1), \$11,077.50(CO2)
 TOTAL AMOUNT: \$87,809.88
 BALANCE TO DATE: \$0
 FUNDING SOURCE: Homeland Security Grant (No. 2013 PSGD CMU WALL # EMW-2013-PU-00206-SOI)

 NOTICE TO PROCEED: August 4, 2014
 COMPLETION TIME: January 29, 2015
 Construction Manager: Port Engineering/CIP Division
 POINT OF CONTACT: Hector Quioc, GM (Allied Builders)
 PAG ENGG/CIP Div.

 WORK STATUS: Project is 100% complete.

- 2) PROJECT: CFS Building Roof Leaks & Spalls Repair**
 CONTRACTOR: ProPacific Builder Corp.
 IFB NUMBER: CIP014-004
 PROJECT AMOUNT: \$189,000.00
 DESIGNER: AmOrient Engineering
 CHANGE ORDER: \$17,916.25(CO1), \$60,000.00 (CO2)
 TOTAL AMOUNT: \$266,916.25
 FUNDING SOURCE: Port Authority of Guam
 NOTICE TO PROCEED: August 18, 2014
 COMPLETION TIME: February 13, 2015 extended April 13, 2015
 PAYMENT TO DATE: \$266,916.25
 BALANCE TO DATE: \$0.00
 Construction Manager: AmOrient Engineering/Port Engineering/CIP Division
 POINT OF CONTACT: Vicente Escabillas, Proj. Manager. (ProPacific Builders)

Aquilino Cabrias, Design Engr. (AmOrient)
PAG ENGG/CIP Div.
100% Complete

WORK STATUS:

- 3) **PROJECT:** **Agat Marina Docks "C", "D" & Floating Dock Improvement**
IFB NUMBER: PAGCIP-014-002
CONTRACTOR: AIC International, Inc.
PROJECT AMOUNT: \$1,593,208.00
DESIGNER: Bluewater Marine & Dock Specialties
PAYMENT TO DATE: \$636,526.53
CHANGE ORDER: \$0
FUNDING SOURCE: U.S. Department of Interior & Port Authority of Guam
NOTICE TO PROCEED: August 18, 2014
COMPLETION TIME: May 14, 2015
BALANCE TO DATE: \$0.00
Construction Manager: Port Engineering/CIP Division
POINT OF CONTACT: Ben Payumo, Proj. Manager (AIC Int.)

PAG Strategic/Planning
PAG Commercial/PPD Section
PAG ENGG/CIP Div.

WORK STATUS:

100% Complete

- 4) **PROJECT:** ***LC -4 Metering Cabinet Replacement***
IFB NUMBER: PAG-014-007
CONTRACTOR: M. D. Crisostomo Inc.
PROJECT AMOUNT: \$71,882.28
DESIGNER: Design-Built
CHANGE ORDER: \$0
TOTAL AMOUNT: \$0
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: January 26, 2015
COMPLETION TIME: June 27, 2015 extended July 20, 2015
PAYMENT TO DATE: \$71, 882.28
BALANCE TO DATE: \$0
Construction Manager: PAG ENGG/CIP Division
POINT OF CONTACT: PAG Engineering Office
WORK STATUS: 100% Complete

- 5) **PROJECT:** ***Exploration of Missing Anchor Bolts for Mooring Cleat @ F6 Sta.23+60***

RFQ NUMBER: P.O. # 11845-OF
CONTRACTOR: Allied Builders Inc.
PROJECT AMOUNT: \$13,800.00
DESIGNER: Design-Built
CHANGE ORDER: \$0
TOTAL AMOUNT: \$13,800.00
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: June 4, 2015
COMPLETION TIME: August 4, 2015
PAYMENT TO DATE: \$0
BALANCE TO DATE: \$13,800.00
Construction Manager: PAG ENGG/CIP Division
POINT OF CONTACT: PAG Engineering Office

WORK STATUS:

Routed for PAG approval signatories. Procurement Office is soliciting bid quotes from PAG contractors. Allied Builders acknowledged P.O.& signed 6/4/2015 to start project. Contractor start exploration work & is on-going.

Contractor to lay-out six anchor bolts, provide base plate & install reuse cleat.

FY-15 WORK INJURY REPORT
 (01/01/15 to 11/10/15)

<u>Divisions</u>	<u>*Lost-time</u>	<u>**Recordable</u>	<u>*** Refused Treatment</u>
Stevedoring	3	0	3
Transportation	1	0	2
Terminal	1	1	0
EQMR	2	2	1
Others	<u>2</u>	<u>2</u>	<u>1</u>
Total	9	5	7

Work Injury Summary for this reporting period: 11/10/2015

Total injuries for FY-15 to date 21 – Injuries
 9 -- Lost-time
 5 – Recordable
 7 – Refused Medical Attention

Last disabling work injury was on: 09/09/2015

Number of days since last disabling work injury: 1-day

Note: PAG best record was 222 days or 7 months w/o a disabling work injury

***Lost-time** = If an employee was injured on the job and medical doctor sent him/her home, his/her injury is considered a lost-time.

****Recordable** = If an employee was injured on the job and medical doctor treated him/her and released him/her back to work on the same day (Recordable because of medical charges).

*****Refused Medical Attention:** Filed WC Forms 201 & 202 for record purposes only.

PIPELINE EASEMENT AGREEMENT
(NEW EASEMENT)

This Pipeline Easement Agreement ("Easement Agreement") is entered into this day of _____, 2015 between the Port Authority of Guam ("PAG"), a public corporation and autonomous instrumentality of the Government of Guam, and IP&E Holdings, LLC ("IP&E"), a limited liability company organized under the laws of the Commonwealth of the Northern Marianas Islands and licensed to do business on Guam. PAG and IP&E each is sometimes referred to individually as "Party" and collectively as the "Parties".

In consideration of the payment of consideration herein provided and of the other terms and conditions contained herein the Parties agree as follows:

1. Grant of Easement. PAG does hereby grant to IP&E an irrevocable easement for the purpose of laying, constructing, operating, inspecting, maintaining, repairing, replacing, substituting, relocating and removing pipelines for the transportation of petroleum products in, over and through the easement and for other related purposes ("Easement"), across portions of Cabras Island as described herein, on the terms and conditions set forth below.

2. Easement Premises. The premises which are subject to the Easement Agreement are described in Exhibit A hereto, and shown on the map attached as Exhibit B hereto, and consists of real property in and adjacent to Cabras Island Guam and Apra ("Easement Premises"), subject (i) to all conditions and reservations set forth in that Quitclaim Deed between the United States of America and the Government of Guam dated April 4, 1969, attached hereto as Exhibit C, and (ii) to the terms and conditions herein contained.

3. Term. The term of the Easement shall commence _____, 2015 and shall continue for a period of five (5) years (the "Term"). The terms, covenants and conditions contained in this Easement Agreement shall be applicable to the Easement Premises which are the subject of the Easement and be binding upon the Parties from and after the date of execution of this Easement Agreement

4. Consideration.

(a) Term. Subject to the conditions in this Section 4, IP&E shall pay to PAG, as consideration for use of the Easement Premises, during the Term of _____, 2015 through _____, 2020, the amount of SIX THOUSAND FIVE HUNDRED NINETY-SEVEN and NO/100 (\$6597.00) per year. The Parties acknowledge that the annual use rate for the Term as set forth above is based on the interim rates for easements as approved by the Public Utilities Commission ("PUC") effective February 1, 2010 as noted below in Section 4(b).

(b) Use Rate. The consideration set forth in Section 4(a) of this Easement Agreement has been determined pursuant to the easement use rate established and approved by

the PUC pursuant to that certain Order Approving Interim Tariffs and Rates for the Port Authority of Guam dated January 29, 2010 under Port Docket 09-02 and made effective February 1, 2010 (hereinafter the "Order") and the appraisals of the Port premises conducted in connection therewith. As set forth in the Order, the formula to determine easement use rate for pipelines located on land with existing easement rights of ways shall be as follows:

Fair Market Value x Rent Factor x 25%.

(c) PUC Rate Modifications. The annual use rate for the Easement Premises for this Term, and the method of calculating said use rates, as set forth above, may be subject to adjustment by the PUC in accordance with its authority under Public Law 30-52, or may be otherwise modified in accordance with applicable law. In the event that any such amendment or modification to the annual use rate, or the method or formula for calculating such rates as noted above in Section 4(b), shall require a redetermination of the fair market value of the Easement Premises, IP&E, to the extent permitted by applicable law or the PUC, agrees to hire, at its cost and expense, an MAI certified appraiser mutually agreeable to the Parties for purposes of determining said fair market value of the Easement Premises for the remaining term of this Easement Agreement. The Parties agree to accept and be bound by such appraiser's determination of the fair market value of the Easement Premises for purposes of any such modifications or adjustment of the easement use rate fee, including the method of calculating the same, as provided in Section 4 (b) above. Any change in the easement use rate payable by IP&E pursuant to Section 4(a) above as a result of said modifications shall take effect upon the execution by the Parties of a written amendment to this Easement Agreement.

(d) Payment. The annual payments for the Term of this Agreement shall be payable semi-annually in advance on the 1st day of June and the 1st day of December during the respective term, with one-half (1 /2) of each year's annual use rate to be paid on each semi-annual payment date. The payment for this Term shall be payable in advance on the effective date of the Easement, prorated from the effective date to the time of the next semi-annual payment due date (whether June 1 or December 1, as the case may be), and the remaining payments shall thereafter be paid semiannually as set forth above. The final payment will be calculated based on the number of months and/or days remaining in the term after the last semi-annual payment due date.

5. Easement Not Exclusive. The Easement is non-exclusive. IP&E shall not install any additional pipelines without the prior written consent of PAG which consent PAG shall not unreasonably withhold, provided, however, that the construction and installation of additional pipelines shall be in accordance with accepted industry standards, and provided further that PAG may, without limitation, condition its consent to such additional pipelines on such additional pipelines being made available by PAG to others at reasonable charge and upon reasonable conditions. It is understood that, as of the time of the execution of this Easement Agreement, there are existing pipelines owned by third parties within all or part of the Easement Premises, including pipelines owned by South Pacific Petroleum Corporation and IP&E

expressly acknowledges and accepts the existence of such pipelines. It is further understood that the intention of PAG is that space within the area of the Easement shall be available for future use by PAG and/or third parties and that any future additional pipelines which IP&E desires to install shall not preclude the availability of the Easement area to PAG and third parties. PAG or any third parties authorized by PAG shall have the right at PAG's sole cost, risk and expense to lay, construct, operate, maintain, repair, replace, substitute and relocate pipelines for the transportation of petroleum products and other liquid products in, over and through all or any portion of the Easement Premises which are the subject of the Easement. The pipeline rights herein granted include pipelines together with all necessary and proper valves and other appliances, controls and fittings. Provided however that in laying, constructing, operating, inspecting, maintaining, repairing, replacing or relocating any pipelines, PAG shall not unreasonably interfere with the existing pipelines of IP&E currently located in the Easement Premises which are shown on Exhibit D hereto. IP&E confirms and represents that Exhibit D attached hereto is in all material respects accurate and correct as of the date of this Easement Agreement. In exercising any of its rights hereunder, PAG shall at all times act so as to occasion the least practicable safety risk and inconvenience to IP&E. The rights granted to PAG under this Section 5 may be in whole or in part from time to time transferred, or assigned, or granted by PAG to third parties designated by PAG on condition that any such third parties shall be bound by the terms of this Section 5.

6. Waste. Leakage. IP&E shall not allow any condition to exist concerning its pipes on and within the Easement Premises which would constitute material contamination (meaning such contamination as would constitute a violation of federal or territorial laws or regulations or pose a danger to public health or which, where prosecution or a civil action instituted, would likely result in liability that would be material relative to the value of the Easement Premises) or which would constitute a violation of any environmental law, rule, regulation or order. IP&E shall not dispose of or allow to escape from any pipe, tank or container, any hazardous substances or toxic substances (meaning such wastes or substances as would be deemed hazardous or toxic under any applicable federal or territorial law or regulation) on or into the Easement Premises. IP&E shall notify PAG, in writing, of any material contamination or leakage on the Easement Premises, or of any citation or notification from any regulatory agency charging a violation of any environmental law, rule, regulation or order with regard to the Easement Premises, within five (5) business days of such event or notification. In the event of any leakage or escape of any substance of any kind (whether hazardous or toxic or otherwise) within or onto the Easement Premises or any part thereof or any surrounding waters from any pipeline, or tank, or container owned or operated or controlled by IP&E or its officers, agents, employees, servants, invitees or licensees, IP&E shall at its own expense immediately take such corrective action as will remove the substance from the Easement Premises and any adjoining waters and shall restore such lands and waters to the condition prior to such leakage or escape, whether or not the same shall have been occasioned by the negligence or lack of diligence on the part of IP&E, its officers, agents, employees, servants, invitees, licensees or others. If after notification to IP&E, IP&E has not removed the substances within a reasonable time, PAG upon fifteen (15) days' prior written notice to IP&E shall have the right to remove the substances and charge the cost of such removal to IP&E. IP&E shall indemnify PAG with regard to any fines, assessments, charges or injury or damage,

resulting from any leakage or escape of any substance of any kind in accordance with Section 7 below.

7. Indemnification. In the event death or any injury occurs to any person (including without limitation any officer, agent, employee, servant, invitee or licensee of IP&E), or in the event loss, destruction or damage occurs to any property of any person (including without limitation the Easement Premises or any buildings, structures or improvements thereon) in connection with any use or occupancy of the Easement Premises by IP&E, its officers, agents, employees, servants, invitees and/or licensees, or in the event any rulings, orders, or fines are charged, assessed or levied in connection with such use or occupancy of the Easement Premises by IP&E and the others mentioned above (including but not limited to fines associated with any leakage or escape of any substance as set forth in Section 6 *above*), IP&E agrees to indemnify and save and hold harmless PAG and the Government of Guam and its officers, agents, employees, servants and contractors of and from all claims, demands, actions, causes of action, fines or assessments of every nature and character whatsoever in law or equity resulting from such *use* or occupancy of the Easement Premises by IP&E and the others mentioned above. Provided, however, the foregoing indemnification provisions and the agreement to take corrective action as to leakage or escape of any substance from pipes, tanks, and containers set forth in Section 6 *above*, shall not extend to any death or injury or damage caused by any willful or negligent act or omission of PAG, its officers, agents, employees, servants, or contractors or assignees, or transferees in the course of their employment and during the exercise of any rights provided for in Section 5 of this Easement Agreement. Provided further the foregoing indemnification provisions and agreement to take corrective action are not intended expressly, or by implication, to prevent IP&E from asserting claims against any third party in the event of any death or injury or damage caused in whole or in part by any such third party (including without limitation any third party transferee to whom the right to lay pipelines has been granted by PAG).

8. Termination. Relocation. If at any future time, PAG determines that the continued maintenance and operation of any pipeline or other improvement or any portion thereof within the Easement, unduly interferes with any of its activities, IP&E shall relocate within the Easement area any such pipeline or other improvement or portion thereof at IP&E's expense or if PAG shall determine that relocation within the Easement area is not feasible then it shall have the right to terminate the Easement, in whole or in part, to the extent necessary to eliminate such interference; provided that, in the event of such termination unless PAG shall have determined that relocation to another location is not feasible, it shall convey to IP&E, without additional charge, a substitute easement permitting IP&E to relocate the pipeline or improvement, or portion thereof, on adjacent PAG property, at IP&E's cost and expense. The substitute easement shall contain the same terms and conditions as those of this Easement Agreement, and shall bear the same expiration date.

9. Title to Property and Improvements. At the expiration of the term or earlier termination of this Easement Agreement, whichever applies, title and possession of the pipelines and other property and improvements belonging to IP&E located or placed on or within

the Easement Premises shall remain the property of IP&E, and IP&E may, at its discretion, remove such pipelines or other property on or before the expiration of this Easement Agreement, or such earlier termination as provided under the terms of this Easement Agreement, provided it shall restore, at IP&E's sole cost and expense, the Easement Premises to its original condition.

10. Repair and Maintenance. During the term of this Easement Agreement, and any extensions thereof, IP&E shall maintain in good condition, and repair as necessary, the pipelines and the improvements located on or within the Easement Premises. Notwithstanding any provision to the contrary in this Easement Agreement (except for any indemnity obligation of PAG under the Easement Agreement) during the term of this Easement Agreement, and any extensions thereof, PAG shall have no obligation to pay for the repair, replacement and maintenance of the pipelines and the improvements located on or within the Easement Premises.

11. Assignment. IP&E may at any time assign or transfer its rights, interests and obligations under this Easement Agreement to an IP&E affiliate by giving written notice of such assignment. An affiliate means a company which directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with IP&E. For this purpose, control means the direct or indirect ownership of in aggregate fifty per cent or more of voting capital. Any assignment or transfer by IP&E to a third party other than an IP&E affiliate shall require the prior written consent of PAG, which consent shall not be unreasonably withheld. If any assignment is made by IP&E pursuant to this Section 11, then such assignment shall be binding upon and shall inure to the benefit of IP&E and its successors, and IP&E shall be automatically and fully released and discharged from any further obligations or liabilities hereunder, except that IP&E shall remain liable for any claims, demands, actions, causes of action, fines, or assessments resulting from use or occupancy of the Easement Premises by IP&E under this Easement Agreement. Any further assignment of this Easement Agreement shall require the prior written consent of PAG, which consent shall not be unreasonably withheld.

12. Event of Default. An Event of Default shall be deemed to have occurred upon the happening of any one or more of the following events:

(a) IP&E fails to pay any money payable herein by the due date, or if there is no due date set forth under this Easement Agreement, within 15 days of written request for payment by PAG;

(b) A Party commits a substantial breach of a material obligation under this Easement Agreement;

(c) A Party has caused the property subject of the Easement to be attached, levied, encumbered, or subject of a writ of execution; or

(d) If a Party shall be adjudged bankrupt, or become insolvent, or file for voluntary bankruptcy or be subjected to involuntary bankruptcy proceedings, enter receivership proceedings, or make an assignment for the benefit of creditors.

Upon the occurrence of an Event of Default, the Party not in default may serve written notice of default upon the Party in default. The Party in default shall cure the default within thirty (30) days for monetary defaults under Section 12(a), and within ninety (90) days for any other default, of its receipt of the notice of default. In the case of a default which is capable of remedy but not within the said ninety (90) days, the Party in default shall promptly notify the other Party in writing upon discovery that the default cannot be remedied in ninety (90) days, and shall diligently proceed to cure the default by taking active, effective and continuing steps to do so until such default is in fact cured within a reasonable period of time. If the Party in default fails to cure or proceed to cure the default as provided herein, the Party not in default shall, without prejudice to its rights and remedies at law, have the right to terminate this Easement Agreement, by serving on the Party in default a notice of termination, for cause, at least sixty (60) days prior to the effective date of termination.

13. Termination. This Easement Agreement may be terminated on any of the following grounds:

(a) Upon written agreement of the Parties, which agreement shall provide, among other things, the effective date of termination;

(b) By the Party not in default upon the occurrence of an Event of Default, in accordance with the provisions of Section 12;

(c) Force Majeure Event, in accordance with Section 14; or

(d) In the event of compulsory acquisition, governmental requisition, expropriation, intervention by relevant authorities or any similar occurrence which materially and adversely affects the ability of the Parties to continue with this Easement Agreement.

In the event of termination, the Parties shall in good faith and as soon as practicable endeavor to agree on the manner of transfer and handover of the pipelines. Until the effective date of termination, the Parties shall continue to have and to carry out all their rights and obligations as stated in this Easement Agreement. Termination of this Easement Agreement for any reason shall not be deemed a waiver of any of the Parties' rights and obligations existing before the effective date of termination.

14. Force Majeure.

(a) Force Majeure is defined as any cause beyond the reasonable control of a Party including curtailment, failure or cessation of supplies of petroleum from any of IP&E's or IP&E's suppliers' sources of supply (whether in fact the sources of supply are for the purposes of this Easement Agreement or not), natural disasters, typhoons and other acts of God, strikes, lock-outs, labor disputes, civil disruption, demonstrations, protests, blockades, terrorism, acts of war, and voluntary or involuntary compliance with any law or governmental order, rule, regulation or direction.

(b) The obligations of each of the Parties to this Easement Agreement, other than the obligations to make payments of money, shall be suspended during the period and extended to the extent that such Party is prevented or hindered from complying with them by Force Majeure.

(c) In such event such Parties shall give notice of suspensions as soon as reasonably possible to the other Party stating the date and extent of suspension and the cause. Any Party whose obligations have been so suspended shall resume the performance of such obligations as soon as reasonably possible after the removal of the cause and shall so notify the other Party.

(d) Any event due to Force Majeure under subsection (a) above, which causes or results in IP&E's loss of or interruption with IP&E's access to or use of the Easement pipelines shall be deemed a Force Majeure Event. If a Force Majeure Event prevents, or is reasonably expected to prevent, IP&E from using or having access to the pipelines for a period longer than ninety (90) days, then IP&E shall have the right to terminate this Easement Agreement by giving prior written notice to PAG. Such written notice shall state that it is given in accordance with this Section 14(d) and the reasons for the termination, and shall further state the date the termination shall be effective, which shall not be less than sixty (60) days from the date of the notice.

15. Miscellaneous.

(a) All understandings and negotiations heretofore had between PAG and IP&E are merged into this Easement Agreement and into the documents to be executed by the Parties as contemplated herein, and IP&E is not relying on any statement or representation not contained in this Easement Agreement or in such documents.

(b) This Easement Agreement may not be modified or amended except by a writing duly executed by both Parties.

(c) Nothing in this Easement Agreement shall be deemed to create between the Parties any relationship as principal and agent or as partner or as joint venturer.

(d) Captions in this Easement Agreement are for the convenience of the Parties only.

(e) The provisions of this Easement Agreement shall inure to the benefit of and be binding upon the successors in interest of PAG and the permitted assignees, permitted transferees and permitted successors in interest of IP&E. Should any provision of this Easement Agreement or of any documents contemplated herein for any reason be declared invalid, such invalidity shall not affect the remaining portions hereof.

(f) The interpretation and enforcement of this Easement Agreement and of the documents contemplated herein shall be governed by the laws of Guam.

(g) This Easement Agreement may be executed in counterparts, and all such executed counterparts shall constitute the same agreement.

16. Severability. If any provision of this Easement Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Easement Agreement will remain in full force and effect. Any provision of this Easement Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this PIPELINE EASEMENT AGREEMENT to be executed and made effective _____.

PORT AUTHORITY OF GUAM

By: _____
FRANCISCO G. SANTOS
Its: Chairman of the Board

By: _____
JOANNE S. BROWN
Its: General Manager

IP&E HOLDINGS, LLC
a CNMI Limited Liability Company

By: _____
Its Authorized Representative

APPROVED AS TO FORM:
Phillips & Bordallo, P.C.
Legal Counsel for the Port Authority of
Guam

By: _____
MICHAEL F. PHILLIPS, ESQ.

The Government of Guam hereby consents to and concurs in the foregoing Pipeline Easement Agreement (the "Agreement") and joins in the Agreement to the extent of its interest in any of the property which is the subject of the foregoing Agreement to the same extent, insofar as concerns the interest of the Government of Guam, as if the definition of PAG provided therein included the Government of Guam, notwithstanding the provisions of any executive order.

By: _____
RAY TENORIO
Lieutenant Governor of Guam

By: _____
EDDIE BAZA CALVO
I Maga' Låhen Guåhan
Governor of Guam

APPROVED AS TO FORM:

OFFICE OF THE ATTORNEY GENERAL

By: _____
ELIZABETH BARRETT-ANDERSON
The Attorney General of Guam

EXHIBIT A TO PIPELINE EASEMENT AGREEMENT
(NEW EASEMENT)

Pipeline Easement Agreement (New Easement)

4816-5510-6850.5

EXHIBIT "A"
LEGAL DESCRIPTION
IP&E PIPELINE EASEMENT

A SEVEN AND ONE HALF (7.5) FOOT WIDE STRIP OF LAND, LYING THREE AND SEVENTY-FIVE HUNDREDTHS (3.75) FEET ON EACH SIDE OF A CENTERLINE LOCATED IN LOT 4, LOT 5, LOT 6, LOT 7, AND INDUSTRIAL AVENUE, PARCEL 1, DOC. NO. 93718 IN THE VILLAGE OF PITI, IN THE TERRITORY OF GUAM, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT KNOWN AS GGN 1968, HAVING COORDINATES OF NORTHING 642825.8551 FEET AND EASTING 298559.5849 FEET, BASED ON THE 1993 GUAM GEODETIC NETWORK SYSTEM; THENCE SOUTH 56°00'18" WEST, A DISTANCE OF 2164.60 FEET TO A POINT KNOWN AS "STA. 0+00", HAVING COORDINATES OF NORTHING 641499.0485 FEET AND EASTING 296802.8975 FEET, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE NORTH 18°02'25" WEST, A DISTANCE OF 122.56' FEET;

THENCE NORTH 53°02'08" EAST, A DISTANCE OF 496.38 FEET;

THENCE NORTH 06°44'13"EAST, A DISTANCE OF 139.20 FEET;

THENCE NORTH 01°01'00" EAST, A DISTANCE OF 267.17 FEET;

THENCE NORTH 53°22'24" EAST, A DISTANCE OF 560.31 FEET;

THENCE NORTH 54°19'30" EAST, A DISTANCE OF 184.26 FEET;

THENCE SOUTH 36°19'38" EAST, A DISTANCE OF 85.01 FEET;

THENCE NORTH 54°05'07" EAST, A DISTANCE OF 49.99 FEET;

THENCE SOUTH 42 °20'17" EAST, A DISTANCE OF 321.46 FEET TO THE SOUTH LINE OF SAID LOT PARCELS 4 AND 5 TO THE POINT OF TERMINUS.

PREPARED BY:


DENNIS S. BALAGTAS
PROFESSIONAL LAND SURVEYOR NO. 75

08/12/2015
DATE

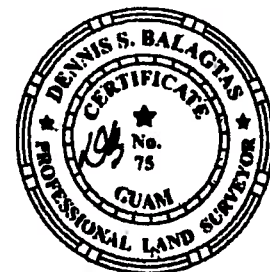
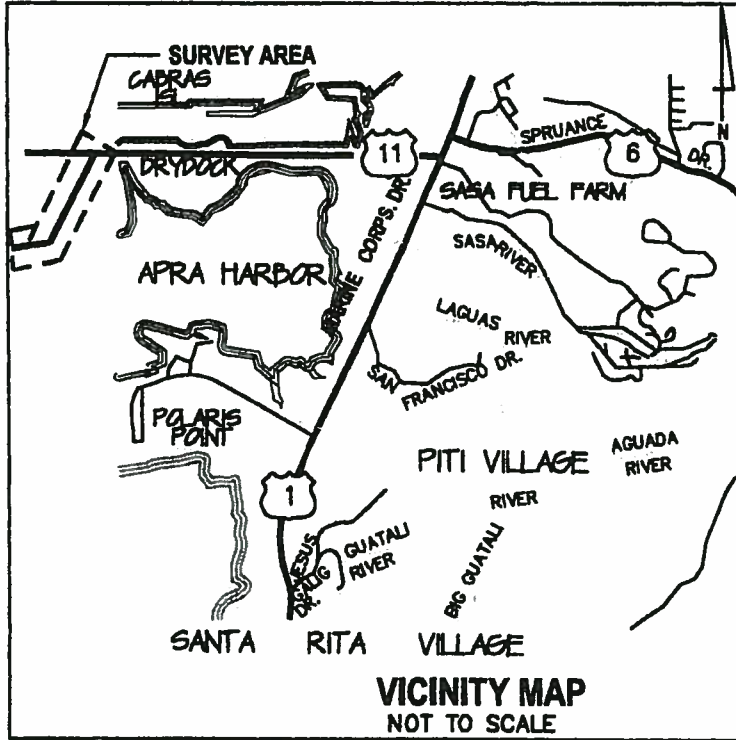


EXHIBIT B TO PIPELINE EASEMENT AGREEMENT
(NEW EASEMENT)

Pipeline Easement Agreement (New Easement)

4816-5510-6850.5

EXHIBIT "B"
IP&E EASEMENT



LEGEND

INDICATES SIDELINES OF IP&E EASEMENT EASEMENT

CENTERLINE OF IP&E EASEMENT

● TP REFERENCE POINT

NOTES

1. BASIS OF BEARINGS IS THE 1993 GUAM GEODETIC NETWORK GRID.

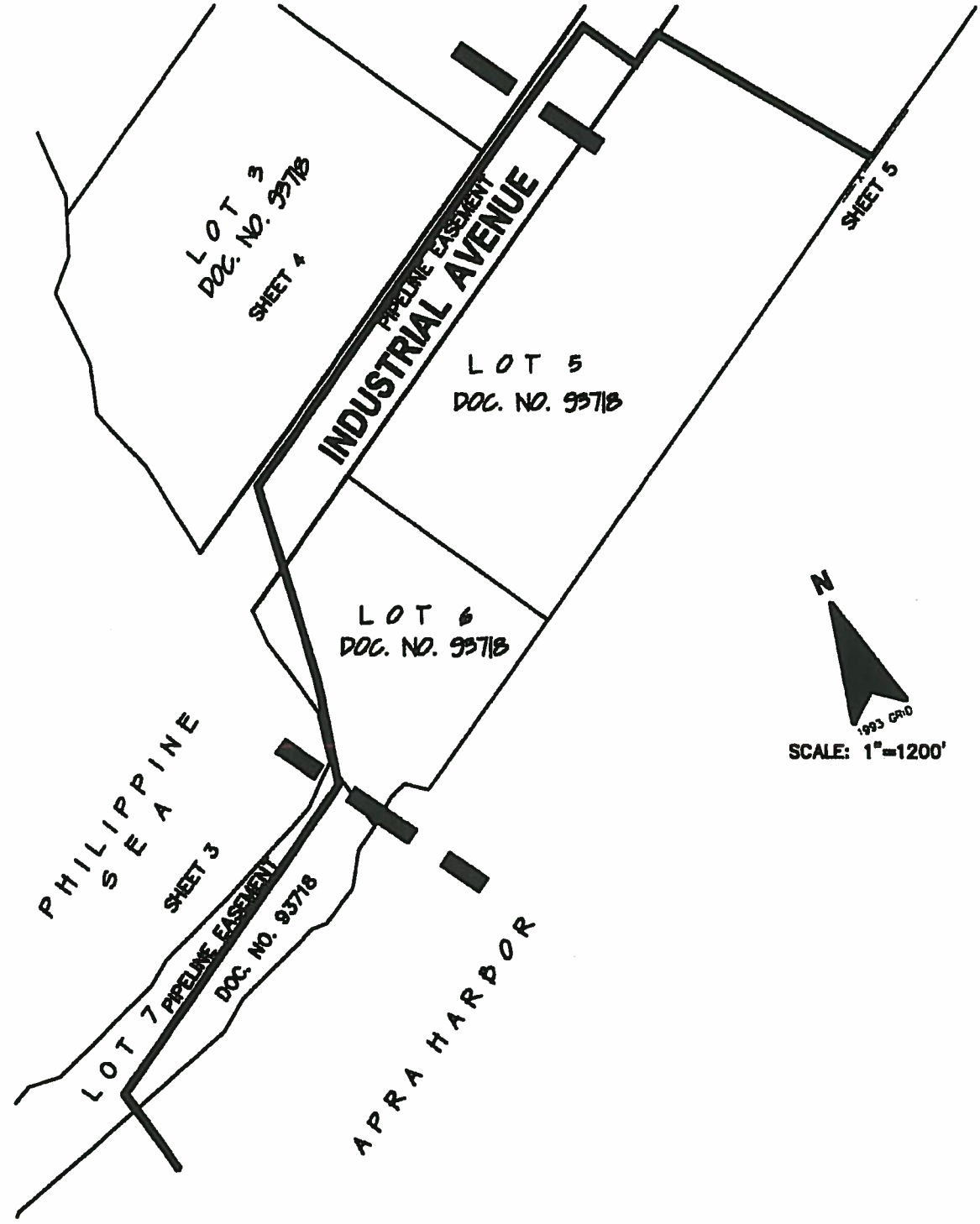
PREPARED BY:

Dennis S. Balagtas 08/12/15
 DENNIS S. BALAGTAS DATE
 PROFESSIONAL LAND SURVEYOR # 75



GUAM SURVEYOR, L.L.C.
 DENNIS S. BALAGTAS, P.L.S. #75
 LAND SURVEYING SERVICES, <http://www.guamsurveyor.com>
 671-637-2042(w) 671-637-2041(f) surveyor@guamsurveyor.com

EXHIBIT "B"
IP&E EASEMENT



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KEY MAP

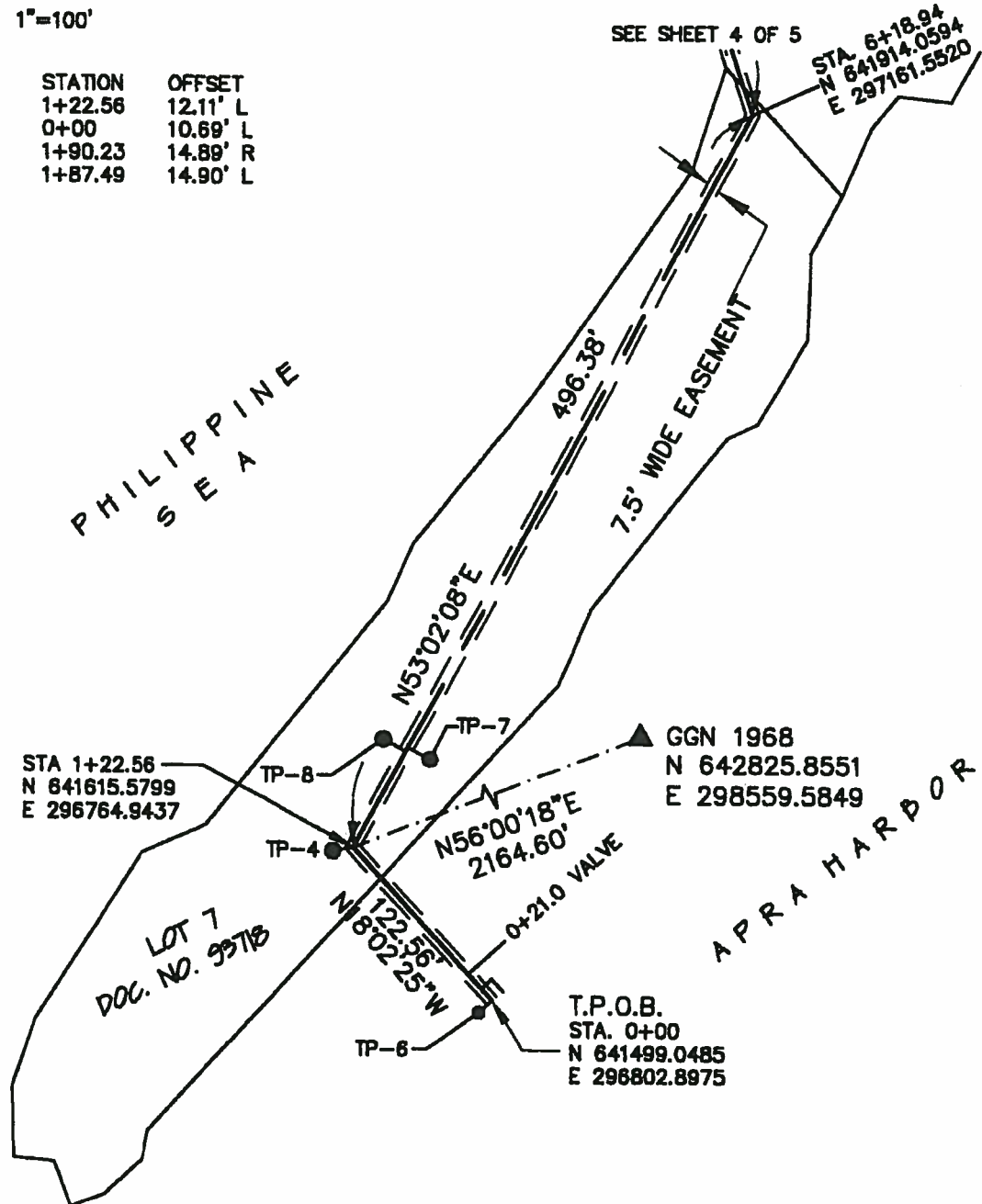
EXHIBIT "B"

IP&E EASEMENT



SCALE: 1"=100'

POINT	STATION	OFFSET
TP-4	1+22.56	12.11' L
TP-6	0+00	10.69' L
TP-7	1+90.23	14.89' R
TP-8	1+87.49	14.90' L



SEE SHEET 4 OF 5

STA. 6+18.94
N 841914.0594
E 297161.5520

STA 1+22.56
N 841615.5799
E 296764.9437

GGN 1968
N 642825.8551
E 298559.5849

LOT 7
DOC. NO. 99718

T.P.O.B.
STA. 0+00
N 841499.0485
E 296802.8975

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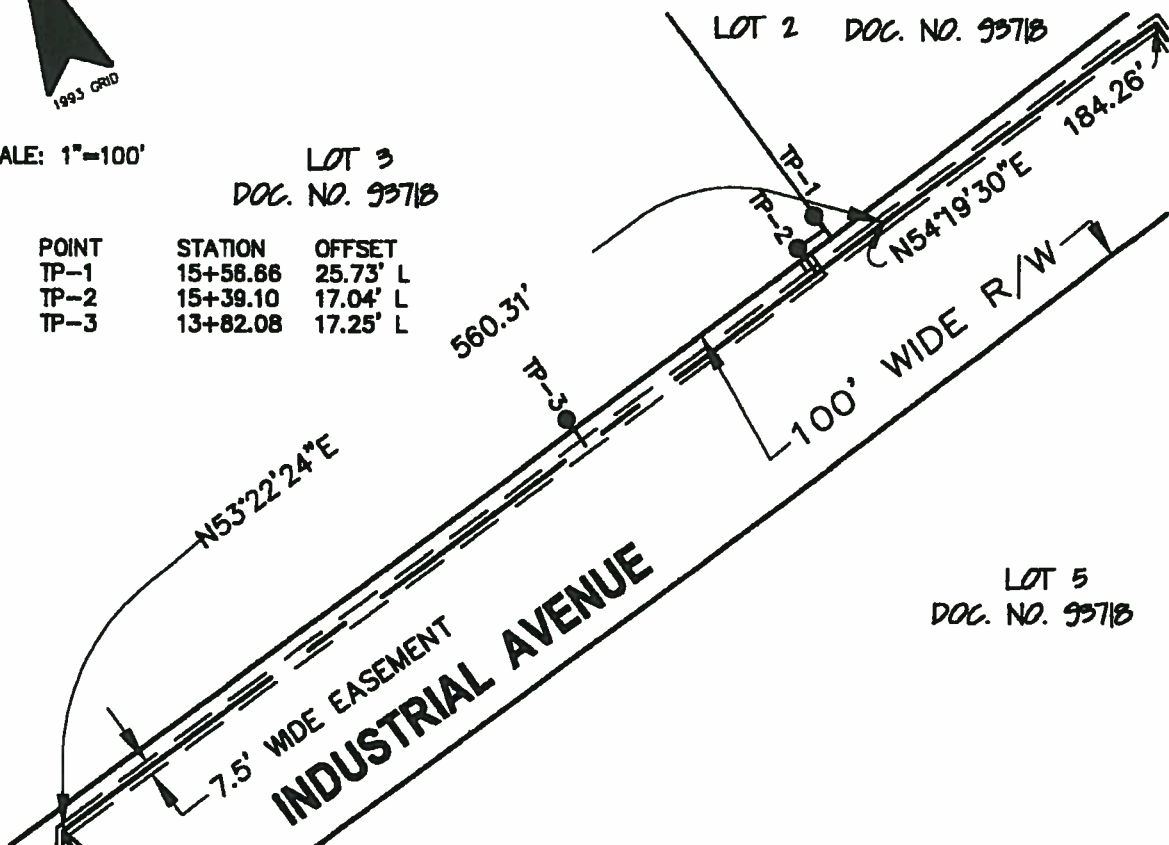
SCALE: 1"=100'

LOT 3
DOC. NO. 93718

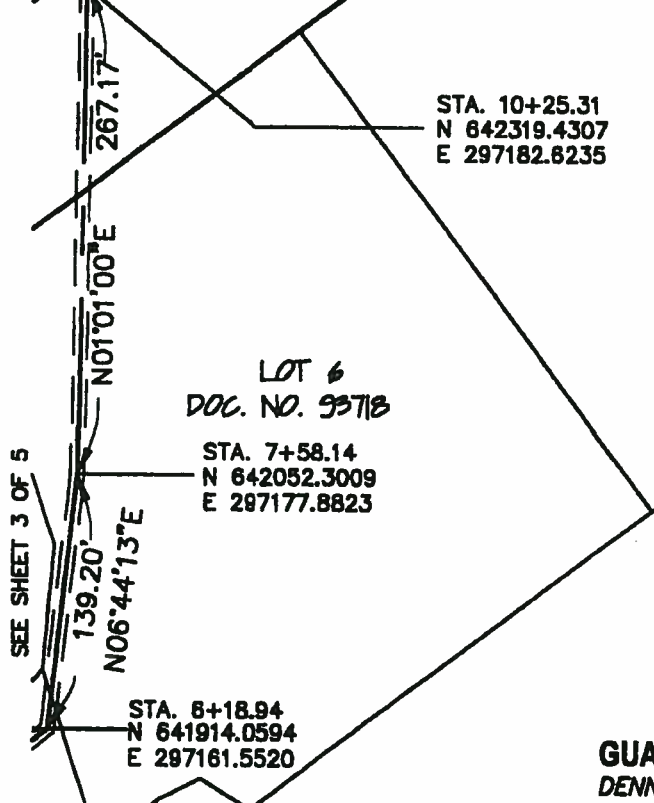
POINT	STATION	OFFSET
TP-1	15+58.86	25.73' L
TP-2	15+39.10	17.04' L
TP-3	13+82.08	17.25' L

LOT 2 DOC. NO. 93718

SEE SHEET 5 OF 5



LOT 5
DOC. NO. 93718



LOT 6
DOC. NO. 93718

STA. 7+58.14
N 642052.3009
E 297177.8823

STA. 6+18.94
N 641914.0594
E 297161.5520

SEE SHEET 3 OF 5

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EXHIBIT "B"
IP&E EASEMENT



SCALE: 1"=100'

LOT 2
DOC. NO. 93718

ROUTE 11

INDUSTRIAL DRIVE

100' WIDE R/W

SEE SHEET 3 OF 5

S36°19'38"E
85.01'

N54°05'07"E 49.99'

LOT 4
DOC. NO. 93718

P.O.T.
N 642480.3176
E 298093.0401

PARCEL 4
DOC. NO. 91085

S42°20'17"E
321.46'

FENCE

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DWG.# : 2014076-01EXH4A.DWG

PROJ.#: 2014-076

SHEET 5 OF 5

CLIENT: IP&E HOLDINGS

EXHIBIT C TO PIPELINE EASEMENT AGREEMENT
(NEW EASEMENT)

Pipeline Easement Agreement (New Easement)

4816-5510-6850.5

90143

QUITCLAIM DEED

The United States of America,

To all to whom these presents shall come, Greeting:

WHEREAS, the Governor of the United States Territory of Guam has requested the Secretary of the Interior to convey the lands hereinafter described to the Government of Guam pursuant to the Territorial Submerged Lands Act of 1963, 77 Stat. 338;

WHEREAS, the lands requested by the Governor of Guam are clearly required for specific economic development purposes and to satisfy a compelling public need; to wit, the construction of a commercial port and a contiguous industrial park; and

WHEREAS, the conditions precedent to such a conveyance, prescribed by the said Act, have been fulfilled;

NOW, THEREFORE, Pursuant to the authority and subject to the terms and conditions of the Territorial Submerged Lands Act of 1963, 77 Stat. 338, and subject to the other terms, conditions and reservations herein contained, the UNITED STATES OF AMERICA, by these present, does quitclaim to the GOVERNMENT OF THE TERRITORY OF GUAM all its right, title and interest in and to the following described lands:

Parcels 1, 2, 3 and 4, containing 62 acres of land, more or less, as shown and more particularly described in Yards and Docks (Y&D) Drawing No. 105121B, dated May 3, 1966, approved as satisfactory to the Government of Guam on May 3, 1966, by Paul B. Souder, a copy of which is annexed hereto and made a part hereof.

SUBJECT, NEVERTHELESS, to the following terms, conditions and reservations:

1. The Government of Guam will, until a new Navy ammunition pier is in operation, hold the United States harmless from liability for damages to, and assumes the risk for the safety of, its personnel, facilities and material on the property hereby conveyed which is within the zone as to which the United States Navy has waived its safety distance criteria.
2. The reserved right in the United States Navy to interrupt construction work on the commercial port facility, at no cost to the United States Government, should conditions of unusual hazard, not presently foreseen, materialize during said construction.
3. Reservation of easements, and right of access to such easements, for construction, repair and/or replacement of electric, telephone, water and other utility services, it being understood that the Government of Guam will bear the costs of relocating any existing utility lines required as an incident to the construction of the new commercial port and industrial park.

90143

90143

4. Reservation of the right in the United States for continued use of Route 11, Guam, as presently located or as it may be relocated, it being understood that the Government of Guam will bear any cost of relocation and future maintenance of Route 11 across Port of Guam property.

5. Reservation of a right in the United States Navy to control traffic on or over Route 11 during, or for the benefit of, the movement of ammunition over the highway.

6. The Government of Guam will not use or permit the use of the lands conveyed herein for any purpose other than for the development of a commercial port and adjacent industrial park without the prior written approval of the Secretary of the Interior.

7. The United States excepts and reserves from the conveyance all deposits of oil, gas, and other minerals, but the term "minerals" shall not include sand, gravel, or coral.

8. No conveyance to third persons of any of the lands will be made except in strict conformance with the Territorial Submerged Lands Act of 1963, and all such conveyances, as well as leases or permits for the use and occupancy of the lands shall be made subject to the terms, conditions and reservations herein stated.

9. In the event the Government of Guam conveys any of the lands described herein to third persons, the deed shall contain a condition causing title to such lands to revert automatically to the Government of Guam in the event they cease to be used for purposes of the conveyance.

10. The Government of Guam will within one year from the date of this deed convey to the United States lands on Guam suitable for use as a part of a proposed "War in the Pacific National Historic Park". These lands shall have an appraised value, as of the date of this deed, of approximately \$540,000.00.

IN TESTIMONY WHEREOF, the Secretary of the Interior has, in the name of the United States, caused this quitclaim deed to be made, and the Seal of the Department of the Interior to be hereunto affixed.

GIVEN under my hand this 28 day of April, 1969.

Harrison S. Sessel
Assistant Secretary of the Interior



TERRITORY OF GUAM, DEPARTMENT OF LAND MANAGEMENT
OFFICE OF THE RECORDER

INSTRUMENT NUMBER 90143 90143

This instrument was filed for record on 12

day of May, 1969 at 11:30 A.M.

and duly recorded in Book at Page

Recording Fee Voucher No.

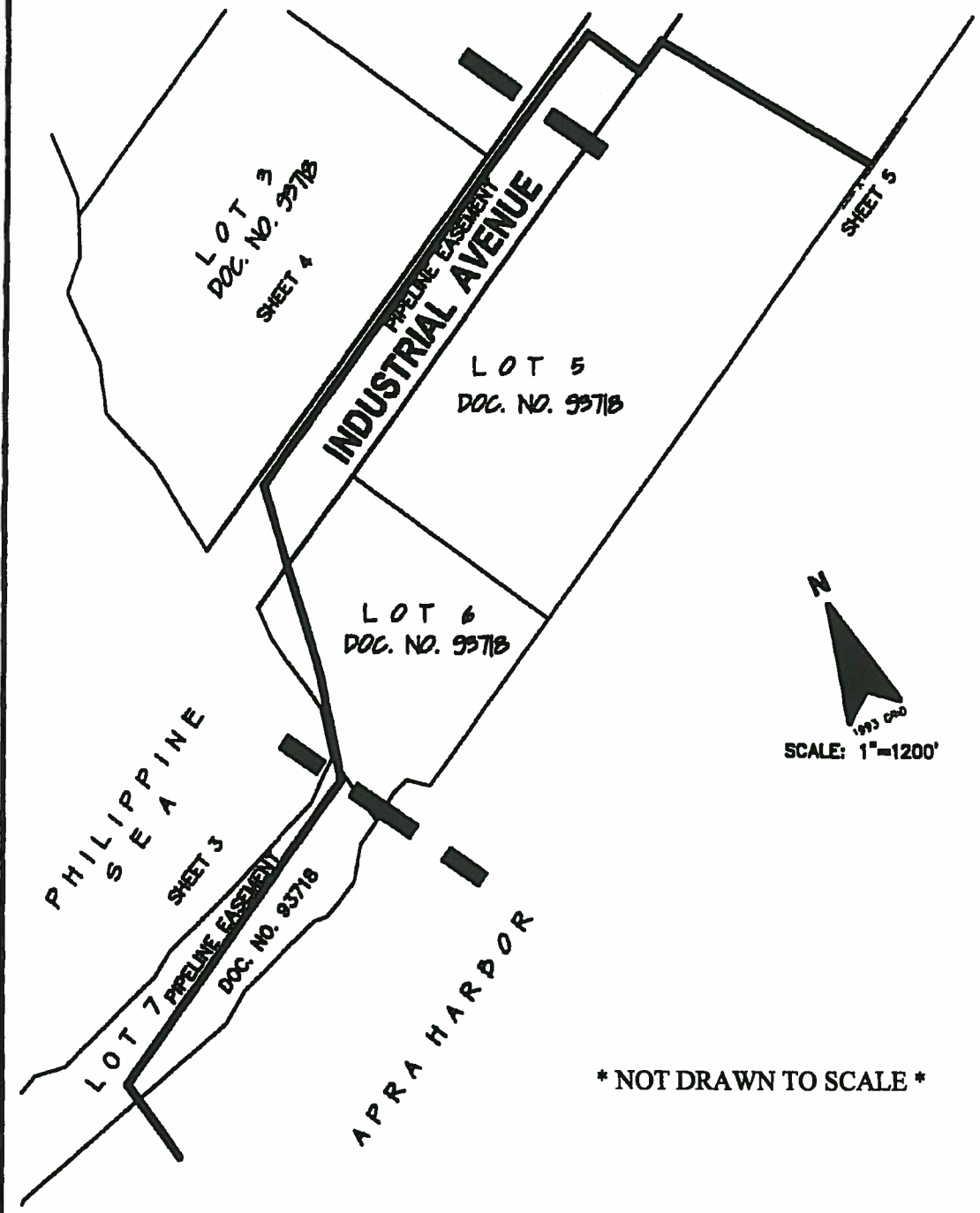
Jesse P. Cruz
Deputy Recorder

EXHIBIT D TO PIPELINE EASEMENT AGREEMENT
(NEW EASEMENT)

Pipeline Easement Agreement (New Easement)

4816-5510-6850.5

**EXHIBIT "D"
IP&E EASEMENT**



N
1993 C&D
SCALE: 1"=1200'

* NOT DRAWN TO SCALE *

KEY MAP

GUAM SURVEYOR, L.L.C.
DENNIS S. BALAGTAS, P.L.S. #75
LAND SURVEYING SERVICES, <http://www.guamsurveyor.com>
871-837-2042(v) 871-837-2041(f) surveyor@guamsurveyor.com

DWG.# : 2014076-01E04A.DWG

PROJ.# : 2014-076

CLIENT: IP&E HOLDINGS

LEASE AGREEMENT
(F-3 PIER)

This Lease Agreement (“Lease”) is entered into on this ___ day of _____, 20__ between the Port Authority of Guam, a public corporation and autonomous instrumentality of the Government of Guam (referred to herein as the “Lessor” or the “PAG”), and IP&E Holding LLC., a CNMI company registered to do business in Guam (referred to herein as the “Lessee” or “IP&E”).

WITNESSETH:

WHEREAS, the Lessor entered into an unrecorded Lease Agreement with Petroco, Inc., dated November 6, 1979 (“Petroco Lease”), whereby the Lessor leased approximately 900 +/- square meters of land located at the Pier Foxtrot 3, on Cabras Island, Commercial Port of Guam (“Premises”, as more fully described herein), for the construction, maintenance, and operation of fuel storage and refueling facilities (“Facilities”); and

WHEREAS, said Petroco Lease was assigned to Guam Oil and Refining Company, dated February 17, 1981 and recorded at the Department of Land Management on September 8, 1982, under Instrument No. 331519, and was further assigned to Guam Acquisition Corporation, by that Assignment of Non-Fee Property, dated September 30, 1982 and recorded on October 1, 1982 under Instrument No. 332081, and further thereafter assigned to Shell Guam Inc., (“Shell”) by that Assignment of Non-Fee Property dated November 29, 1988 and recorded on November 29, 1988 under Instrument No. 407641; and

WHEREAS, the Petroco Lease expired on February 14, 2000, and Shell has continued its possession and enjoyment of the Premises on a month-to-month basis; and

WHEREAS, under the Petroco Lease, upon expiration, title to the improvements used in the operation of the Facilities, including two fuel oil storage tanks, delivery equipment, underground pipelines, dikes, fencing and related improvements currently on the Premises (“Improvements”), remains in the Lessee; and

WHEREAS, the Lessor issued a Notice of Availability for the leasing of the Premises on November 9, 2009 and Shell responded to such Notice and Lessor now desires to enter into a new lease of the Premises with the Lessee, for the continued operation of the Facilities currently conducted by Lessee on the Premises; and

WHEREAS, Shell assigned, with PAG consent, its interest in the Premises to IP&E on August 12, 2010;

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

1. **Leased Premises.** The premises which is subject to this Agreement is described in **Exhibit A** hereto, and shown on the map attached as **Exhibit B** hereto, and consists of real property located in Cabras Island Guam (“Premises”) described in Exhibit A, and identified more particularly in Exhibit B as the real property containing an area of approximately 11,719 square feet designated as “Parcel A”, and a five (5) foot wide easement adjoining Parcel A containing an area of approximately 2,206 square feet designated as “Parcel B”.

2. **Demise.** The Lessor hereby leases the Premises to the Lessee, and the Lessee hereby leases from the Lessor, the Premises, upon all the terms, covenants, and conditions set forth in this Lease.

3. **Use.** The Lessee shall use the Premises for the operation of the fuel storage and refueling facilities, which shall be maintained in a manner which will not unreasonably interfere, obstruct, injure or adversely affect the overall general operations of the Port.

4. **Term.** The term of the Lease shall be for two (2) years commencing on _____, and expiring on _____ (the “Initial Term”). The Lessee, at its option, may extend the Initial Term for three (3) additional terms of one (1) year each (the “Option Terms”). The Lessee shall exercise its option to extend by giving written notice to the PAG within ninety (90) days prior to the expiration of the Initial Term or the term of the then current option period. Such Option Terms shall be upon the same terms, covenants and conditions as contained in this Lease except that (i) the rental for the leased Premises shall be increased as provided in Section 5.1 below (ii) the terms, covenants and conditions contained in this Lease shall be applicable to the Premises and be binding upon the parties from and after the date of execution of this Lease.

5. **Rent.**

5.1 **Rental Amount.**

5.1.1. **Parcel A.** The Lessee shall pay to Lessor, as monthly rent for the Parcel A, the total of \$5,390.74 during the Initial Term, _____ through _____, inclusive, payable in advance on the first day of each month.

5.1.2. **Parcel B.** The Lessee shall pay to Lessor, a monthly easement use rate for Parcel B, the total of \$153.75 during the Initial Term, _____ through _____, inclusive, payable in advance on the first day of each month. The easement use rate for each Option Term shall be calculated as follows:

$$\text{FMV} \times \text{Rent Factor} \times 25\%.$$

“Fair Market Value” shall be determined as follows: Within 180 days before the expiration of the then-current term, the PAG shall notify Shell in writing that it intends to obtain an appraisal of the easement premises, from an MAI certified appraiser, for purposes of determining an easement use rate for the next Option Term. Upon such notification, Shell shall have the right to hire an independent appraiser to appraise the Easement Premises, who shall likewise be MAI certified, and the PAG agrees to cooperate with Shell’s appraiser in providing said appraiser access to all relevant information required in conducting the appraisal. Each party shall submit to the other the final appraisal for the Easement Premises within 120 days prior to the expiration of the then-current term. The Fair Market Value for purposes of calculating the rent for the upcoming Option Term shall be calculated based on the PAG’s appraisal of the Easement Premises, or, in the event Shell exercises its right to hire an independent appraiser, based on the average of the appraised values stated in the PAG and Shell’s appraisals.

5.1.3. Rent for Parcel A and the easement use rate for Parcel B (and the method of calculating said use rates, as set forth above), for the Initial Term and Option Terms, may be subject to adjustment in accordance with Guam law, including but not limited to the provisions and procedures set forth under Public Law 30-19 and Public Law 30-52. In the event the monthly rent for Parcel A is not adjusted as provided for under Guam law, rent for each Option Term shall be increased by ten percent (10%) above the monthly rental rate for the prior term.

5.2 Proration. The monthly rental shall be payable in advance on the first day of each month during the lease term. If the Initial Term (and Option Term, if exercised) shall commence other than on the first day of a calendar month, the rental for the initial fraction of a month shall be payable at the monthly rate provided for in this Lease, appropriately prorated on the basis of the number of days contained in such fraction of a month. A similar proration in the monthly rental shall be made for the last fractional month of the term.

6. Surcharge Under Public Law 30-19. In addition to the rent payable under Section 5 herein for Parcel A, the Lessee shall pay, together with the monthly rent, a surcharge equal to 5% of the then-current monthly rental amount for Parcel A, for the Port Police operations, as required under Section 2 of Public Law 30-19. The monthly surcharge for the Initial Term is \$269.54.

7. Through Put Fee. In addition to the rent payable under Section 5 herein for Parcel A, the Lessee shall collect from users of the bunkering Facilities a Port Through Put Fee of \$0.35 per barrel of outbound product, as may be adjusted by the PAG from time to time in accordance with applicable law. Not later than thirty (30) days after the end of each month, the Lessee shall remit to the Lessor the Port Through Put Fees collected for the preceding month, together with supporting documents showing the volume of outbound product and the Through Put Fees charged therefor.

8. Title. At the expiration of the term or earlier termination of this Lease, whichever applies, title and possession of the Improvements, listed on Exhibit C hereto, which includes two fuel oil storage tanks, delivery equipment, underground pipelines, dikes, fencing and related improvements currently on the Premises, shall remain in the Lessee, subject to Lessor's option to purchase the Improvements as set forth under Section 15 hereto. In the event Lessor does not elect to purchase the Improvements under Section 15, and Lessor and Lessee do not otherwise agree as to an alternative disposition of the Improvements, Lessee shall, within a reasonable time after expiration or termination of this Lease, remove the Improvements at Lessee's sole cost and expense.

9. Relocation. The Lessor reserves the right to relocate the Facilities and the Improvements, on the Parcel A of the Premises, or any major part thereof, due to modification or changes in the Port layout or its Master Plan and as may be required by the Lessor; such relocation, however, shall be at the sole expense of the Lessor. The cost of any modification, changes, or addition to the Facilities or Improvements made at the instance of the Lessee shall be at its own expense. With regard to the pipelines located within Parcel B of the Premises, if at any future time Lessor determines that the continued maintenance and operation of any of the pipelines unduly interferes with any of its activities, Lessee shall relocate within Parcel B any such pipeline or portion thereof at Lessee's expense or if Lessor shall determine that relocation within Parcel B is not feasible then it shall have the right to terminate the easement with respect to Parcel B, in whole or in part, to the extent necessary to eliminate such interference; provided that, in the event of such termination unless Lessor shall have determined that relocation to another location is not feasible, it shall convey to Lessee, without additional charge, a substitute easement permitting Lessee to relocate the pipeline, or portion thereof, on adjacent PAG property, at Lessee's cost and expense. The substitute easement shall contain the same terms and conditions as those of this Lease pertaining to Parcel B, and shall bear the same expiration date

10. Free Access. The Lessor grants to the Lessee full freedom of ingress to and egress from the demised premises at all times and for all purposes incident to the maintenance and operation of the Facilities, including all adjacent pipelines, subject, however, to the Lessee's observance and compliance with all applicable rules and regulations promulgated by the PAG or other proper authorities.

11. Reasonable Through-Put Charge. The Lessee agrees to service and sell fuel to all vessels of every type and description utilizing the Port without discrimination in price except for quantity contract purchasers, provided also that any such vessels are first cleared by the Port to utilize the Facilities. In the event any other fuel supplier shall be authorized by the Lessor to do business at the Port and such other fuel supplier shall be in a position to and does deliver fuels on specification satisfactory to the Lessee, such other fuel supplier may commingle such fuels with those of the Lessee and use the Facilities upon reaching a "through-put" agreement with the Lessee which includes a reasonable "through-put" charge based upon gallonage and use.

12. Operation. The procedures for the operation of the Facilities (“Lessee’s Operational Procedures”) shall be submitted to the Lessor for its approval. Such information shall be disclosed to any other fuel supplier approved by the Lessor to do business at the Port. The Lessor agrees that before any other supplier may be permitted to use the Facilities, the Lessor shall require such supplier or suppliers to agree to comply with Lessee’s Operational Procedures and to enter into an appropriate operating agreement with the Lessee.

13. Utilities. The Lessor agrees to supply the Premises and the Facilities with electricity, water, and other utilities at the Lessor’s regular commercial rates.

14. Taxes. The Lessee shall be liable for all real property taxes and assessments attributed to the Improvements on the Premises.

15. Lessor’s Option to Purchase. Upon expiration of this Lease including any renewal hereof, the Improvements shall remain the property of the Lessee, subject, however, to the option by the Lessor to purchase the Improvements. The Lessor shall notify the Lessee of its election to purchase the Improvements no later than seventy-five (75) days prior to the expiration of the term (whether Initial or Option Term, as applicable) in which the Lease will expire. The purchase price of the Improvements shall be an amount equal to its then Fair Market Value, together with all taxes and charges upon sale. For purposes of this Section, "Fair Market Value" shall be deemed to be an amount equal to the sale price obtainable in an arms-length transaction between a willing and informed buyer and a willing and informed seller under no compulsion to buy or sell, as the case may be (and assuming that, as of the date of determination, the Improvements are in good condition, normal wear and tear based on ordinary use excepted). If the parties are unable to agree on the Fair Market Value of the Improvements at least forty-five (45) days prior to the expiration of the then-current term (whether Initial or Option Term, as applicable), then the parties shall mutually agree on an appraiser, who must be associated with a professional organization of equipment or personal property appraisers, to appraise the value of the Improvements, and the Fair Market Value as determined by such appraiser shall be binding on the parties hereto.

16. Sanitation; Waste; Leakage. The Lessee agrees to promptly remove all trash, refuse, used petroleum products, and deleterious matter from the Premises. The Lessee shall not allow any condition to exist concerning the Premises which would cause or result in material contamination (meaning such contamination as would constitute a violation of federal or territorial laws or regulations or pose a danger to public health or which, where prosecution or a civil action is instituted, would likely result in a liability that would be material relative to the value of the Premises) or which would constitute a violation of any environmental law, rule, regulation or order. The Lessee shall not dispose of or allow to escape from any tank, pipe or container, any hazardous substances or toxic substances (meaning such wastes or substances as would be deemed hazardous or toxic under any applicable federal or territorial law or regulation) on or into the Premises. Lessee shall notify Lessor, in writing, of any material contamination or

leakage on the Easement Premises, or of any citation or notification from any regulatory agency charging a violation of any environmental law, rule, regulation or order with regard to the Easement Premises, within five (5) business days of such event or notification. In the event of any leakage or escape of any substance of any kind (whether hazardous or toxic or otherwise) within or onto the Premises or any part thereof or any surrounding waters from any tank, pipeline, or container owned or operated or controlled by the Lessee or its officers, agents, employees, servants, invitees or licensees, the Lessee shall at its own expense immediately take such corrective action as will remove the substance from the Premises and any adjoining waters and shall restore such lands and waters to the condition prior to such leakage or escape, whether or not the same shall have been occasioned by the negligence or lack of diligence on the part of the Lessee, its officers, agents, employees, servants, invitees, or licensees. If after due notification from the Lessor, the Lessee has not removed the substances within a reasonable time, the Lessor upon fifteen (15) days' prior written notice to the Lessee shall have the right to remove the substances and charge the cost of such removal to the Lessee. Lessee shall indemnify Lessor with regard to any fines, assessments, charges or injury or damage, resulting from any leakage or escape of any substance of any kind in accordance with Section 17 below.

17. Indemnification. In the event death or any injury occurs to any person (including without limitation any officer, agent, employee, servant, invitee or licensee of the Lessee) or in the event loss, destruction or damage occurs to any property of any person (including without limitation the Premises or any Improvements thereon) in connection with any use or occupancy of the Premises or operation and use of the Facilities and Improvements by the Lessee, its officers, agents, employees, servants, invitees and/or licensees, or in the event any rulings, orders, or fines are charged, assessed or levied in connection with such use or occupancy of the Premises by Lessee and the others mentioned above (including but not limited to fines associated with any leakage or escape of any substance as set forth in Section 16 *above*), the Lessee agrees to indemnify and save and hold harmless the Lessor and the Government of Guam and its officers, agents, employees, servants and contractors from all claims, demands, actions or causes of action, fines or assessments of every nature and character whatsoever in law or equity resulting from such use or occupancy of the Premises by the Lessee, its officers, agents, employees, servants, invitees and/or licensees. Provided, however, that the foregoing indemnification and corrective action provisions set forth in Sections 16 and 17 *above*, shall not extend to any death or injury or damage caused by any willful or negligent act or omission of the Lessor, its officers, agents, employees, servants, or contractors or assignees, or transferees in the course of their employment or during the exercise of any rights provided for in Sections 9 or 18 of this Lease. Provided further, that the foregoing indemnification and corrective action provisions are not intended expressly or implicitly to prevent the Lessee from asserting claims against any third party in the event of any death or injury or damage caused in whole or in part by any such third party.

18. Inspection. The Lessor shall have the right of access to the Premises at reasonable times for the purpose of inspecting them and determining Lessee's compliance with the terms of this Lease.

19. Event of Default.

An Event of Default shall be deemed to have occurred upon the happening of any one or more of the following events:

- (a) Lessee fails to pay any money payable herein by the due date, or if there is no due date set forth under this Agreement, within 15 days of written request for payment by Lessor;
- (b) A party commits a substantial breach of a material obligation under this Lease;
- (c) A party has caused the property subject of the Lease to be attached, levied, encumbered, or subject of a writ of execution; or
- (d) If a party shall be adjudged bankrupt, or become insolvent, or file for voluntary bankruptcy or be subjected to involuntary bankruptcy proceedings, enter receivership proceedings, or make an assignment for the benefit of creditors.

Upon the occurrence of an Event of Default, the party not in default may serve written notice of default upon the Party in default. The Party in default shall cure the default within thirty (30) days for monetary defaults under Section 19(a), and within ninety (90) days for any other default, of its receipt of the notice of default. In the case of a default which is capable of remedy but not within the said ninety (90) days, the party in default shall promptly notify the other party in writing upon discovery that the default cannot be remedied in ninety (90) days, and shall diligently proceed to cure the default by taking active, effective and continuing steps to do so until such default is in fact cured within a reasonable period of time. If the party in default fails to cure or proceed to cure the default as provided herein, the Party not in default shall, without prejudice to its rights and remedies at law, have the right to terminate this Lease, by serving on the party in default a notice of termination, for cause, prior to the effective date of termination, or may proceed by appropriate court action, either at law or in equity, to enforce performance by the other Party or to recover damages for the breach hereof, or exercise any other right or remedy available at law or in equity.

20. Termination. This Lease may be terminated on any of the following grounds:

- (a) Upon written agreement of the Parties, which agreement shall provide, among other things, the effective date of termination;

- (b) By the Party not in default upon the occurrence of an Event of Default, in accordance with the provisions of Section 19;
- (c) Force Majeure Event, in accordance with Section 21; or
- (d) In the event of compulsory acquisition, governmental requisition, expropriation, intervention by relevant authorities or any similar occurrence which materially and adversely affects the ability of the parties to continue with this Lease or the ability of Lessee to operate its bunkering activities on the leased Premises.

Until the effective date of termination, the parties shall continue to have and to carry out all their rights and obligations as stated in this Lease. Termination of this Lease for any reason shall not be deemed a waiver of any of the parties' rights and obligations existing before the effective date of termination.

21. Force Majeure.

- (a) Force Majeure is defined as any cause beyond the reasonable control of a Party including curtailment, failure or cessation of supplies of petroleum products from any of Lessee's suppliers or Lessee's sources of supply (whether in fact the sources of supply are for the purposes of this Agreement or not), natural disasters, typhoons and other acts of God, strikes, lock-outs, labor disputes, civil disruption, demonstrations, protests, blockades, terrorism, acts of war, and voluntary or involuntary compliance with any law or governmental order, rule, regulation or direction.
- (b) The obligations of each of the parties to this Agreement, other than the obligations to make payments of money, shall be suspended during the period and extended to the extent that such party is prevented or hindered from complying with them by Force Majeure.
- (c) In such an event(s), such party shall give notice of suspensions as soon as reasonably possible to the other party stating the date and extent of suspension and the cause. Any party whose obligations have been so suspended shall resume the performance of such obligations as soon as reasonably possible after the removal of the cause and shall so notify the other party.
- (d) Any event due to Force Majeure under subsection (a) above, which causes or results in the Lessee's loss or interruption of Lessee's access to or use of the pipelines for the operation of the Facilities shall be deemed a Force Majeure Event. If a Force Majeure Event prevents, or is reasonably expected to prevent the Lessee from using or having access to the pipelines for a period longer than ninety (90) days, then the Lessee shall have the right to terminate this Lease by giving prior written notice to

Lessor. Such written notice shall state that it is given in accordance with this Section 21(d) and the reasons for the termination, and shall further state the date the termination shall be effective, which shall not be less than sixty (60) days from the date of the notice.

22. Insurance. The Lessee agrees to obtain and keep in force during the term of this Lease and any renewals thereof, public liability insurance in the amount of Five Million Dollars (\$5,000,000.00), protecting Lessee and Lessor against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto. Lessee further agrees to obtain and keep in force during the term of this Lease, workmen's compensation insurance in the amount of One Hundred Thousand Dollars (\$100,000.00), which shall insure both the Lessee and the Lessor as their interests may appear.

23. Maintenance of the Premises. During the term of this Lease, and any extensions thereof, the Lessee shall maintain the Premises, the Facilities and Improvements located on the Premises, in a good state of repair (save for ordinary wear and tear) and keep the same reasonably attractive relative to the Port's Master Plan. The Lessee agrees to maintain dikes around all storage tanks of sufficient height to contain all fuel that may escape. The Lessee shall not increase the storage tanks, or their capacity, either above or below ground, without the prior written approval of the Lessor. Lessee shall keep the Premises fenced and shall be responsible for controlling the entry onto the Premises by authorized persons and prohibiting entry of unauthorized persons from the Premises.

24. Assignment. IP&E may at any time assign or transfer its rights, interests and obligations under this Lease to an affiliate of IP&E by giving written notice of such assignment to the Lessor. An affiliate means a company which directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with IP&E. For this purpose, control means the direct or indirect ownership of an aggregate of fifty per cent or more of voting capital.

25. Compliance with Government Requirements. Lessee, at Lessee's own expense, shall promptly comply with all federal and territorial laws and regulations relating to the Premises or the business conducted thereon. Lessee shall comply with all PAG policies and procedures, including but not limited to the Transportation Worker Identification Card (TWIC) procedures, governing the security clearance required for all persons, whether employees, agents or invitees of Lessee, on the Premises.

26. Miscellaneous.

(a) All understandings and negotiations heretofore had between the Lessor and the Lessee are merged into this Agreement and into the documents to be executed by the parties as contemplated herein, and the Lessee is not relying on any

statements or representations of the Lessor not contained in this Lease or in such documents.

(b) This Lease may not be modified or amended except by a writing duly executed by both parties.

(c) Nothing in this Lease shall be deemed to create between the parties any relationship as principal and agent or as partner or as joint venturer.

(d) The Captions in this Lease are for the convenience of the parties only.

(e) The provisions of this Lease shall inure to the benefit of and be binding upon the successors in interest, permitted assignees, or transferees, of both parties.

(f) The interpretation and enforcement of this Lease and of the documents contemplated herein shall be governed by the laws of Guam.

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

(h) This Lease may be executed in counterparts, and all such executed counterparts shall constitute one and the same agreement.

27. Venue. The parties agree that any action or proceeding arising out of or relating to this Lease shall be commenced in a court of competent jurisdiction in Guam.

28. Severability. If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Lease will remain in full force and effect. If a part, but not the entirety, of any specific provision of this Lease is held invalid or unenforceable, then the remaining part or parts of the provision not held invalid or unenforceable shall remain in full force and effect.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this **LEASE AGREEMENT** to be executed and made effective _____.

PORT AUTHORITY OF GUAM:

By: _____
FRANKLIN SANTOS
Its: *Chairman of the Board*

By: _____
JOANN BROWN
Its: *General Manager*

IP&E HOLDINGS LLC.:

a CNMI company

By: _____
BRIAN J. BAMBA
Its: *Authorized Representative*

APPROVED AS TO FORM:

PHILIPS AND BORDALLO PC
Legal Counsel for the Port Authority of Guam

By: _____
MICHAEL J. PHILLIPS

GUAM, U.S.A.,)
 (ss.:
City of Hagatña.)

On this ____ day of _____, 2015, before me, a notary public in and for Guam, personally appeared Franklin Santos, Chairman of the Board of the Port Authority of Guam, known to me to be the person whose name is subscribed to the foregoing LEASE AGREEMENT, and he acknowledged to me that he executed the same.

WITNESS my hand and official seal.

)SEAL(_____

GUAM, U.S.A.,)
 (ss.:
City of Hagatña.)

On this ____ day of _____, 2011, before me, a notary public in and for Guam, personally appeared Joanne Brown, General Manager of the Port Authority of Guam, known to me to be the person whose name is subscribed to the foregoing LEASE AGREEMENT, and he acknowledged to me that he executed the same.

WITNESS my hand and official seal.

)SEAL(_____

GUAM, U.S.A.,)
 (ss.:
City of Hagatña.)

On this ____ day of _____, 2015, before me, a notary public in and for Guam, personally appeared Brian J. Bamba, duly authorized representative of IP&E HOLDINGS LLC., known to me to be the duly authorized representative who executed the foregoing LEASE AGREEMENT on behalf of IP&E Holdings LLC the corporation therein named, and he acknowledged to me that he/she executed the same.

WITNESS my hand and official seal.

)SEAL(

Recording requested by)
the JOSE D. LEON)
GUERRERO PORT)
AUTHORITY OF GUAM)
and HANSON)
PERMANENTE CEMENT)
OF GUAM, INC. After)
recordation, deliver copies to:)
_____, _____)
_____, Guam)
969)). Certain real properties)
affected by this instruments)
are registered land, the name)
of the last registered owner)
being the Government of)
Guam and the number of the)
certificate of last registration)
being 71683 as to Lot 6,)
Parcel 1; Estate Number)
59387 and 71682 as to Lot 5,)
Parcel 1; Estate Number)
59386.)

(Space above this line for Recorder's Use)

SECOND AMENDMENT TO SUBLEASE AGREEMENT

THIS SECOND AMENDMENT TO SUBLEASE AGREEMENT (the "Amendment") is made effective _____, 2015, by and between **THE JOSE D. LEON GUERRERO PORT AUTHORITY OF GUAM, a public corporation and autonomous agency of the GOVERNMENT OF GUAM**, (the "Lessor") and **HANSON PERMANENTE CEMENT OF GUAM, INC.**, a California corporation authorized to conduct business on Guam, hereinafter called (the "Lessee");

W I T N E S S E T H:

WHEREAS, Lessee is the owner of a subleased estate and interest in certain portions of Lot Number 5 and Lot Number 6, Parcel 1, Municipality of Piti, Territory of Guam (the "Subleased Premises") pursuant to that certain Sublease Agreement dated January 14, 1971 by and between the GUAM ECONOMIC DEVELOPMENT AUTHORITY ("GEDA"), Lessor's predecessor in interest, and KAISER CEMENT & GYPSUM CORPORATION ("Kaiser Cement"), Lessee's predecessor in interest, and recorded on January 21, 1971 in the Department of Land Management, Government of Guam, under Instrument No. 99073 (the "Sublease").

WHEREAS, said Sublease was assigned by GEDA to Lessor pursuant to that certain _____ dated _____, and assigned by Kaiser

Cement to KAISER CEMENT CORPORATION OF GUAM ("Kaiser Guam") pursuant to that certain _____ dated _____;

WHEREAS, said Sublease was amended pursuant to that certain Amendment of Sublease Agreement by and between Lessor and Kaiser Guam dated March 15, 1991 and recorded on January 7, 1994 in the Department of Land Management, Government of Guam under Instrument No. 501127.

WHEREAS, on or about August 30, 1999, Kaiser Guam changed its name to "Hanson Permanente Cement of Guam, Inc.";

WHEREAS, said Sublease was further amended as provided and evidenced by that certain letter agreement dated November 5, 2012 issued by Lessor, by and through its then acting General Manager, Mary C. Torres, and accepted and acknowledged by Lessee, by and through its General Manger, Derek K. Sadler.

WHEREAS, pursuant to that certain Pipeline Easement Agreement dated _____, 2015 by and between Lessor and IP&E Holdings, LLC ("IP&E") (the "IP&E Easement Agreement"), Lessor has granted to IP&E a seven and one half feet (7.5 ft) easement, as more particularly described and depicted in Exhibit "D-2" attached hereto and incorporated herein by reference, for the laying and operation of underground fuel pipelines, a portion of which traverses the Subleased Premises (the "IP&E Easement"); and

WHEREAS, Lessor and Lessee now wish to further amend the Sublease in order to acknowledge and confirm that Lessee's interest in the Subleased Premises, in addition to that fifteen foot (15 ft) easement granted by the Government of Guam to the Guam Oil Refining Company, Inc. as set forth in that certain Pipeline Easement Agreement dated April 4, 1969 and recorded in the Department of Land Management, Government of Guam on June 13, 1969 under Instrument No. 90509 and as depicted in Drawing No. 3048-3 attached to the Sublease as Exhibit "A", shall be subject to and further encumbered by the IP&E Easement effective as of the date of the IP&E Easement Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the covenants and agreements expressed herein and in the Sublease, Lessor and Lessee agree to amend the Sublease as follows:

1. **Amendment to Description of Subleased Premises:** For the purpose of clarifying and providing that the Subleased Premises as described in the Sublease and the Lessee's subleasehold interest are hereby as of the date of this Amendment made subject to and encumbered by the IP&E Easement, the description of the Subleased Premises as set forth in page 2 of the Sublease is hereby amended to read in the manner as set forth in Exhibit "D-1" attached hereto and incorporated herein by reference.

2. **Amendment to Section 11:** Section 11 of the Sublease is amended in its entirety to read :

“11. The Lessor does hereby grant to the Lessee the option to sublease from the Lessor and to include in the subleased premises hereunder, the remaining part of Lot No. Six (6) consisting of approximately .557 acres as shown on Exhibit “A” hereto as part of Lot No. Six (6) outside the part delineated in red. As of May 15, 1989, Lessee exercised its option to sublease the remaining portion .557 acre portion of Lot No. Six (6). Such property shall be subject to utilities, drainage, and “Gorco” pipeline and access easements as shown on Drawing No. 3048-3 attached hereto as Exhibit “A” and, as of _____, 2015, that certain seven and one-half (7.5) foot easement in favor of IP&E Holdings, LLC as shown on Drawing No. _____ attached hereto as Exhibit “D-2”. Said easements in that portion of Lot No. Six (6) are to be used also for right-of-way for access by Lessee of Lot No. Seven (7). As of May 15, 1989, rental for said additional .557 acre portion of Lot No. Six (6) payable by Lessee to Lessor was set at NINE HUNDRED FORTY-FIVE AND NO/100 DOLLARS (\$945.00) per year for the remaining term of the Lease. In the event that the underwater area to the west of Lot No. Six (6) is filled and offered by Lessor for lease, Lessee shall be given the first right to lease such property upon the terms and conditions which Lessor proposes to offer to others.”

3. **Amendment to Section 12:** The last sentence of Section 12 of the Sublease is amended to hereby read as follows:

“Lessor hereby warrants that it is authorized and empowered to enter into this Lease, that there are no conditions or reservations with regard to the subleased premises except as set forth in this paragraph 12 and that the subleased premises are not encumbered by any rights-of-way or other easements except as shown on Exhibit “A” and Exhibit “D-2” attached hereto and incorporated herein by reference.”

4. **Attachment and Incorporation of Exhibit “D-1 and D-2”:** The amended property description as set forth in and attached hereto as Exhibit “D-1” and Drawing No. _____ attached to this Amendment as Exhibit “D-2” shall constitute Exhibits “D-1” and “D-2” as to be attached and incorporated by reference into said Sublease as provided in Sections 1, 2 and 3 of this Amendment.

5. **Confirmation and Ratification of Sublease.** This Amendment shall be effective as of the date hereof, and except as expressly amended hereby or heretofore, the Sublease shall remain unchanged and shall continue in full force and effect. Without limitation to the generality of the foregoing, Lessee shall continue to observe and perform all other terms and covenants of the Sublease to be observed and performed by Lessee thereunder and shall make all payments thereunder payable by Lessee pursuant to the Sublease. The Sublease, as hereby and heretofore amended, and the respective obligations of the parties thereunder, are hereby ratified and confirmed. Notwithstanding the above, Lessor and Lessee hereby warrant and confirm as follows:

a. Current Term: The current term of the Sublease commenced on February 12, 2011 and expires on February 11, 2021. Lessee has four (4) remaining options to extend the Lease for ten (10) years for each respective option period.

b. Current Rent: The rent due and owing during the current term as noted in Section 5.a. above is \$172,000.00 per annum payable in equal quarterly increments at the beginning of each quarter of the respective lease year.

6. Counterparts. This Amendment may be executed in any number of counterparts (including counterparts delivered via facsimile or electronic mail), each of which shall be deemed an original, but all of which shall constitute one instrument binding on all the parties hereto, notwithstanding that all the parties are not signatory to the original or the same counterpart. Lessor and Lessee represent and warrant that the undersigned are validly authorized to execute this Amendment on behalf of each respective party and to bind such parties to the terms herein.

IN WITNESS WHEREOF, this Amendment effective as of the date first written above has been executed by the following undersigned parties.

<p>LESSOR: JOSE D. LEON GUERRERO PORT AUTHORITY OF GUAM</p> <p>By: _____ Name: JOANNE M.S. BROWN Title: General Manager Dated: _____</p>	<p>LESSEE: HANSON PERMANENTE CEMENT OF GUAM, INC.</p> <p>By: _____ Name: DEREK K. SADLER Title General Manager Dated: _____</p>
<p>APPROVED AS TO FORM: OFFICE OF THE ATTORNEY GENERAL OF GUAM</p> <p>_____ ELIZABETH BARRETT-ANDERSON Attorney General of Guam Dated: _____</p>	<p>APPROVED: GOVERNOR OF GUAM</p> <p>_____ EDUARDO BAZA CALVO <i>I Maga' Låhen Guåhan</i> Governor of Guam Dated: _____</p>

EXHIBIT "D-1"
LEGAL DESCRIPTION
HANSON LEASE PARCEL

THAT CERTAIN PORTION OF THE CABRAS ISLAND INDUSTRIAL PARK, AS SHOWN ON THE ESCO INTERNATIONAL DRAWING NO. 3048-3, APPROVED BY THE DEPARTMENT OF LAND MANAGEMENT ON FEBRUARY 10, 1970 UNDER DOCUMENT NO. 93718, AND BY REFERENCE MADE A PART HEREOF, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE SOUTH WEST 10 FEET OF LOT 5, AS SHOWN ON THE ESCO INTERNATIONAL DRAWING NO. 3048-3, RECORDED UNDER DOCUMENT NO. 93718 IN THE RECORDS DIVISION OF THE DEPARTMENT OF LAND MANAGEMENT.

TOGETHER WITH ALL OF LOT 6, AS SHOWN ON THE ESCO INTERNATIONAL DRAWING NO. 3048-3, RECORDED UNDER DOCUMENT NO. 93718 IN THE RECORDS DIVISION OF THE DEPARTMENT OF LAND MANAGEMENT;

SUBJECT TO THAT PORTION OF LOT 6 THAT IS OCCUPIED BY THE GORCO 15 FOOT FUEL PIPELINE EASEMENT, AS SHOW ON DOCUMENT NO. 90509;

SUBJECT TO THAT PORTION OF LOT 6 THAT IS OCCUPIED BY A 7.5 FOOT WIDE EASEMENT IN FAVOR OF IP&E HOLDINGS, LLC, AND ITS SUCCESSORS AND ASSIGNS, THE CENTERLINE OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE LINE OF LOT 6, LOCATED NORTH 17°58'58" WEST, A DISTANCE OF 87.67 FEET FROM CORNER NO. "6" OF LOT 6, AS SHOWN SAID ESCO INTERNATIONAL DRAWING NO. 3048-3;

THENCE NORTH 06°44'13" EAST, A DISTANCE OF 121.53 FEET;

THENCE NORTH 01°01'00" EAST, A DISTANCE OF 154.88 FEET TO THE POINT OF TERMINUS, A POINT ON THE RIGHT OF WAY LINE OF 100' WIDE PROPOSED RIGHT OF WAY, ON THE LINE OF LOT 6, AND LOCATED NORTH 64 °24'43" EAST, A DISTANCE OF 69.10 FEET FROM CORNER NO. "10" OF SAID LOT 6 AS SHOWN ON SAID ESCO INTERNATIONAL DRAWING NO. 3048-3.

THE SIDELINES OF SAID STRIP SHOULD BE PROLONGED OR SHORTENED SO AS TO BEGIN AND END ON THE LINES OF SAID LOT 6.

SAID DESCRIPTION CONTAINS AN AREA OF 88,821±SQ.FT. (8,252±SQ.M.), OR 2.04± ACRES, MORE OR LESS, WITH EXHIBIT "D-2" SHOWN ATTACHED AND MADE A PART HEREOF.

PREPARED BY:


DENNIS S. BALAGTAS
PROFESSIONAL LAND SURVEYOR NO. 75

09/29/2015
DATE



NOTES

1. HORIZONTAL CONTROL WAS BASED ON FOUND PROPERTY CORNERS AND 1983 GUAM GEODETIC NETWORK.
2. ALL DISTANCES ARE IN FEET & DECIMALS THEREOF.
3. FIELD WORK WAS DONE ON 06/10/2015.
4. PROPERTY LINES & DATA ARE SHOWN AS PER RECORDED DOCUMENTS, AND RIGHT OF WAY SURVEY OF ROUTE NO. 11 (PR022010-100).
5. HANSON PARCEL IS SUBJECT TO 7.5' WIDE "P&E EASEMENT" AND "GORCO" 15' WIDE PIPELINE EASEMENT PER DOC. NO. 90509.

REFERENCES

1. DOC. NO. 93718, DWG. NO. 3048-3, PARCELLING OF COMMERCIAL PORT PARCEL 1, BY R.L.S. NO. 18

LEGEND

- BOUNDARY OF HANSON LEASE PARCEL
- PORTION OF LOT 6 SUBJECT TO EASEMENTS IN HANSON LEASE PARCEL

T.P.O.B.

STA. 1+22.56
N 841615.5708
E 286764.8437

STA. 6+18.94
N 641914.0594
E 297161.5520

STA. 7+56.14
N 842052.3009
E 297177.8823

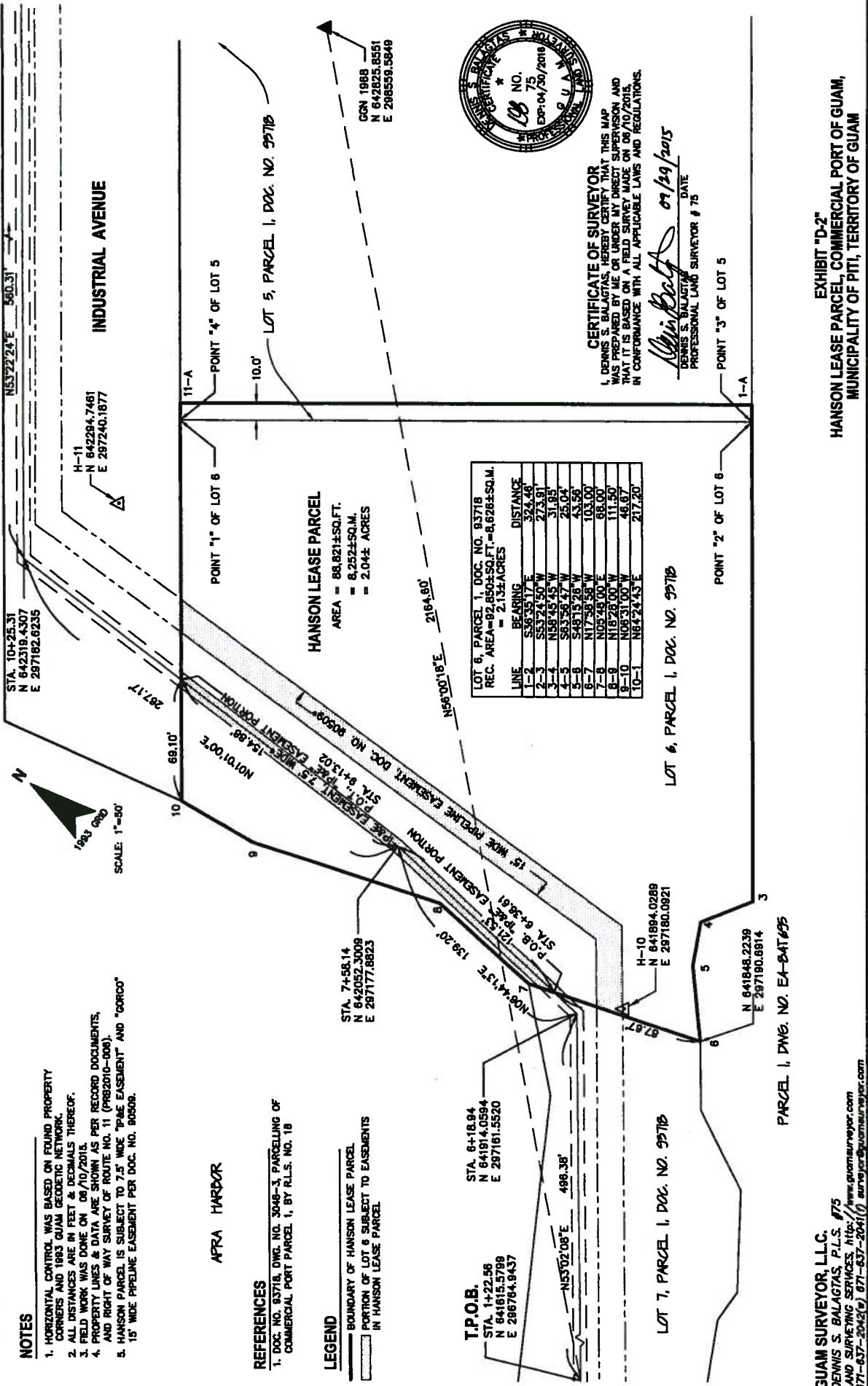
H-10
N 841894.0289
E 297180.0821

N 841848.2239
E 297180.6614

STA. 10+25.31
N 642319.4307
E 297182.6235

H-11
N 842284.7461
E 297240.1877

CGN 1988
N 642823.8551
E 298559.5849



LINE	BEARING	DISTANCE
1-2	S95°55'17"E	324.46'
2-3	S53°24'50"W	273.91'
3-4	N58°45'45"W	31.85'
4-5	S83°56'47"W	25.04'
5-6	S45°15'26"W	43.56'
6-7	N17°56'58"W	103.00'
7-8	N05°49'00"E	68.00'
8-9	N18°28'00"W	111.50'
9-10	N08°31'00"W	46.67'
10-1	N64°24'43"E	217.20'

CERTIFICATE OF SURVEYOR

I, DENNIS S. BALAGTAS, HEREBY CERTIFY THAT THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT IT IS BASED ON A FIELD SURVEY MADE ON 06/10/2015, IN CONFORMANCE WITH ALL APPLICABLE LAWS AND REGULATIONS.

Dennis S. Balagtas
DENNIS S. BALAGTAS
PROFESSIONAL LAND SURVEYOR # 75
DATE 07/29/2015



EXHIBIT "D-2"
HANSON LEASE PARCEL, COMMERCIAL PORT OF GUAM,
MUNICIPALITY OF PITI, TERRITORY OF GUAM

GUAM SURVEYOR, L.L.C.
DENNIS S. BALAGTAS, P.L.S. #75
LAND SURVEYING SERVICES. <http://www.guamsurveyor.com>
671-637-2043 (p) 871-637-2041 (f) surveyor@guamsurveyor.com
DWG.# 2014076-01ERXSL.DWG PROJ.# 2014-078

CLIENT: P&E - DADO RUEDAS



PORT OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, Piti, Guam 96925
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445
Website: www.portguam.com



Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

November 9, 2015

MEMORANDUM

TO: Board of Directors
FROM: General Manager
SUBJECT: Travel Authorization Request
: Maritime Law Enforcement Training – Basic Maritime Officer’s Course

The Port Authority has recently been awarded funding through the Port Security Grant Program to refurbish and/or restore two Safe Boats acquired from the Law Enforcement Support Office (LESO Program).

In partnership with U.S. Department of Homeland Security, the Los Angeles Port Police (Port of Los Angeles) has been identified as the 1st Maritime Law Enforcement Training Center (MLETC). The course offerings are based on Federal Law Enforcement Training Center curricula designed to train state and local law enforcement personnel. The MLETC training provides basic and intermediate boating skills and knowledge such as boating laws, vessel stops, rules to navigation, response to emergencies, and security zone enforcement of high interest vessels. This training would serve beneficial for Port Police personnel to attend.

In light of this, request is being made to authorize six (6) Port Police personnel to attend the Basic Maritime Officer’s Course to be held at Port of Los Angeles. The following training schedule provides:

January 22, 2016 – February 5, 2016
February 22, 2016 – March 4, 2016
May 2, 2016 – May 13, 2016

The cost associated with this training is at \$42,000.00. The funding source identified is through the Port Security Grant Program at \$23,500.00 and \$18,500.00 from the Port Training account.

I am available should you have any questions.


FELIX R. PANGELINAN
Acting



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Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

November 9, 2015

MEMORANDUM

TO: Board of Directors
FROM: General Manager
SUBJECT: **Travel Authorization Request**
: New Mexico Tech
: Emergency Management Institute

Throughout the calendar year New Mexico Tech and Emergency Management Institute offers various training that is federally funded which are recognized by the office of Homeland Security and Federal Emergency Management Agency. Request is being made to authorize travel for port participants as presented or as otherwise directed by the General Manager.

January 12, 2016

Incident Response to Terrorist Bombing, New Mexico Tech, Socorro, New Mexico

1. Justin A. Candoleta, Preventive Maintenance Mechanic
2. Corrina C. Quinata, Planner Work Coordinator
3. Paul B. Santos, Equipment Operator II
4. Jovin L. Santos, Preventive Maintenance Mechanic

February 22, 2016

Incident Response to Terrorist Bombing, New Mexico Tech, Socorro, New Mexico

1. Roy H. Eay, Maintenance Custodian

April 2016 thru September 2016

Emergency Management Institute – Various Training Courses, Emmitsburg, Maryland

1. Frank V. Lujan, Program Coordinator
2. Joseph F. Leon Guerrero, Mobile Equipment Dispatcher

I am available should you have any questions.


FELIX R. PANGELINAN
Acting



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Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

November 9, 2015

MEMORANDUM

TO: Board of Directors
FROM: General Manager
SUBJECT: Travel Authorization Request
: Association of Pacific Ports Winter Conference

As you are aware, the Port Authority of Guam is a member of the Association of Pacific Ports (APP). The association will be holding its APP Winter Conference on January 13-15, 2016 at Big Island, Hawaii. In keeping up with maritime industry current affairs, the Port has been involved in the conferences held by APP for networking and best management practices. Therefore, this matter is being presented to the Board for an opportunity to attend if so desired.

I am available should you have any questions.


FELIX R. PANGELINAN
Acting