

GUAM YTK CORPORATION

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For Immediate Release

Guam YTK Statement

March 3, 2017 - Hagåtña, Guam - The Superior Court of Guam granted a stay on the writ of execution recently filed by Guam YTK pending resolution of the Port Authority of Guam's motion for reconsideration. Guam YTK filed the writ of execution to collect the Judgment confirming the arbitration award in its favor against the Port.

Guam YTK respects the court's decision to grant the stay, as the company has respected the legal process from the beginning. Guam YTK also stands firm in its position that the Port must honor its contractual obligations and settle the Judgment.

The issue arose over a 2001 Development Agreement and Lease for Hotel Wharf between Guam YTK and the Port. The lease was signed by the Port Chairman and General Manager, the Governor, Lieutenant Governor, Port legal counsel and the Attorney General. The Port warranted and the Port legal counsel and the Attorney General opined that the lease was legal and binding.

Guam YTK invested more than a million and a half dollars in Hotel Wharf. It did its best to meet the terms of the lease, but the Port blocked the completion of the project and breached the lease.

For years Guam YTK tried to resolve its dispute with the Port, but the Port refused to negotiate a resolution and settlement. The Port effectively forced Guam YTK to go into arbitration.

In 2016, an arbitration panel issued a unanimous decision in favor of Guam YTK. The panel decided that the Port should pay Guam YTK an award amount of \$12.7 million which was determined to be the market value of the lease plus interest as provided by the lease and approximately \$1.3 million of attorney's fees and costs.

Guam YTK is now owed more than \$15 million as of the date of the Judgment and continues to accrue interest at the rate of 6 percent per annum, or about \$75,000 a month.

Guam YTK remains willing to discuss and consider satisfaction of the Judgment on reasonable terms. Guam YTK is open to discussing a payment plan with the Port.

“Although Guam YTK is disappointed that it cannot at this time move forward to the ultimate resolution of the dispute, we are pleased that the Court limited its order to the period of reconsideration of the Judgment rather than granting permission, as the Port asked, to continue to delay the consequences of the Port's own actions. Resolution of this dispute, which has lasted more than a decade, is long overdue,” said Genevieve Rapadas, counsel for Guam YTK. “The Supreme Court, the arbitration panel and the Superior Court have all ruled that the Port was wrong. The Port's motion to the Superior Court to reconsider the Judgment confirming the

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arbitration award is without merit and will be another expensive waste of money – ultimately paid by the Port.”

Rapadas added, “Guam YTK has always been open to negotiate a resolution of this dispute and have tried for years to meet and negotiate with the Port. However, the Port and its legal counsel refused to talk and forced us to go to court and arbitration – we had no choice. The decisions of the Port Board and its legal counsel have put the Port in this predicament and their decision to file a motion for reconsideration – instead of an immediate appeal – has only resulted and will continue to result in more expense and attorney fees for the Port. Notwithstanding, we remain willing to discuss and consider satisfaction of the Judgment on reasonable terms.”

The hearing on the Port’s motion for reconsideration is scheduled for April 6, 2017 at 1:30 p.m.

For further inquiries, contact Guam YTK legal counsel Genevieve Rapadas at 646-9355.