

LOAN AGREEMENT

This Loan Agreement is made this 23rd day of December, 2024, between the Department of Administration, Government of Guam (“DOA” or “Lender”), and Guam Housing and Urban Development Authority (“GHURA” or “Borrower”). Borrower requires funds to purchase real property for use as a medical campus and other related uses. Lender is willing to lend these funds to Borrower on the terms and conditions set forth in this Loan Agreement.

NOW, THEREFORE, the parties agree and covenant as follows:

1. LOAN

1.1 AMOUNT AND PURPOSE OF LOAN. Subject to all the terms and conditions hereof, Lender agrees to lend to Borrower the sum of \$12,500,000.00 to be repaid as provided in paragraph 1.5 hereof (the “Loan”). The Borrower shall use the Loan for capital projects, specifically, the acquisition of real property for the development of healthcare facilities, and related community development projects within the Municipality of Mangilao, Guam. Any funds not expended for the purpose provided in this paragraph by December 31, 2025, may be reprogrammed by Lender for eligible uses consistent with the 2022 Final Rule, 2023 Interim Final Rule, and 2023 Obligation Interim Final Rule issued by the U.S. Department of the Treasury implementing the Coronavirus State Fiscal Recovery Fund established under the American Rescue Plan Act (“Treasury Rules”), and other applicable federal laws or regulations. In the event such funds are reprogrammed by Lender, the parties shall execute an addendum or amendment to this Loan Agreement reducing the loan amount by the value of the reprogrammed funds.

1.2 THE NOTE. To evidence the Loan, Borrower has executed and delivered to Lender a Note dated December 23, 2024 payable to Lender’s order.

1.3. **INTEREST.** Borrower shall pay the Lender interest on the outstanding principal balance of the Loan at the rate equal to one percent (1.00%) per annum. Interest shall be computed daily based on a 365-day year and the actual number of days elapsed.

1.4 **PRINCIPAL PAYMENTS, COMMENCEMENT DATE.** The principal amount of the Loan plus accrued interest thereon at the rate set forth in this Loan Agreement shall be repaid in a lump sum on December 31, 2026 (the "Maturity Date"). At any date prior to the Maturity Date, Borrower may transfer title to those Mortgaged Properties acquired by GHURA (defined in paragraph 2.1 below) as directed by Lender, which transfer shall constitute partial satisfaction of the Loan equivalent to amounts disbursed for the acquisition of such properties. The parties may amend this Paragraph to authorize satisfaction of the Loan through other means authorized by the Treasury Rules.

1.5. **PAYMENT AND COMPUTATIONS.** All payments under the Loan by Borrower shall be made in lawful money of the United States of America to Lender at its address set forth in this Loan Agreement. All computations of interest under the Note shall be made by Lender based on a year of three hundred sixty-five (365) days or the actual number of days (including the first day but excluding the last day) elapsed.

1.6. **APPLICATION PROCEEDS.** Loan proceeds shall be used by Borrower solely for the purposes set forth in paragraph 1.1.

1.7. **EXTENSION OF PAYMENT.** Lender may at any time extend the payment of any of the principal secured by the Note, and any extensions so granted shall not be deemed modifications of this Loan Agreement.

2. **SECURITY FOR LOAN.** Borrower gives the following security to secure Borrower's

obligations under this Loan Agreement and the Note.

2.1. **MORTGAGE.** Borrower shall acquire the following real property (the “Mortgaged Properties”) pursuant to this Loan Agreement:

1. Legal Description: Lot 5280-3
Size: +/- 194,081 square meters
Zone: Agriculture (“A”)
Cost: \$3,500,000
2. Legal Description: Lot 5327-4-2
Size: +/- 2,000 square meters
Zone: Agriculture (“A”)
Cost: \$110,000
3. Legal Description: Lot 5327-4-3
Size: +/- 2,000 square meters
Zone: Agriculture (“A”)
Cost: \$120,000
4. Legal Description: Lot 5327-4-4
Size: +/- 2,000 square meters
Zone: Agriculture (“A”)
Cost: \$144,000
5. Legal Description: Lot 5327-4-5
Size: +/- 2,000 square meters
Zone: Agriculture (“A”)
Cost: \$109,000
6. Legal Description: Lot 5327-4-R5
Size: +/- 106,747 square meters
Zone: Agriculture (“A”)
Cost: \$2,200,000
7. Legal Description: Lot 5328-REM-2
Size: +/- 27,349 square meters
Zone: Light Industrial (“M-1”)
Cost: \$2,020,000
8. Legal Description: Lot 5328-REM-R2
Size: +/- 27,699 square meters
Zone: Light Industrial (“M-1”)

Cost: \$1.950.000

9. Legal Description: Lot 5297
Size: +/- 60.160 square meters
Zone: Agriculture ("A")
Cost: \$1.260.000

Borrower shall execute and deliver to Lender a mortgage and note in Lender's favor for each property within sixty (60) days of its acquisition. To perfect the security interest, Lender shall record the mortgage with the Department of Land Management within thirty (30) days of its execution. As provided in Paragraph 1.1, funds not expended for the purpose provided in Paragraph 1.1 by December 31, 2025 may be reprogrammed by Lender for eligible uses consistent with the Treasury Rules.

2.2. ADDITIONAL DOCUMENTATION. Borrower shall execute and deliver any additional documents reasonably requested by Lender to perfect, update, amend, or modify the security interest.

2.3. LOAN DOCUMENTS. As used in this Loan Agreement and in all other documents executed in connection with and pursuant to this Loan Agreement, the Note, and the Mortgages and any other documents contemplated hereby are herein sometimes collectively referred to as the "Loan Documents".

3. CONDITIONS PRECEDENT TO CLOSING. The obligation of Lender to make the Loan is subject to the condition precedent that Lender shall have received on or before the date of the Loan closing the following documents, each of which shall be dated as of the date of closing and shall be in form and substance satisfactory to Lender.

3.1. LOAN DOCUMENTS. The executed Loan Documents.

3.2. CORPORATE DOCUMENTS

3.2.1. SECRETARY'S CERTIFICATES. A certificate of the secretary of the Borrower certifying:

(a) resolutions of the Board of Directors of Borrower duly authorizing the execution and delivery of the documents required to be executed by Borrower and the consummation of the transactions contemplated thereby;

(b) verification of the names and signatures of the officers authorized to execute such documents;

(c) such other matters as the Lender may require.

4. REPRESENTATIONS AND WARRANTIES OF BORROWER. Borrower represents and warrants as follows:

4.1. EXISTENCE AND AUTHORITY. Borrower is a government of Guam agency duly organized and validly existing under the laws of Guam, and has all requisite power and authority to carry out this transaction and to purchase and own property. Borrower has all requisite power and authority to execute and deliver the Loan Documents required to be executed and delivered hereunder and to observe and perform all of the provisions and conditions thereof. The execution and delivery of the Loan Documents have been duly authorized by the Board of Directors of Borrower, and, to the extent required by law, by the Governor of Guam, and no other action of Borrower is required for the execution and delivery of the Loan Documents.

4.2. VALID OBLIGATIONS. This Loan Agreement is, and each other Loan Document to which Borrower will be a party when delivered hereunder will constitute legal, valid and binding obligations enforceable against such Borrower in accordance with their respective

terms.

4.3. TITLE TO LOT 5280-3. Borrower is the lawful owner of Lot 5280-3, described more fully in Paragraph 2.1, in fee simple, free and clear of all defects, liens, and encumbrances. Borrower covenants that it will not create, incur, assume, or suffer to exist any additional liens or encumbrances on the Collateral without Lender's prior written consent. Borrower further covenants that it will not sell, convey, assign, transfer, or further encumber the Collateral without Lender's prior written consent. Any breach of these covenants shall constitute an event of default under this Loan Agreement.

5. AFFIRMATIVE COVENANTS OF BORROWER. So long as the Note shall remain unpaid, Borrower shall (unless Lender shall otherwise waive in writing any of the requirements contained herein):

5.1. LITIGATION. Borrower shall promptly advise Lender in writing of all litigation (including threatened litigation and any matter which may become the subject of litigation) involving Borrower or the Mortgaged Properties or any property of Borrower, and of all complaints and charges made by any governmental department, bureau, commission or agency affecting Borrower or its properties.

5.2. COMPLIANCE WITH LAW. Borrower shall comply promptly with all laws and regulations of the federal government and the Government of Guam and any of their subdivisions or agencies. Borrower further affirms that it will comply with all applicable provisions of the American Rescue Plan Act and all provisions of the Treasury Rules.

5.3. FINANCIAL STATEMENTS AND OTHER REPORTS. Borrower shall maintain complete and accurate books of account and business and accounting records. Borrower

shall promptly furnish to Lender such information concerning Borrower's business and financial affairs as Lender may request. Specifically, Borrower shall furnish the Lender with financial reports, certified as true and correct by the Borrower, in reasonable detail and form as approved by the Lender, as follows:

5.3.1. **INSURANCE.** The Borrower shall, at its sole cost and expense, maintain insurance coverage of the types and in the amounts specified herein, issued by insurance companies acceptable to the Lender. The Borrower shall provide the Lender with certificates of insurance evidencing such coverage upon execution of this Loan Agreement and annually thereafter, or as otherwise reasonably requested by the Lender.

5.3.2. **TITLE INSURANCE.** A policy of title insurance, together with such endorsements and reinsurance as the Lender may require (such policy, endorsements and reinsurance being hereinafter referred to as the "Title Policy") issued by any title insurance company authorized to do business in Guam and approved by the Lender, in the amount of the Loan, insuring that the Mortgages and any addenda thereto constitute valid first liens on the Mortgaged Properties identified therein, free and clear of all defects, liens, encumbrances and exceptions to title whatsoever, except such as the Lender may approve in writing. Without limiting the foregoing, the Title Policy shall affect full coverage against losses arising out of encroachments against boundary or setback lines, against losses from existing or subsequent mechanic's or materialmen's liens which may gain priority over the Mortgage and any addenda thereto, and against losses arising out of zoning ordinances and regulations and such other losses with respect to which the Lender may request coverage.

5.3.3. **FINANCIAL INFORMATION.** Borrower shall furnish such financial information as the Lender may reasonably request.

5.3.4. **CERTIFICATES.** Upon request from Lender, Borrower shall furnish a certificate by Borrower that to the best of its knowledge no default exists under this Loan Agreement or under any other Loan Document nor under any other agreement pursuant to which any indebtedness of Borrower is outstanding.

5.4. **ADDITIONAL DOCUMENTS.** Borrower shall promptly execute and deliver to Lender upon request by Lender, in recordable form, if appropriate, such other documents as Lender may reasonably request to effectuate and protect its security for the Note and to carry out the intent and terms of this Loan Agreement.

6. **NEGATIVE COVENANTS.** During the term of the Loan and so long as any sum under the Note remains unpaid, Borrower will not, without the prior written consent of Lender, which shall not be unreasonably withheld, do or attempt to do any of the following:

6.1. **LIENS.** Borrower will not create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance of any kind upon the Mortgaged Properties, except liens or encumbrances expressly authorized by Lender in writing.

6.2. **DUE-ON-SALE AND SECONDARY FINANCING.** Borrower will not, without the Lender's prior written consent, obtain any other financing secured by a lien or security interest on any portion of the Mortgaged Properties. Borrower will not, without the Lender's prior written consent, sell, convey, assign, transfer or encumber in any way its interest in the Mortgaged Properties.

6.3. **ADVANCE RENTALS.** Borrower will not accept any rentals for the

Mortgaged Properties or any part thereof without the prior written consent of Lender in its absolute discretion.

7. EVENTS OF DEFAULT. Borrower shall be in default under this Agreement upon the happening of any of the following events of default:

7.1. MONETARY DEFAULT. Any default (by failure to make payment when due) in the payment of any installment of principal or interest or any part thereof when due under the Note or in the payment of any other sums now or hereafter owed to Lender by Borrower pursuant hereto or pursuant to any other loan agreement or transaction.

7.2. PERFORMANCE OF AGREEMENTS. Any event specified in the Note or any other of the Loan Documents which would permit Lender to cause the indebtedness secured thereby to become due prior to its stated maturity or to foreclose under such Loan Document and said default is not cured within sixty (60) days after written demand by Lender.

7.3. LOAN AGREEMENT DEFAULT. Any default by Borrower in any representations made or in the observance of any obligations undertaken by Borrower pursuant to this Loan Agreement and said default is not cured within sixty (60) days after written demand by Lender.

7.4. FALSE STATEMENTS. If any certificate or statement heretofore or hereafter furnished by Borrower pursuant to or in connection with this Loan Agreement shall prove to have been false in any material respect as of the date on which the facts therein set forth were certified, or has omitted any substantial contingent or unliquidated liability or claim against Borrower or known to Borrower, or if upon the date of the execution of this Loan Agreement there shall have been any material adverse change in any of the facts disclosed on any such statement, which

change shall not have been disclosed by Borrower to Lender in writing at or prior to the time of such execution.

7.5. LIENS, MONEY, JUDGMENT, WRIT. The discovery of any perfected liens or encumbrances having priority over the liens or claims of Lender in and to the property of Borrower in which Lender has a security interest, including, without limitation, the Mortgaged Properties or the rendering of any judgment against Borrower or the issuance of any attachment or writ of execution against any of the property of Borrower which lien, judgment and/or writ is not released or bonded within thirty (30) days from the date of discovery or entry.

8. REMEDIES. Upon the occurrence of any such event of default listed in Paragraph 7, then in addition to any other remedies given to Lender by law or under any Loan Document, Lender shall have the following right and remedies:

8.1. BALANCE DUE AND PAYABLE. Lender may, without further notice, presentment, or demand, all of which are hereby waived, declare the unpaid principal amount and any accrued interest on the Note made pursuant to this Loan Agreement which is in default, to be immediately due and payable.

8.2 SUITS FOR ENFORCEMENT. In case any one or more events of default shall occur and be continuing, Lender may proceed to protect and enforce its rights either by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement, or other provisions contained herein, or in the Note or to proceed to enforce the payment of the Note, or any other legal or equitable right or remedy.

8.3. MORTGAGE FORECLOSURE. Lender may foreclose the Mortgage as provided therein.

9. **CONSTRUCTION OF LOAN AGREEMENT.**

9.1. **POWERS CUMULATIVE.** All rights, powers and remedies herein given to Lender are cumulative and not alternative, and are in addition to all rights, powers and remedies provided by statutes or rules of law; a partial exercise or forbearance or delay by Lender in exercising the same shall not operate as any waiver thereof or of any other power or rights hereunder or granted to Lender by law, and the exercise of any rights or partial exercise thereof or of any other right, and the same shall continue in full force and effect until specifically waived by an instrument in writing executed by Lender.

9.2. **LOAN DOCUMENTS SUBJECT TO AGREEMENTS.** The Loan Documents are hereby made subject to all conditions, agreements and covenants contained herein to the same extent as if they were fully set forth and made a part of said Loan Documents.

9.3. **COVENANTS SURVIVE CLOSING.** All covenants, agreements, undertakings, representations and warranties made herein shall survive the execution hereof and closing hereunder. All covenants, agreements, undertakings, representations and warranties made herein are continuing and shall be fully observed and performed at all times by Borrower so long as any indebtedness contemplated in this Loan Agreement remains unpaid.

9.4. **INVALID PROVISIONS.** In the event any one or more of the provisions contained in this Loan Agreement or in any Loan Documents which are the subject of this Loan Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, unenforceability or illegality shall not affect any other provision of this Loan Agreement and/or of such other documents, and this Loan Agreement and such documents shall be construed as if such provision had never been contained herein or therein.

9.5. **CAPTIONS.** The captions and paragraph headings herein are for reference and convenience only, and shall not enter into the interpretation hereof. In the event of any conflict between any caption and the written text, the terms of the written text shall control

9.6. **NOTICES.** All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given and effective: (a) upon personal delivery to the intended recipient, evidenced by a signed receipt of delivery; (b) one (1) business day after deposit with a nationally recognized overnight courier service, with prepaid charges and proof of delivery requested, addressed to the intended recipient; (c) five (5) business days after deposit in the United States mail, certified or registered mail, return receipt requested, postage prepaid, addressed to the intended recipient; or (d) upon confirmed electronic transmission via email to the intended recipient's designated email address, provided that the sending party receives electronic confirmation of successful delivery. Notices shall be sent to the following addresses, or to such other address as a party may designate by written notice to the other party:

If to Borrower:
Guam Housing and Urban Renewal Authority
ATTN: EXECUTIVE DIRECTOR
117 Bien Venida Ave Sinajana, Guam 96910

If to Lender:
Department of Administration
ATTN: DIRECTOR
P.O. Box 7420 Tamuning, Guam 96931

9.7. **BINDING EFFECT.** This Loan Agreement shall be effective and binding on the parties hereto and their respective successors and assigns, except Borrower shall not have the right to assign its rights, hereunder or any interest herein without the prior written consent of Lender.

9.8. **COMPLETION OF NOTE.** Borrower hereby authorizes Lender to complete the Note made pursuant to this Loan Agreement in all particulars in accordance with the terms of this Loan Agreement.

10. **INDEMNIFICATION; COSTS.**

10.1. **INDEMNIFICATION.** Borrower shall indemnify and hold Lender harmless from any liability, expense, cost or damage arising out of Borrower's breach of any of the Loan Documents. Lender may appear in or defend any action or proceedings purporting to affect the rights or duties of the parties hereunder or property subject to any security interest. And Borrower shall pay all of Lender's costs and expenses.

11. **NON-WAIVER.** No failure or delay by DOA in exercising its rights under this Loan Agreement shall be considered a waiver of such rights.

12. **SEVERABILITY.** In the event that any provision herein is determined to be void or unenforceable for any reason, such determination shall not affect the validity or enforceability of any other provision, all of which shall remain in full force and effect.

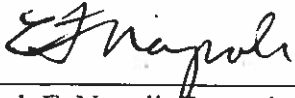
13. **AMENDMENTS.** This Loan Agreement may not be amended, modified, or supplemented in any way except by a written instrument signed by both parties.

14. **GOVERNING LAW.** This Loan Agreement shall be governed under the laws of Guam.

[Signature Page Follows]

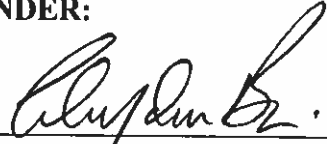
IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement the day and year first above written.

BORROWER:



Elizabeth F. Napoli, Executive Director
Guam Housing and Urban Renewal Authority

LENDER:



Edward Birn, Director
Department of Administration