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ASST. CLERK OF COURTS
REPUBLIC OF THE MARSHALL ISLANDS

**IN THE HIGH COURT
OF THE
REPUBLIC OF THE MARSHALL ISLANDS**

Eigigu Holdings Corporation

Plaintiff,

v.

Leander Leander and Lijun Leander

Defendants.

Civil Action No.: 2014-067

**PLAINTIFF'S MOTION FOR
DECLARATORY JUDGMENT AGAINST
DEFENDANTS LEANDER LEANDER AND
LIJUN LEANDER; MEMORANDUM OF
POINTS AND AUTHORITIES**

COMES NOW the Plaintiff by and through counsel Gordon C. Benjamin and moves this Court to enter a declaratory judgment for the Plaintiff and against Defendants Leander Leander and Lijun Leander finding and ordering that, as a matter of law, any lease between Plaintiff or its predecessors and Defendants terminated when the Overlease between the Plaintiff or its predecessors and the traditional landowners was terminated by the traditional landowners, and that Plaintiff is entitled to have the Defendants removed, and to receive fair rent for the period of Defendants possession since the termination of their leases to the date Defendants are removed, based on the following memorandum of points and authorities.

MEMORANDUM OF POINTS AND AUTHORITIES

A. Background

In 1990, a Lease Agreement was entered into between certain landowners (the "Lessors" or "Landowners") and the Nauru Local Government Council ("NLGC," the "Lessee"). (see Exhibit "P-4" attached hereto [Lease Agrmt. for Eastern Gateway Hotel ("Overlease").]) In 1996, all properties held by NLGC were transferred, by Cabinet Order, to Eigigu Holdings Corporation ("EHC") (see April 7, 2014 Complaint in this matter, "Compl." Ex. P-1.).

In 2001, an Agreement of Sub Lease ("Sublease") was entered into between the Leanders ("Sublessees") and NLGC, by Rubin Tsitsi, for a 10-year period that was to end in April of 2011. (Compl. Ex. P-2.) In that Sublease, NLGC warranted that it had full legal ownership of the premises and that there was no other party of interest, and agreed to indemnify and hold the Sublessees harmless should anyone else be the proper holder of the interest. (Compl. Ex. P-2, § 4(b).) In 2002, another agreement (Agreement for Extension and Revision) was entered into by these same parties, for an extension and revision of the prior agreement. (Compl. Ex. P-3.) The extension provided for a 25-year term, to run through September of 2027. (Compl. Ex. P-3, § A(2).) One of the revisions provided for full payment (\$200,000) for the entire term of the revised lease at its inception, and further provided:

Both parties agree that the lessee shall not be responsible for any form of payments to the landowners, . . . and Nauru Council, after the full payment of US \$ 200,000.00 . . . at any times throughout this lease . . . [and] that the lessor [shall be] responsible for any payments to Chief and Landowners[.]

(Compl. Ex. P-3, § A(3).) The Lessor under that agreement was, of course, NLGC.

In February of 2012, the Landowners sent notice to NLGC and EHC, c/o Rubin Tsitsi of default on multiple counts. (Registered Lease Termination, see Exhibit "P-5," attached hereto, at 4 of 7 [Feb. 15, 2012 Ltr. of Default].) Although all NLGC property interests had been transferred to EHC in 1996, EHC was unaware of its ownership of the 1990 Overlease until, under new

management, it discovered that fact. Rubin Tsitsi, who had entered the subleases on behalf of NLGC, was managing the subleases during this period and was apparently pocketing payments, rather than forwarding them to EHC.

When the matters of default were not cured within the time provided, the Landowners then sent notice of cancellation and termination of the Overlease, effective April 6, 2012. (Ex. P-5, at 3 of 7 [Mar. 10, 2012 Notice of Termination].) During this same early 2012 period, EHC was making attempts to take over the management of the property. As part of that effort it fired Rubin Tsitsi.

In May of 2012, EHC sent a letter to the sublessees under the 1990 Lease Agreement, informing them that all rental payments were to be made to David Strauss going forward, rather than to Rubin Tsitsi. (See Exhibit "P-6", attached hereto [May 10, 2012 Ltr. from David Aingimea to Shopowners & Managers].)

Thereafter, the Landowners and EHC entered into an agreement ("2013 Agreement"), under which EHC was to pay a certain amount in damages to the Landowners, Rubin Tsitsi was to be removed from management, and the Landowners were to file a revocation of the 2012 termination. (See Exhibit "P-7," attached hereto [2013 Agrmt. Between Eigigu Holdings Corp & Landowners of Eastern Gateway Premises].) In September of 2013, EHC sent another letter to the sublessees under the 1990 Lease Agreement, informing them of the termination of the Lease, that their leases were thereby also terminated, and, as in the earlier letter, requiring that no rent payments be made to Rubin Tsitsi. (See Exhibit "P-8," attached hereto [Sept. 6, 2013 Ltr. from David Aingimea to Shop Operators/Managers/Residents].)

Following full performance of the 2013 Agreement, the Landowners and EHC entered into a new lease agreement. (See Exhibit “P-9,” attached hereto [2013 Ground Lease Agrmt.].) In that agreement, the parties adopted the terms and conditions of the original Overlease as to all relevant matters, except as to the provision for subletting, which was revised to state:

Following the expiration of *any current and legally enforceable* subleases on the premises, if any, Tenant may sublease or assign the premises in whole or in part after first notifying the Landowners in writing[.]

(Ex. P-9, at 2 [2013 Ground Lease Agrmt.], paragraph 7 (emphasis added).)

In January of 2014, a third letter was sent to the sublessees, reiterating that their leases had been terminated, as a matter of law, along with the original Overlease, informing them that EHC was prepared, at its option, to enter new subleases, and notifying them that any advance payments made to Rubin Tsitsi were in violation of the Republic of the Marshall Islands laws. (See Exhibit “P-10,” attached hereto [Jan. 9, 2014 Ltr. from Gordon C. Benjamin to Sub-Lessees].)

The original Overlease provided that upon default, as described in the document, the Lessors would have the right to cancel and terminate the Lease. (Ex. P-4 [Overlease], § 17(a).) The Overlease further provided that, in the event of voluntary or mutual termination of the Lease, the Lessors, at their option, could terminate any existing subleases, or have such subleases deemed assigned to them. (Ex. P-4 [Overlease], § 19.) The Overlease also provided that if the Lessee remained in possession after the expiration of the term of the Overlease (50 years), it would be deemed a tenant on a year-to-year basis, subject to all terms of the Overlease, but at a rent agreed to by the parties. (Ex. P-4 [Overlease], § 23.)

B. The Termination of an overlease terminates all subleases, as a matter of law.

The Overlease did not specifically address the result of its termination for default on any subleases. It is firmly established everywhere, however, that absent contrary terms in the contract itself or in the positive law of the jurisdiction, the termination of an overlease terminates all subleases, as a matter of law. *See, e.g., Forest Park Lanes, Ltd. v. Keith*, 441 S.W.2d 920, 939 (Tex. App. 1969) (termination of the primary lease "brought into effect, by operation of law, the termination of all the subleases, validity of which was dependent upon the continuation of the primary lease"); *Four Bros. Boat Works, Inc. v. S&SF, Inc.*, 55 S.W.3d 12, 17 (Tex. App. 2001) ("As a general rule, a subtenant's right of occupancy under a sublease ends when the underlying master lease ends."), *reh'g of petition for review overruled* (Sept. 13, 2001); *Jaynet Drug Corp. v. Sheraton-Astor Corp.*, 158 N.Y.S.2d 344, 350 (Sup. Ct. 1956) ("It is the well settled rule of law that when an underlying lease is terminated either by the ending of its natural term or by the exercise of a cancellation clause contained therein providing for earlier termination, that any subleases are similarly terminated."); *Pelt v. City of New York*, No. 11-CV-5633 (KAM)(CLP), 2013 WL 4647500, at *8 (E.D.N.Y. Aug. 28, 2013) (same); *Merci Corp. v. World Int'l Corp.*, 2005 MP 10, 2005 WL 3781861, at *2 n. 14 (N. Mar. I. 2005).

This is necessarily so, first, because sublessees are not in privity with the lessor under an overlease and they can, therefore, have no possession rights under their leases after that overlease ends, regardless of how the latter was terminated. *Four Bros. Boat Works*, 55 S.W.3d at 17; *Cleveland v. A.J. Rose Mfg. Co.*, 89 Ohio App. 3d 267, 271, 624 N.E.2d 245, 248 (1993); *Parr v. Farmers State Bank of Orange Grove*, 659 S.W.2d 883, 883-84 (Tex. App. 1983).

It is so, second, because a sublessee's rights can never be greater than those of the lessee, and, therefore, when the lessee's rights are terminated, so are those of the sublessee. *A.J. Rose Mfg. Co.*, 89 Ohio App. 3d at 272, 624 N.E.2d at 248.

Accordingly, it is evident that with the 2012 termination of the Overlease, all subleases terminated, as a matter of law, as acknowledged by both parties in the Ground Lease Agreement. (Ex. P-9 [2013 Ground Lease Agrmt.].) The sublessees were, moreover, notified that this was the case on at least two separate occasions. (Ex. P-8 [Sept. 6, 2013 Ltr. from David Aingimea to Shop Operators/Managers/Residents]; Ex. P-10 [Jan. 9, 2014 Ltr. from Gordon Benjamin to Sub-Lessees].)

C. Pre-requisite to Declaratory Relief – Justiciable Controversy

A prerequisite for declaratory relief is the existence of a justiciable controversy. *See Harford Mut. Ins. Co. v. Woodfin Equities Corp.*, 344 Md. 399, 687 A.2d 652 (1997); *Hatt v. Anderson*, 297 Md. 42, 464 A.2d 1076 (1983); *Paxtuxent Oil Co. v. County Comm'rs*, 212 Md. 543, 129 A.2d 847 (1957); *Anne Arundel County v. Ebersberger*, 62 Md. App. 360, 489 A.2d 96 (1985); *Butler v. Liberty Mut. Ins. Co.*, 36 Md. App. 684, 375 A.2d 576 (1977).

A controversy is justiciable when interested parties assert defense claims. *Ocean Petroleum, Co., Inc. v. Yanek*, 416 Md. 74, 82 (2010) (holding that where one party exercised a contractual option to purchase property at a mutually agreed price, but could not agree on the price, the parties had a justiciable controversy).

The declaratory decree will not be given unless there is either an actual existing controversy, or antagonistic claims indicating inevitable litigation, or when a party asserts a legal status or right and when the court is satisfied that the declaratory decree will serve to end the

controversy. See *Harford County v. Schultz*, 280 Md. 77, 371 A.2d 428 (1977); *Hamilton v. McAuliffe*, 277 Md. 336, 353 A.2d 634 (1976); *Balt. Steam Co. v. Balt. Gas & Elec. Co.*, 123 Md. App. 1, 716 A.2d 1042 (1998), *vacated as moot*, 353 Md. 142, 725 A.2d 549 (1999); *Consumer Prot. Div. v. Luskin's, Inc.*, 100 Md. App. 104, 640 A.2d 217 (1994), *aff'd*, 338 D. 188, 657 A. 2d 788 (1995).

To be justiciable, the issue must present more than a mere difference of opinion, and there must be more than a mere prayer or request for declaratory relief in the action. Concrete and specific issues must be raised in actual cases rather than in theoretical or abstract propositions. Antagonistic claims between the parties must be such that litigation is imminent and inevitable, or the party must assert a legal relation, status, right or privilege which is challenged or denied by an adversary. See Cts. & Jud. Proc. I § 3-4-9; *Hatt*, 297 Md. 42, 464 A.2d 1076; *Hamilton*, 277 Md. 336, 353 A.2d 634; *County Comm'rs v. Days Cove Reclamation Co.*, 122 Md. App. 505, 711 A.2d 351 (1998).

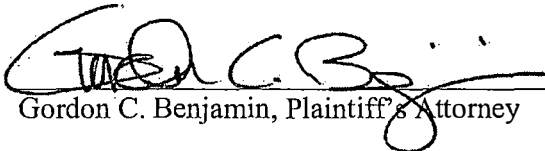
In this matter, as a matter of fact, Plaintiff had notified Defendants that their leases were terminated as a matter of law, and Defendants have not accepted the Plaintiff's notifications, and litigation was initiated. Plaintiff's therefore move for a declaratory judgment on this justiciable issue, in order to move this matter along expeditiously and justly.

CONCLUSION

In the present matter, it is clear that the Landowners terminated the Overlease between themselves and the Plaintiff in 2012. Accordingly, it is evident that with the 2012 termination of the Overlease, all subleases, including the sublease between Leander and Rubin Tsitsi signing for "NLGC", terminated, as a matter of law, as acknowledged by both parties in the Ground Lease

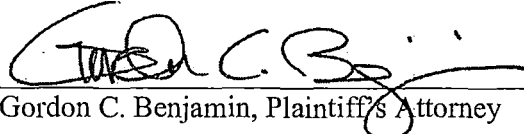
Agreement. (Ex. E [2013 Ground Lease Agrmt.]). Plaintiff has notified Defendants that their lease with Rubin Tsitsi terminated, however Defendants have a controversy with Plaintiff's position. Plaintiffs pray the Court to declare and Order as such as there is a justiciable controversy between the Plaintiffs and Defendants in this Matter, and a Declaratory Decree and Order will serve to end the controversy.

Date: November 11, 2015 (Hawaii date)


Gordon C. Benjamin, Plaintiff's Attorney

Certificate of Service

I, Gordon C. Benjamin, counsel to Plaintiff, do hereby certify that I emailed a copy of the above to Defendants' counsel, Mr. James McCaffrey, at his email address "James@mccaffreyfirm.com" on November 12, 2015, Majuro date.


Gordon C. Benjamin, Plaintiff's Attorney

Ex. P-4

COPY ONLY

I hereby certify that this is a true copy of the document which is on file in this Office

LEASE AGREEMENT
FOR THE
EASTERN GATEWAY HOTEL

[Signature]
Registrar
Land Registration Authority

THIS LEASE AGREEMENT is entered into on this _____ day of _____, 1990, between the NAURU LOCAL GOVERNMENT COUNCIL, whose address is Republic of Nauru, Central Pacific (hereinafter referred to as Lessee), and the undersigned LANDOWNERS, whose address is IroiJlappap, Amata Kabua, P.O. Box 2, Majuro, MH 96960 (hereinafter collectively referred to as Lessors).

IN CONSIDERATION of the covenants and mutual promises contained in this lease, the parties agree as follows:

SECTION 1. Demise, Description and Use of Premises. The Lessors lease to Lessee and Lessee hires from the Lessors, for the purpose of constructing and operating thereon a hotel and related facilities and enterprises and for no other purposes, all the Lessors' interests in a portion of Remjon Wetu and a portion of Wotje Wetu, Delap Island, Majuro Atoll, Marshall Islands, with all right-of-ways, easements, and access thereto, more particularly described in Exhibit "A" attached hereto and made part hereof. As used in this lease, the term "premises" refers to the real property above described and to any improvements located on the real property from time to time during the term of this lease.

SECTION 2. Term. The term of this lease shall be for 50 years, commencing as of the 1st day of May, 1990, and ending on the 30th day of April, 2040, at midnight, unless terminated as provided for in this lease.

SECTION 3. Rent.

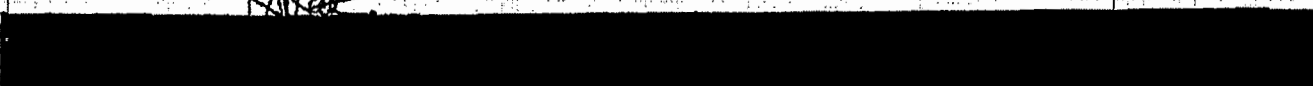
(a) During the first five years of this lease, Lessee agrees to pay the Lessors rent of \$20,257.80 per year (calculated at \$6,000.00 per acre per year for 3.3763 acres). During each succeeding five-year period of this lease, Lessee agrees to pay to the Lessors as rent the fair market rental value of the premises as agreed to by the parties. If the parties cannot agree as to the fair market rental value of the premises, the matter shall be submitted to arbitration. In no event shall the rent for each succeeding five-year period be less than the rent paid for the previous five-year period.

(b) Rent shall be payable in equal annual installments on the 15th day of each July; provided, however the initial payment for the year being May 1, 1990, shall be paid upon the execution of this lease. The rent shall be paid to the IroiJlappap who shall distribute the rent according to the laws of the Marshall Islands, including customary law and traditional practice. Receipt of the first year's rent is hereby acknowledged. All rent

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[Signature]



payments will be made without deduction or offset, except as required by law.

SECTION 4. Warranties of Title and Quiet Possession. The Lessors covenant that, with respect to the weto(es) for which they are executing this lease, Lessors represent all persons having an interest in said weto(es) under the laws of the Marshall Islands, including customary law and traditional practice, and that Lessors have the right to make this lease. Further, the Lessors covenant that on paying the rent and performing the covenants herein, Lessee shall have quiet and peaceful possession of the real property during the term of this lease, subject to existing liens or encumbrances, if any.

SECTION 5. Compliance with Laws. Lessee shall comply with all national and local government statutes, ordinances, and regulations affecting the premises, the improvements thereon or any activity or condition on or in the premises. Upon request, Lessee shall provide Lessors with evidence of Lessee's compliance with such statutes, ordinances, and regulations.

SECTION 6. Waste and Nuisance Prohibited. Lessee shall not commit, or suffer to be committed, any waste on the premises, or any nuisance.

SECTION 7. Abandonment of Premises. Lessee shall not vacate or abandon the premises at any time during the term of this lease; if Lessee shall abandon, vacate or surrender the premises or be dispossessed by process of law, or otherwise, any personal property belonging to Lessee and left on the premises shall be deemed to be abandoned, at the option of Lessors, except such property as may be encumbered to Lessors.


SECTION 8. Control and Inspection. Lessee shall have exclusive and unrestricted control of the premises, subject to the right of the Lessors to enter the premises upon reasonable notice to the Lessee to examine the premises for the due performance of the terms and conditions of this lease by the Lessee.

SECTION 9. Encumbrance of Lessee's Leasehold Interest. Lessee may encumber by mortgage or deed of trust, or other instrument its leasehold interest in the premises as security for indebtedness of Lessee. No such encumbrance or any closure, conveyance, or exercise of right pursuant thereto shall relieve Lessee from its liability under this lease. Except as provided in this section, Lessee shall keep the premises free and clear of any and all liens, including without limitation mechanic's liens.

SECTION 10. Subletting and Assignment.

(a) Subletting. Lessee may sublet the premise whole or in part without Lessors' consent, but the making of each sublease shall not release Lessee from, or otherwise affect in

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any manner, any of Lessee's obligations under this lease.

(b) Assignment. Lessee shall not assign or transfer this lease, or any interest herein, without the prior written consent of the Lessors', and a consent to an assignment shall not be deemed to be a consent to any subsequent assignment. Any assignment without such consent shall be void, and shall, at the option of Lessors, terminate this lease. Neither this lease nor the leasehold estate of Lessee nor any interest of Lessee hereunder in the premises or any buildings or improvements thereon shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner whatsoever, and any such attempted involuntary assignment, transfer, or sale shall be void and of no effect and shall, at the option of Lessors, terminate this lease.

SECTION 11. Taxes and Utilities. Lessee shall pay as they become due all property taxes and assessments of any nature levied on the premises by any authorized governmental agency. Lessee shall pay as they become due all charges incurred for utility services supplied to the premises, including charges for water, electricity, sewer and telephone service.


SECTION 12. Construction, Alterations, and Improvements.

(a) Construction of Hotel Complex. Lessee shall, at Lessee's sole expense, diligently prosecute to completion the hotel complex currently under construction by Lessee on the premises. Upon the hotel's completion, Lessee shall keep the hotel open for business and shall manage it in an efficient, orderly, and lawful manner.

(b) Alterations and Improvements. Lessee shall have the right to make such alterations, improvements, and changes to any building which may from time to time be on the premises as Lessee may deem necessary, or to replace any such building with a new one of at least equal value, provided that the value of the building shall not be diminished and the structural integrity of the building shall not be adversely affected by any such alterations, improvements, or changes.

(c) Ownership of Improvements. Any buildings, structures, improvements, additions, appliances, fixtures, or other property remaining on the premises at the termination or expiration of this lease shall be the property of Lessors, free and clear of any claims by or through Lessee.

(d) Dredging and Filling. Lessee shall not dredge or fill the lagoon adjacent to the premises without the prior written consent of the Lessors; provided, however, Lessors shall within 90 days of the date of this lease remove the jetty extending from the premises into the lagoon. Any land created by filling the lagoon adjacent to the premises shall become the property of the Lessors

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of the adjacent weto(es), Lessee shall have only a leasehold interest therein, and the annual rent payable under this lease shall be increased by the product of the area of the fill site times the rental rate established in Section 3.

SECTION 13. Repairs and Destruction of Improvements.


(a) Repair and Maintenance. Lessee shall, throughout the term of this lease, at its cost and without expense to Lessors, keep and maintain the premises and improvements thereto, including adjacent walkways, in good, tenantable, sanitary, and neat order, condition and repair.

(b) Repair of Damage or Destruction. The damage, destruction, or partial destruction of any building or other improvement which is a part of the premises shall not release Lessee from any obligation under this lease, and in case of damage to or destruction of any such building or improvement, Lessee shall at its own expense promptly repair and restore the same to a condition as good or better than that which existed prior to such damage or destruction. Without limiting such obligations of Lessee, it is agreed that the proceeds of any insurance covering such damage or destruction shall be made available to Lessee for such repair or replacement.

(c) Damage or Destruction Occurring toward the End of the Term. Notwithstanding paragraphs (a) and (b) above, in case of the destruction or damage of any building or improvement on the premises so as to make it untenable occurring during the last three years of the term of this lease, Lessee, if not then in default, may elect to terminate this lease by written notice served on Lessors within 90 days after the occurrence of such damage or destruction. In the event of such termination, there shall be no obligation on the part of Lessee to repair or restore the building or improvement nor any right on the part of Lessee to receive any proceeds collected under any insurance policies covering such building or improvement. On such termination, rent, taxes, or assessments, and any other sums payable by Lessee to Lessor hereunder shall be prorated as of the termination date, and in the event any rent, taxes, or assessments shall have been paid in advance, Lessors shall rebate the same for the unexpired period for which payment shall have been made.

(d) Election not to Terminate. If, in the event of such destruction or damage during the last three years of the term of this lease, Lessee does not elect to terminate this lease, the proceeds of all insurance covering such damage or destruction shall be made available to Lessee for such repair or replacement, and Lessee shall be obligated to repair or rebuild the building as above provided.

SECTION 14. Insurance.

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(a) Hazard. Lessee shall, at all times during the term of this lease and at Lessee's sole expense, keep all improvements which are now or hereafter a part of the premises insured against loss or damage by fire and extended coverage hazards insurable in the Marshall Islands, including vandalism, typhoons, and wave action, for the full replacement value of such improvements, with loss payable to Lessors and Lessee as their interests may appear. Any loss adjustment shall require the written consent of both Lessors and Lessee.

(b) Public Liability. Lessee shall maintain in effect throughout the term of this lease personal injury liability insurance covering the premises and its improvements in the amount of \$500,000 for injury to or death of any one person and \$500,000 for injury to or death of any number of persons in one occurrence, and property damage liability insurance in the amount of \$500,000. Such insurance shall specifically insure Lessee against all liability assumed by it under this lease, as well as liability imposed by law, and shall insure Lessors and Lessee but shall be so endorsed as to create the same liability on the part of the insurer as though separate policies had been written for Lessors and Lessee.

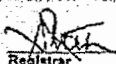
(c) Automobile Insurance and Worker's Compensation Insurance. Lessee shall maintain in effect throughout the term of this lease automobile insurance and worker's compensation insurance in form and amount required by law; provided, however, until the Marshall Islands enacts worker's compensation insurance legislation, Lessee shall maintain with respect to operation on the premises such insurance in form and amount as is required under the laws of Guam.

(d) Notice of Lessors. All policies shall require 30 days' notice by registered mail to Lessors of any cancellation or change affecting any interest of Lessors.

SECTION 15. Indemnification of Lessors. Lessors shall not be liable for and Lessee shall defend, indemnify and hold Lessors harmless from any and all claims, including reasonable attorney's fees, for loss, injury, death, or damage to persons or property arising out of or resulting from any act, omission, or negligence of Lessee or of any occupant, subtenant, visitor or other users of the premises, except loss, injury, death, or damage arising by reason of the gross negligence or misconduct of Lessors, their agents, or employees.

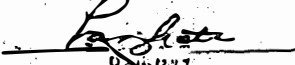
SECTION 16. Default or Breach. Each of the following events shall constitute a default or breach of this lease by Lessee:

(a) if Lessee shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of

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creditors;

(b) if involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Lessee, or if a receiver or trustee shall be appointed of all or substantially all of the property of Lessee, and such proceedings shall not be dismissed or the receivership or trusteeship vacated with 30 days after the institution or appointment;

(c) if Lessee shall fail to pay rent or any other moneys required under this lease when due and such nonperformance shall continue for a period of 30 days, whether payment is demanded or not;

(d) if Lessee shall fail to perform or comply with any other condition of this lease and if the nonperformance shall continue for a period of 30 days after notice thereof by Lessors to Lessee or, if the performance cannot be reasonably had within the 30-day period, Lessee shall not in good faith have commenced performance within the 30-day period and shall not thereafter diligently proceed to completion of performance;


(e) if the lease is assigned in violation of section 10; or

(f) if Lessee shall vacate or abandon the demised premises in violation of Section 7.

SECTION 17. Effect of Default. In the event of any default, as set forth in Section 16, the rights of Lessors shall be as follows:

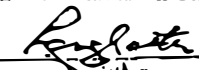
(a) **Termination.** Lessors shall have the right to cancel and terminate this lease, as well as all of the right, title, and interest of Lessee hereunder, by giving to Lessee not less than 15 days' notice of the cancellation and termination. On expiration of the time fixed in the notice, this lease and the right, title, and interest of Lessee hereunder shall terminate in the same manner and with the same force and effect, except as to Lessee's liability, as if the date fixed in the notice of cancellation and termination were the end of the term herein originally determined.

(b) **Lessors' Right to Cure.** Lessors may elect, but shall not be obligated, to make any payment required of Lessee herein or comply with any agreement, term, or condition required hereby to be performed by Lessee, and Lessors shall have the right to enter the premises for the purpose of correcting or remedying any such default and to remain until the default has been corrected or remedied, but any expenditure for the correction by Lessors shall not be deemed to waive or release the default of Lessee or the right to Lessors to take action as may be otherwise permissible hereunder in the case of any default.

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(c) Re-enter. Lessors may re-enter the premises immediately and remove the property and personnel of Lessee, and store the property in a public warehouse or at a place selected by Lessors, at the expense of Lessee. After re-entry Lessors may terminate the lease on giving 15 days' written notice of termination to Lessee. Without the notice, re-entry will not terminate the lease. On termination Lessors may recover from Lessee all damages proximately resulting from the breach, including the cost of recovering the premises, and the worth of the balance of this lease over the reasonable rental value of the premises for the remainder of the lease term, which sum shall be immediately due Lessors from Lessee.

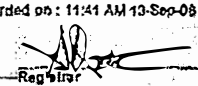
(d) Re-enter and Relet. After re-entry, Lessors may relet the premises or any part thereof for any term without terminating the lease, at the rent and on the terms as Lessors may choose. Lessors may make alterations and repairs to the premises. The duties and liabilities of the parties if the premises are relet as provided herein shall be as follows:

(i) In addition to Lessee's liability to Lessors for breach of the lease, Lessee shall be liable for all expenses of the reletting, for the alterations and repairs made, and for the difference between the rent received by Lessors under the new lease agreement and the rent installments that are due for the same period under this lease.

(ii) Lessors shall have the right, but shall not be required, to apply the rent received from reletting the premises (1) to reduce the indebtedness of Lessee to Lessors under the lease, not including indebtedness for rent, (2) to expenses of the reletting and alterations and repairs made, (3) to rent due under this lease, or (4) to payment of future rent under this lease as it becomes due.

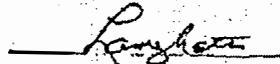
If the new lessee does not pay a rent instalment promptly to Lessors, and the rent instalment has been credited in advance of payment to the indebtedness of Lessee other than rent, or if rentals from the new lessee have been otherwise applied by Lessors as provided for herein, and during any rent instalment period, are less than the rent payable for the corresponding instalment period under this lease, Lessee shall pay Lessors the deficiency, separately for each rent instalment deficiency period, and before the end of that period. Lessors may at any time after a reletting terminate the lease for the breach on which Lessors had based the re-entry and subsequently relet the premises.

(e) Receiver. After re-entry, Lessors may procure the appointment of a receiver to take possession and collect rents and profits of the business of Lessee, and, if necessary to collect the rents and profits the receiver may carry on the business of Lessee and take possession of the personal property

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EASTERN GATEWAY HOTEL LEASE PAGE 7

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used in the business of Lessee, including inventory, trade fixtures, and furnishings, and use them in the business without compensating Lessee. Proceedings for appointment of a receiver by Lessors, or the appointment of a receiver and the conduct of the business of Lessee by the receiver, shall not terminate and forfeit this lease unless Lessors has given written notice of termination to Lessee as provided herein

(f) Rights Cumulative. The rights granted the Lessors under this agreement, or in law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by the Lessors to exercise, and no delay in exercising, any rights shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise of a right by the Lessors preclude any other or future exercise thereof or the exercise of any other right.

SECTION 18. Condemnation. Rights and duties in the event of condemnation are as follows:

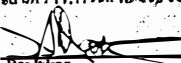
(a) In Whole. If the whole of the premises shall be taken or condemned by any competent authority for any public or quasi-public use or purpose, this lease shall cease and terminate as of the date on which title shall vest thereby in that authority, and the rent reserved hereunder shall be apportioned and paid up to that date.

(b) In Part. If only a portion of the premises shall be taken or condemned, this lease and the term hereof shall not cease or terminate, but the rent payable after the date on which Lessee shall be required to surrender possession of such portion shall be reduced in proportion to the decreased use suffered by Lessee as the parties may agree or as shall be determined by arbitration.

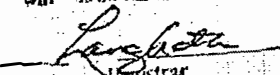
(c) Award for Damage. In the event of any taking or condemnation in whole or in part, the entire resulting award of consequential damages shall belong to Lessors without any deduction therefrom for the value of the unexpired term of this lease or for any other estate or interest in the demised premises now or later vested in Lessee. Lessee assigns to Lessors all his right, title, and interest in any and all such awards.

(d) Restoration. In the event of a partial taking, Lessee shall promptly proceed to restore the remainder of the building on the premises to a self-contained architectural unit, and Lessors shall pay to Lessee the cost of restoration, not to exceed the amount of the separate award made to and received by Lessors for consequential damages. In the event there is no separate award for consequential damage, the value shall be fixed and settled by arbitration as herein provided, not to exceed the sum received by Lessors for such damages. The balance of any separate award or allocated amount not so used shall belong to

EASTERN GATEWAY HOTEL LEASE PAGE 8

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and be retained by Lessors as their sole property.

(e) Government Action other than a Taking. In case of any governmental action not resulting in the taking or condemnation of any portion of the premises but creating a right to compensation therefor, or if less than a full title to all or any portion of the demised premises shall be taken or condemned by any governmental authority for temporary use or occupancy, this lease shall continue in full force and effect without reduction or abatement of rent, and the rights of the parties shall be unaffected by the other provisions of this section, but shall be governed by applicable law.

SECTION 19. Surrender of Lease. The voluntary or other surrender of this lease by Lessee, or a mutual cancellation of the lease, shall not work a merger, and shall, at the option of Lessors, terminate all or any existing subleases or subtenancies, or may, at the option of Lessors, operate as an assignment to it of any or all such subleases or subtenancies.

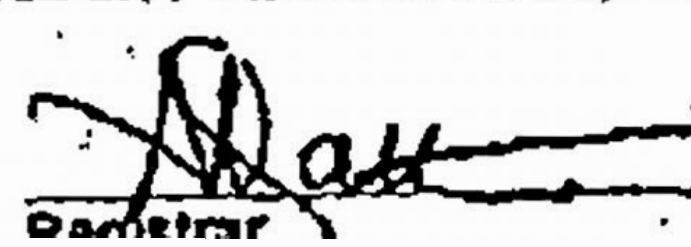
SECTION 20. Costs. All costs and fees incurred by Lessors in connection with the preparation of this lease, including reasonable attorney's fees, shall be paid by the Lessee upon the execution of this lease.

SECTION 21. Notices. Any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon any person in connection with this agreement shall be in writing. Such notice shall be personally served, sent by telegram, tested telex, fax or cable, or sent prepaid by registered or certified mail with return receipt requested and shall be deemed given (i) if personally served, when delivered to the person to whom such notice is addressed, (ii) if given by telegram, telex, fax or cable, when sent, or (iii) if given by mail, ten (10) business days following deposit in the mail. Such notices shall be addressed to the party to whom such notice is to be given at the party's address set forth herein or as such party shall otherwise direct.

SECTION 22. Redelivery of Possession. Upon the termination or expiration of this lease, Lessee shall peaceably and quietly surrender to the Lessors the premises.


SECTION 23. Hold Over. If Lessee shall remain in possession after the expiration of the term of this lease, the Lessee shall be deemed to be a tenant on a year-to-year basis and there shall be no renewal of this lease by operation of law. The Lessors and Lessee further agree that such possession and occupancy will be subject to all terms, conditions, and covenants of this lease, and at a rental rate to be agreed to by the parties.

SECTION 24. Arbitration. Any dispute, breach, or default on any agreement or covenant arising under this lease which cannot be

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EASTERN GATEWAY HOTEL LEASE PAGE 9

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settled by mutual agreement of the parties within forty-five (45) days after one party requests such a settlement in writing, shall be determined by arbitration in Majuro, Marshall Islands. The arbitration shall be conducted by a panel of three persons chosen by the parties in accordance with the Marshall Islands Arbitration Act 1980, as in effect on the date hereof. A decision by two of the three arbitrators shall be final and binding upon the parties and upon any persons claiming by, through or under them, and judgment upon any such determination or award may be entered in any court of competent jurisdiction. The parties shall share equally the expense of the arbitration. The arbitration proceedings shall be governed by the then current rules of the American Arbitration Association.

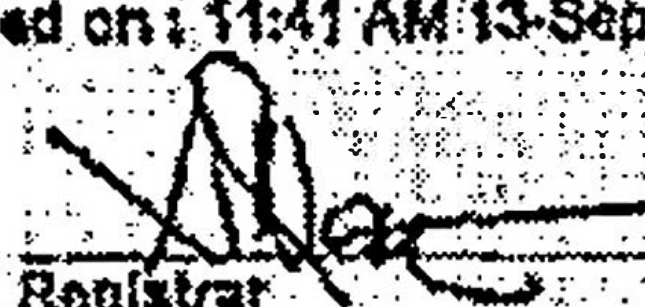
SECTION 25. Successors. This lease shall be binding on the heirs, successors, executors, administrators, and assigns of the parties.

SECTION 26. Interpretation and Governing Law. The language in all parts of this lease shall be interpreted simply, and according to its fair meaning, and not strictly for or against Lessee or the Lessors. The lease shall be governed by the laws of the Republic of the Marshall Islands.

SECTION 27. Survivability. In the event any term, covenant, or condition contained in this lease is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect any other term, covenant, or condition, provided that such invalidity does not materially prejudice either party's rights and obligations contained in the valid terms, covenants, or conditions.

SECTION 28. Waiver. The waiver by either party of any breach of any term, covenant, or condition contained in this lease shall not be deemed a waiver of any subsequent breach of the same or any other term, covenant, or condition of this lease.

SECTION 29. Merger. This lease constitutes the entire agreement between the parties and may be altered, amended, or replaced only by a duly executed written instrument. No prior oral or written understanding or agreement with respect to this lease shall be valid or enforceable.

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EASTERN GATEWAY HOTEL LEASE PAGE 10

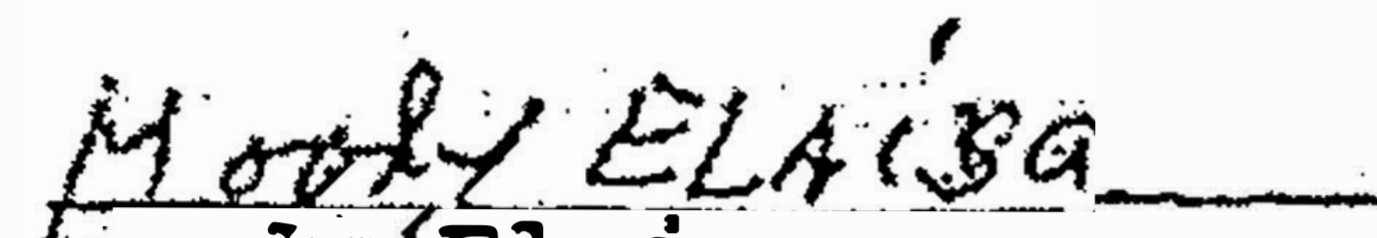
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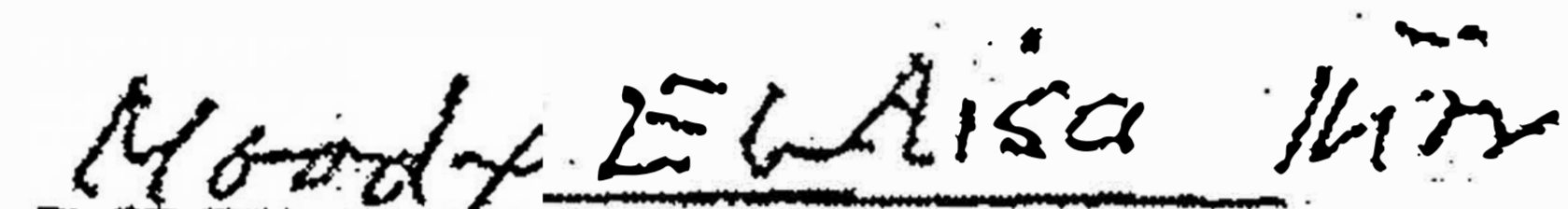

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Land Registration Authority

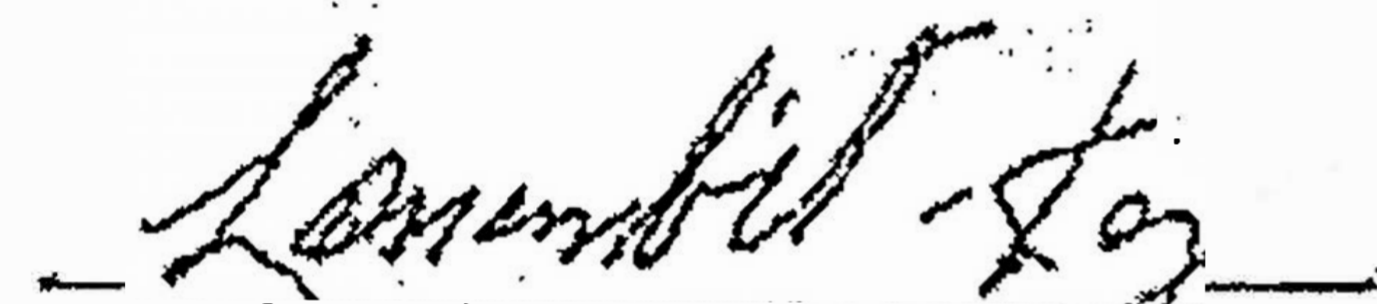
IN WITNESS WHEREOF, the parties have executed this lease the day and year first above written.

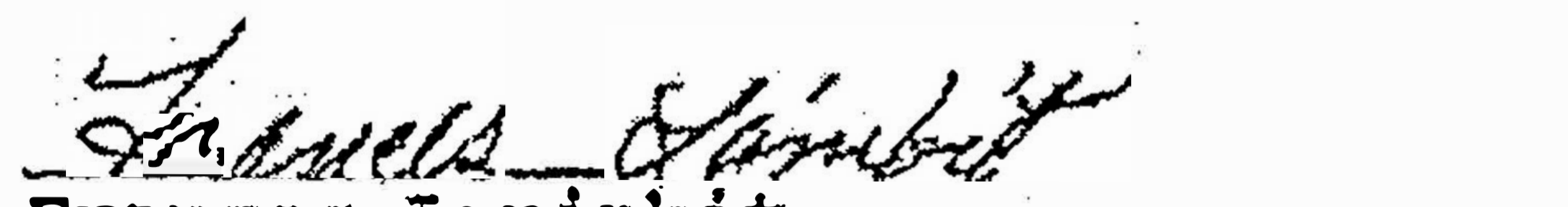
LESSORS:



Amata Kabua
Inbijiaplalap


Moody Elaisa
Alab for Remjon Weto

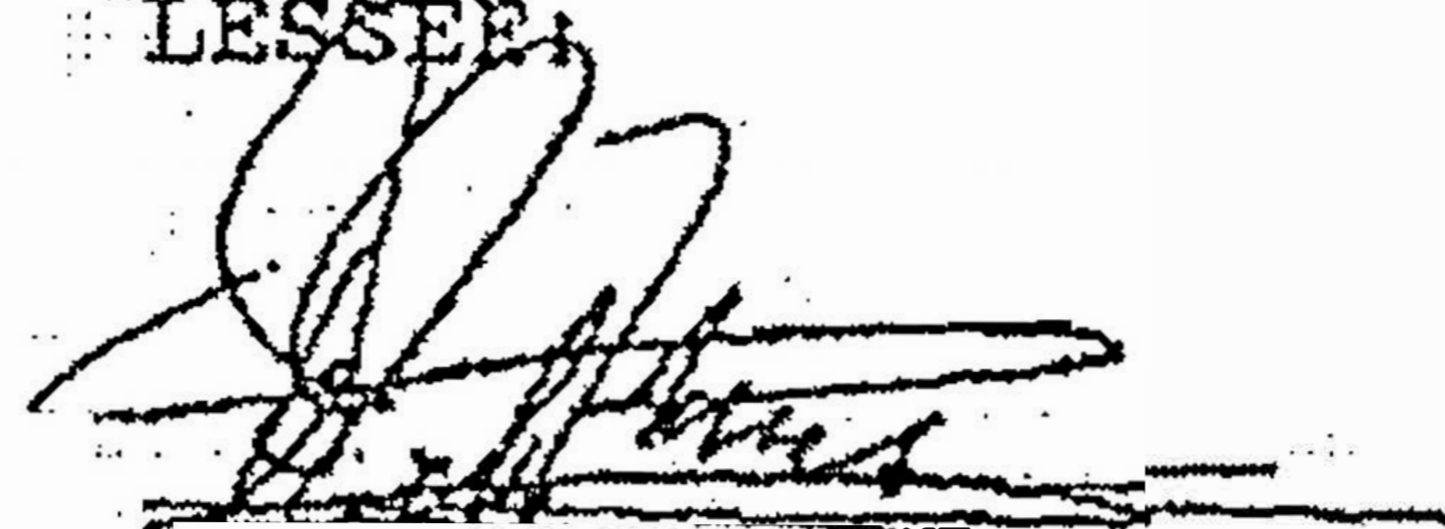

Betty Elaisa
Senior Dri Jerbal for
Remjon Weto


Laninbit Kejon
Alab for Wotje Weto


Frances Laninbit
Senior Dri Jerbal for Wotje Weto


EMMA LAUK
Notary Public
Republic of the Marshall Islands
My Commission Expires on 9-12-91

LESSEE:

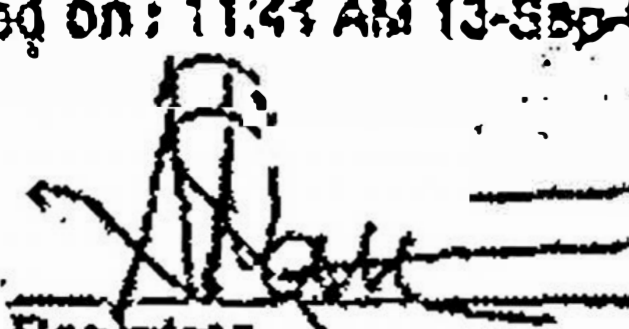

Kuraro Detudamo
Secretary to Council

ATTESTED BY


Francis Taroa
Finance Officer


Mike Redfern
NLGC Representative

EASTERN GATEWAY HOTEL LEASE PAGE 11

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ACKNOWLEDGMENT

On this 31 day of August, 1990, before me, a notary public, Iroijlaplap Amata Kabua, known to me, did personally appear and acknowledged that he executed the above lease as his free act.

Elma Laukon


ELMA LAUKON

Notary Public

My commission expires on the 12 day of Sept ~~1991~~ ¹⁹⁹⁰ of the 19 ~~19~~ ¹⁹ Islands

My Commission Expires: 12-31-1990

EASTERN GATEWAY HOTEL LEASE PAGE 12

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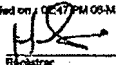
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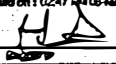
Ex. P-5 P. 1 OF 7

THE TERMINATION OF
THE 1990 EASTERN GATEWAY LEASE
ON REMEJON AND WOTJE WETOS

Land Registration Authority
Instrument: 4429
Page: 1 of 7
Recorded on: 02:47 PM 08-May-12

Registrar

Ex. P5
P.2007

NO TRESPASSING
NO PERSON IS ALLOWED ON THIS PREMISES
AFTER APRIL 20, 2012
WITHOUT THE EXPRESS WRITTEN CONSENT
OF
IROIJ JURELANG ZEDKAIA
ANYONE VIOLATING THIS ORDER
WILL BE PROSECUTED FOR TRESPASS

Land Registration Authority
Instrument : 4426
Page : 2 of 7
Recorded on : 02:47 PM 03-May-12


EX P-5
P 30E 7

David M. Strauss, P.C.
Attorney at Law

P.O. Box 534
Majuro, MH 96960 (Marshall Islands)

Phone: (692) 625-3391
Fax: (692) 625-3398
email: dstrauss48@gmail.com

March 20, 2012


Republic of Nauru
Nauru Local Government Council
Eigugu Holdings Corporation
c/o Ruben Tsitsi
Box 106
Majuro, MH 96960

Re: Notice of Termination of Lease Agreement for the Eastern Gateway Hotel


Dear Mr. Tsitsi on behalf of the above:

On behalf of the Lessors/landowners of Remojon and Wotje wetos and pursuant to Section 17(a) of the Lease Agreement for the Eastern Gateway Hotel (the "Lease"), you are hereby notified of the cancellation and termination of the Lease as of April 6, 2012, for the Lessee's failure to cure all of the defaults listed in the notice of February 15, 2012.

Sincerely,


David M. Strauss

cc: Jurelang Zedkaia
Hilda Samuel
Yolanda Lodge

Land Registration Authority
Instrument: 4429
Page 3 of 7
Recorded on: 02-27 PM 08:44:12

Nigama

Ex P-5
PA of 7

David M. Strauss, P.C.
Attorney at Law

P.O. Box 534
Majuro, MH 96960 (Marshall Islands)

Phone: (692) 625-3391
Fax: (692) 625-3398
email: dstrauss48@gmail.com

February 15, 2012


Republic of Nauru
Nauru Local Government Council
Eigugu Holdings Corporation
c/o Ruben Tsitsi
Box 106
Majuro, MH 96960

Re: Default of Lease Agreement for the Eastern Gateway Hotel

Dear Mr. Tsitsi:

The purpose of this letter is to again inform you, on behalf of the current landowners of Remejon and Wotje wetos, to-wit: Jurelang Zedkaja, Hilda Samuel, Frances Laninbit, and Barbara Laninbit-Lobje, that the lessee is in default of the terms and conditions of the August, 1990, Lease Agreement for the Eastern Gateway Hotel, in that the lessee:

1. Failed to pay the annual rent on the premises on July 15 of each year (from July 15, 2004, to July 15, 2011) as required by Section 3(b) of the lease;
2. Failed to comply with all national and local government statutes, ordinances, and regulations as required by Section 5 of the lease;
3. Failed to prevent the commission of waste or nuisance on the premises as required by Section 6 of the lease;
4. Failed to diligently prosecute to completion the construction of the hotel complex on the premises, keep the hotel open for business, and manage the hotel in an efficient, orderly, and lawful manner as required by Section 12(a) of the lease;
5. Failed to keep and maintain the premises and improvements thereon, including adjacent walkways, in good, tenantable, sanitary, and neat order, condition, and repair as required by Section 13(a) of the lease;
6. Failed to promptly repair and restore damage or partial destruction of buildings and improvements on the premises to a condition as good or better than that which existed prior to such damage or partial destruction as required by Section 13(b) of the lease;

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Instrument:	4420
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Recorded on:	02:47 PM 09-Feb-12
	
Registrar	

Ex P-5
P5 of 7

7. Failed to keep all improvements on the premises insured for full replacement value against loss or damage due to fire, vandalism, typhoons, and wave damage as required by Section 14(a) of the lease:

8. Failed to maintain personal injury liability insurance covering the premises and the improvements in the amounts of \$500,000 for injury or death to any one person, \$500,000 for injury or death of any number of persons in one occurrence, and \$500,000 property damage liability as required by Section 14(b) of the lease; and

9. Failed to maintain worker's compensation insurance in the form and amounts as is required under the laws of Guam as required by Section 14(c) of the lease.

Additionally, the landowners have received a copy of the October 12, 2010, letter from the Honorable Nauru Minister of Foreign Affairs Dr. Kieren Keke to the Honorable Marshall Islands Minister of Foreign Affairs John Silk relinquishing the land lease on the Eastern Gateway Hotel site.

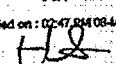
Please be advised that the landowners demand that all of the above defaults be cured no later than Monday, March 19, 2012. If you have any questions, do not hesitate to contact me.

Sincerely,



David M. Strauss

cc: Jurelang Zedkaia
Hilda Samuel
Yolanda Lodge

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Recorded on:	02:47 PM 08-May-12
	
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EX P-5
P6 OF 7



Suzan Jita of Mejit (pictured) is one of six expert weavers taking part in a 'jaki-ed' (special) workshop at the University of the South Pacific's Marshall Islands Campus, which is designed to prove how important the art of weaving is to the Marshallian culture.

USP Director Dr. Irene Yasuda said Raiwik Elementary teacher Brooke Abraham has been recording the conversations of the weavers.

"When Brooke was teaching at Enevetak, she began to see how the children from weaving families did better at school than those who weren't."

"We began to see weaving as more than a handcraft or a money-maker, instead it's at the heart of cultural survival itself. It's a place where cultural knowledge is transmitted."

The other weavers are Airine Keju of Mejit, Patsy Bowman of Namadik, Mala Kaiti of Aradec, Terese Timothy of Aileinglap, and Ashkin Elnet of Arad.

Nauro to end hotel lease

After a nearly 40-year presence on prime Delap real estate, Republic of Nauro officials have told RMI leaders they want out of the lease for the former Eastern Gateway Hotel in Mejitro.

Nauro Foreign Minister Kieren Keke spoke with RMI Foreign Minister John Sike and other officials during their visit to New York City last month, when Nauro President Marcus Stephen and RMI President Jorhans Zedkaia delivered speeches to the United Nations. Zedkaia is the host for the property in Delap.

London news recently filed suit through Micronesian Legal Services alleging that Nauro has failed to pay the \$20,000 annual rent for three years and putting Nauro on notice of its intent to take over the facility on the basis that Nauro violated the terms of the lease.

Continued page 2

RMI negotiates for two ships

The Marshall Islands is negotiating with the Japanese government to provide two new ships to support its troubled outer island shipping service in the RMI.


Foreign Minister John Sike said this project is in progress with Japan.

A Japan Embassy official confirmed that a Japan International Cooperation Agency team will visit Mejitro in January to meet with officials from the Ministry of Transportation and Communications and the Marshall Islands Shipping Corporation.

Continued page 2

Ex. P-5
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WINDWARD

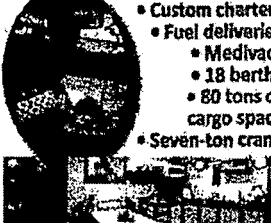


Köl eo emokaj im emman
non am jillinlok mweik ko
mweiam nan aelon ko ilikin!

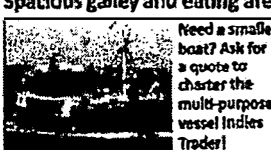
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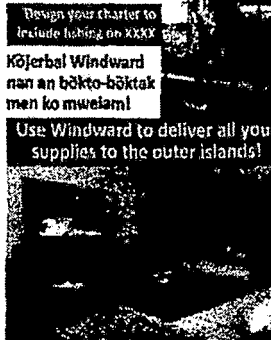


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KALGov fails in bid to delay MISSA trial

GIFF JOHNSON
An effort by the Kwajalein Atoll Local Government to delay a trial on what it owes the Marshall Islands Social Security Administration was unsuccessful Tuesday as MISSA's \$4.5 million claim against the local government was heard by Judge James Plazman.



Lawyers David Strauss and Rosalie Kosou.

Plazman dismissed a motion by KALGov attorney Rosalie Kosou that sought to disqualify him, saying her points did not have merit. A second motion filed by Kosou the morning of Tuesday's trial sought to have Plazman refer the case to Cabinet for resolution. While he encouraged the parties to seek an out-of-court resolution, the judge said the trial Tuesday was about establishing the liability, if any, that KALGov owes to MISSA.

MISSA attorney David Strauss got MISSA tax examiner Brian Edejer on the stand and he testified that KALGov had filed tax forms with MISSA but has not paid most of the 33 quarters in question. He said as of October 12, KALGov owed MISSA \$4.5 million, which included \$1.3 million in penalties.

KALGov paid \$183,000 to MISSA in 2004 and then the amounts declined each year to 2007, when it paid \$17,000 and it has not paid taxes since, though it has filed its tax returns.

Kosou was critical of MISSA's ability to demand a 100 percent penalty and repeatedly asked Edejer about MISSA's ability and past practice of waiving penalties.

The three-hour trial was peppered with argument between Kosou and Strauss who, despite repeated warnings from Judge Plazman, continued interrupting him and each other. At

one point late morning Tuesday, Plazman jumped to his feet, yelled "that's it, court's in chamber," and strode to his office with the two lawyers in tow. After a 10-minute break, the attorneys calmed, but didn't quit their exchange of hostile remarks.

Strauss also put MISSA Administrator Saane Aho on the witness stand. Strauss asked her to explain his attorney fee situation, saying that Kosou had issued misleading statements about this. After various objections, argument between the two attorneys and a short break, Aho said Strauss' annual pay from MISSA is limited to \$64,000 and he is paid on an hourly basis.

Kosou questioned Aho about whether MISSA was following the law regarding how it pays its attorney and attempted to show that it was in violation by the way it paid Strauss. When Strauss objected to this line of questioning, Plazman said Strauss was the one who opened up the discussion about attorney's fees and Kosou was merely continuing it.

After Aho's testimony, the trial recessed until late afternoon to allow Kosou time to talk to her clients and for her to put on her witnesses. On

returning to trial at 3:30pm, KALGov chose not to present a defense, and the two lawyers made their closing arguments to the judge.

"We're not saying that we don't owe," said Kosou. "We owe only \$1.7 million in principal — not \$4.5 million as claimed (by MISSA)."

Kosou likened KALGov to other outer island local governments — dependent on national government subsidies. KALGov may be viewed as having money because it's available but KALGov does not have control of Compact funding. "The central government has the power to tap into these funds," said Kosou. "Resources are with the central government. We jumped too quickly to trial when there were other opportunities."

Strauss said that MISSA has met repeatedly with KALGov to offer several options to addressing KALGov's debt but despite numerous options, "KALGov's counsel has refused to accept MISSA's offer."

The suggestion of forgiving KALGov's debts to MISSA is not an option, Strauss reminded the court because both present and former employees are in a situation now where they will not be able to retire. "It's not about KALGov being rich," said Strauss. "KALGov has maintained the same number of employees at the same salary levels without paying their taxes to MISSA, the health fund or the RMI. The problem is a lack of proper budgeting."

Strauss said KALGov owes 15 years worth of contributions "which is why KALGov employees can't retire."

Judge Plazman took the case under advisement and will issue a ruling at a future date.

Nauru to pull out of Gateway

From page 1
"Nauru officials approached us in New York City and said they want to get out of the lease," Silk told the Journal this week.

He said he told Kake and other officials that the government was happy to be the go-between to the landowners.

The unfinished hotel property, which is located on the only sandy beach in the downtown area of Majuro, has been turned into retail and wholesale food stores, apartments, offices, auto repair and taxi businesses, and beach dumpsites. It

has been in Nauru hands since the early 1970s.

Silk said he asked Kake to send an official communication stating Nauru's intentions with the lease so the next steps can be taken. "I sent a diplomatic note last week saying that we are awaiting their formal notice," Silk said. Foreign Affairs staff followed this up on Tuesday with a communication to Nauru and Nauru officials confirmed receiving the "tip note," Silk said.

Silk said he would like to see the government discuss use of the property with the landowners.

Two new ships from Japan?

From page 1
for two vessels. After this visit, a final decision will be made on the aid project, the official said.

Silk said the Cabinet will be meeting later in the week to discuss the next priority aid projects to be submitted to Japan for consideration.

He noted that a library project for the College of the Marshall Islands had been designed and funding approved by the authority two years ago when the RMI took up its priority list. "It's important the Cabinet will look at," he said. He pointed out that not only would construction of a new CMI library benefit students and staff but it would also provide needed employment to help the economy.

authority
05-May-12
HAD

EXHIBIT
P-6

**EIGIGU HOLDINGS
CORPORATION**

10th May 2012

The Shopowners and Managers
Business Houses
Eastern Gateway
Majuro,
RMI

Dear Shop Operator/Tenant.

Further to my letter of 7th May with respect to the withdrawal of Mr Rubine Tsitsi (which was effected to Mr Tsitsi in writing dated 24th April 2012) as our representative in Majuro, Marshall Islands, this is to advise you that all rental payments are to be made to the office of lawyer David Strauss with immediate effect from the date of this letter.

There will be a member of our staff who may call on you to follow up with these instructions.

We appreciate your cooperation in this matter.

Yours Truly,


David Angimea
Executive Chairman

CHAIRMAN'S OFFICE (674) 557-8011

COMPRISING - EIGIGU ENTERPRISES, EIGIGU SUPERMARKET, CIVIC CENTRE MANAGEMENT, MENEN HOTEL

2013 AGREEMENT BETWEEN EIGIGU HOLDINGS CORPORATION
AND
THE LANDOWNERS OF THE EASTERN GATEWAY PREMISES

This agreement is made and entered into on or about May, 2013, by and between Eigigu Holdings Corporation ("EHC") and the owners and holders of the rights, titles, and interests according to Marshallese custom and tradition in Wotje and Remejon (Remjon) wetos, Delap, Majuro Atoll (hereinafter the "Landowners").

Witness that in consideration of the covenants hereinafter set forth and the benefits to be derived therefrom, the parties mutually agree as follows:

1. EHC shall pay Landowners \$182,320.20 ("damages") over a 12-month period beginning September 1, 2013, as follows: \$17,320.20 on or before September 15, 2013; and \$15,000 on or before the 15th day of the following 11 months; provided that if EHC can prove to the satisfaction of Iroj Jurelang Zedkaia actual and legal receipt of previous rental payments by Leroij Atama Zedkaia or Francis Langinbit, such sums shall be deducted from the damages or the future quarterly rent payments to be made by EHC to the Landowners.
2. The Landowners and Iroj Jurelang Zedkaia shall cause the removal of Rubin Tsitsi from the Eastern Gateway premises within 60 days.
3. The parties shall concurrently with this agreement execute the 2013 Amendment to the 1990 Lease Agreement for the Eastern Gateway Hotel.
4. Upon receipt of the full payment of damages, as referenced above, the Landowners will file with the Land Registration Authority a revocation of The Termination of the 1990 Eastern Gateway Lease on Remejon and Wotje Wetos.

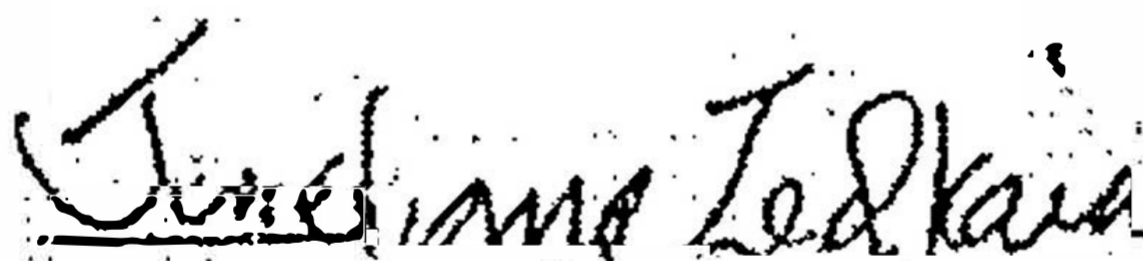
In witness whereof, the parties hereto have signed this amended lease agreement on the dates shown with respect to each of the signatures below.

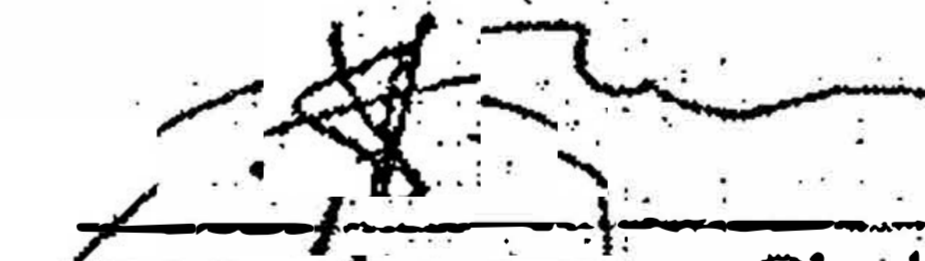
Landowners:

Tenant:

Dated: May 20, 2013.

Dated: May 20th, 2013.



Iroj Jurelang Zedkaia, Iroj
Remejon and Wotje Wetos


David Aingimaa, Chairman
Eigigu Holdings Corporation





Dated: ~~May~~ ^{June} 07, 2013.


Hilda Samuel by Emfin N. Joran
Alap and Senior Dri-Jerbal, Remejon Weto

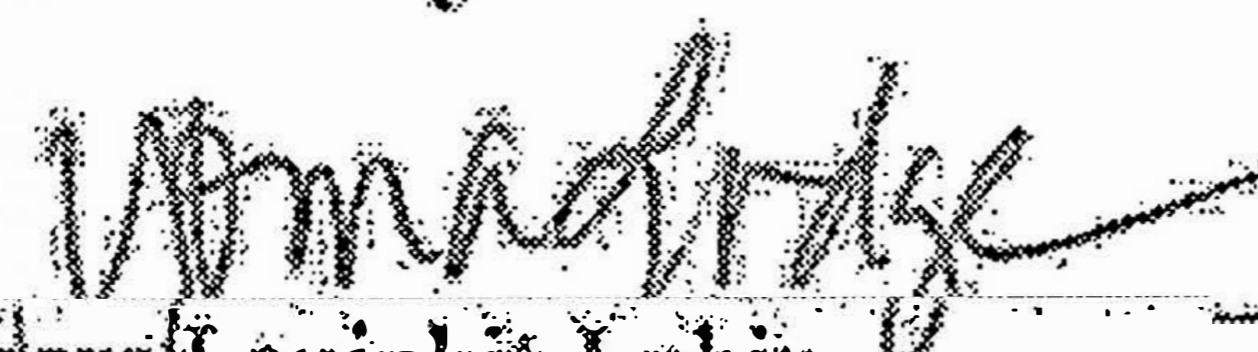
Dated: May , 2013.


Riddel Akua
Minister for Eigigu Holdings Corporation

Dated: ~~May~~ ^{Aug 27}, 2013.


Francis Langinbit by Barbara Laninbit-Lobju
Alap, Wotje Weto

Dated: ~~May~~ ^{Aug 27}, 2013.


Barbara Laninbit-Lobju
Senior Dri-Jerbal, Wotje Weto



yi -



R. A.

6th September 2013

The Shop Operators / Managers / Residents
Eastern Gateway Hotel site
Majuro, Marshall Islands 96960

Dear Shop Operators / Managers / Residents,

As you are aware, effective April 6, 2012, the Landowners of the Eastern Gateway Hotel site (the "Premises") terminated the underlying lease on the Premises (the "Lease") between the Landowners and Eigigu Holdings Corporation ("Eigigu"), and filed such termination with the Land Registration Authority on May 8, 2012. This action by the Landowners terminated the underlying lease between Eigigu and the Landowners. Eigigu filed a lawsuit against the Landowners, but are withdrawing the lawsuit in recognition of the termination by the Landowners.

This communication is to notify you that as of the end of August 2013, all the Landowners (of both Remejon and Wotje Wetos) and Eigigu have reached an agreement regarding the continued cooperation between all the Landowners and Eigigu going into the future, and have signed a new Amended Lease (the "Amended Lease") for the Premises. Your attorney(s) will have an opportunity to view the Amended Lease should the attorney so desire.

On or about the 7th of May, 2012, again on the 10th of May 2012, and the previous month, you were advised that Mr. Rubine Tsitsi was no longer an employee or representative of Eigigu. A copy of the 10th May 2012 notice to you is attached. Any payments made to Mr. Rubine Tsitsi after the 10th May 2012 Eigigu notice to you to immediately cease any lease payments or payments of any kind to Mr. Rubine Tsitsi, will be considered a non-payment to Eigigu, and Eigigu is not responsible for those payments made to Mr. Rubine Tsitsi.

This notice is also to advise you that an Eigigu professional building assessment team (the "Team") will be arriving on Monday the 9th of September to assess the current state of the physical plant of the Premises. We urge and request your full cooperation with the Team, who will be on the Premises for several days during this visit, and will be visiting from time to time in the future.

If you have any questions, please contact the office of our attorney, Mr. Gordon C. Benjamin, at 625-2889, or by email at gordonbenjamin@gmail.com.

Sincerely,



David Aingimea
Executive Chairman,
Eigigu Holdings Corporation

EXHIBIT R 9

GROUND LEASE AGREEMENT
FOR PORTIONS OF REMEJON AND WOTJE WETOS
DELAP, MAJURO ATOLL

This ground lease agreement ("Ground Lease") is made and entered into in or about November, 2013, by and between Eigigu Holdings Corporation (hereinafter, the "Tenant") and the owners and holders of the rights, titles, and interests according to Marshallese custom and tradition in Remejon and Wotje wetos, Delap, Majuro Atoll (hereinafter, the "Landlords").

WHEREAS, in 1990, the parties or their predecessors in interest executed a Lease Agreement for the Eastern Gateway Hotel which was recorded at the Land Registration Authority on September 13, 2006, as Instrument 489 (the "Original Lease") pursuant to which the Tenant leased portions of Remejon and Wotje wetos in Delap extending from the main road to the lagoon from the Landlords (the "Premises");

WHEREAS, on March 20, 2012, the Landlords notified Tenant that they were terminating the Original Lease as of April 6, 2012, for the Tenant's failure to cure the defaults listed in a February 15, 2012 Notice;

WHEREAS, the termination of the Original Lease was recorded in the Land Registration Authority on May 8, 2012, as Instrument No. 4429;

WHEREAS, Tenant fully recognizes and respects the termination of the Original Lease;

WHEREAS, Tenant and Landlords fully recognize that the termination of the Original Lease terminated any existing subleases or subtenancies on the Premises as a matter of law;

WHEREAS, Tenant and Landlords mutually desire to execute this new Ground Lease for the same land area covered under the Original Lease which extended from the main road to the lagoon and which includes any land area which may have been added to the Premises covered under the Original Lease by landfill or otherwise; and

WITNESS that in consideration of the covenants hereinafter set forth and the benefits to be derived therefrom, the parties mutually agree as follows:

1. The parties adopt the terms and conditions contained in the Original Lease in their entirety except as amended below.
2. The terms "Lessee" and "Tenant" are interchangeable between the Original Lease and the Ground Lease.

3. The terms "Landowners" and "Landlords" are interchangeable between the Original Lease and the Ground Lease

A. 4. SECTION 1 of the Original Lease is amended by the substitution of the attached Exhibit

5. SECTION 3 of the Original Lease is amended and replaced to read as follows:

Rent. Tenant shall pay the Landowners rent for the premises at the rate of \$15,000.00 per quarter for the term of the lease commencing with the quarter starting September 1, 2013 and the first day of each subsequent quarter. Tenant shall pay the Iroj 33.3% of the total quarterly rental payment; the Alap and Senior Dri-Jerbal of Remejon Weto 20.3% each of the total quarterly rental payment; and the Alap and Senior Dri-Jerbal of Wotje Weto 13% each of the total quarterly rental payment; or as otherwise directed by the particular Landowners. Any quarterly payment which is more than 15 days past due shall incur a late fee or liquidated damages of \$30.00 per day.

6. SECTION 6 of the Original Lease is amended and replaced to read as follows

Waste and Nuisance Prohibited. Tenant shall not commit, or suffer to be committed, any waste on the premises, or any nuisance. Tenant shall arrange for schedule removal of all garbage and trash from the premises and adjoining beach area and shall keep the premises and adjoining beach area free and clear of garbage, waste, and vermin. As of May, 2013, the premises and adjoining beach area are in a dilapidated condition and have not been maintained for many years. Tenant shall commence maintaining and beautifying the premises and adjoining beach area as is consistent with the originally envisioned hotel complex.

7. SECTION 10 of the Original Lease is amended and replaced to read as follows:

Subletting and Assignment. Following the expiration of any current and legally enforceable subleases on the premises, if any, Tenant may sublease or assign the premises in whole or in part after first notifying the Landowners in writing, and Landowners have 30 days to file a written objection to the proposed sublease or assignment with Tenant. The Landowners will not unreasonably object to a proposed sublease or assignment unless such involves illegal or immoral use or creates a public or private nuisance.

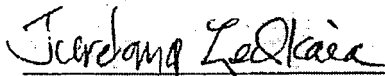
8. A new SECTION 30 is added to the Original Lease to read as follows:

Annual Meeting. Tenant and Landowners shall meet at least one time each year commencing September, 2014, or such other time as is convenient for the parties. The purpose of this annual meeting is for the parties to keep each other apprised of any anticipated changes or plans regarding the premises, requests of the opposite party, or complaints. The annual meeting is not intended to be a confrontational meeting, but, rather a further method of communication between the Tenant and Landowners.

In witness whereof, the parties hereto have signed this Ground Lease on the dates shown with respect to each of the signatures below.

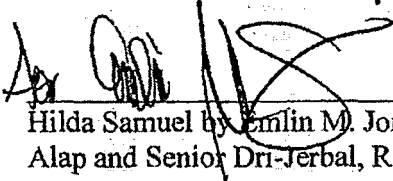
Landowners:

Dated: November 22, 2013



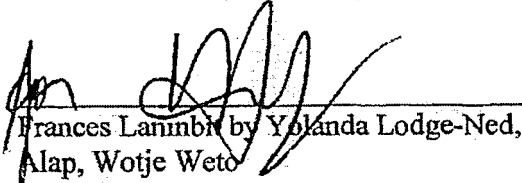
Jurelang Zeckaia, Iroji
Remejon and Wotje Wetos

Dated: November 24, 2013.



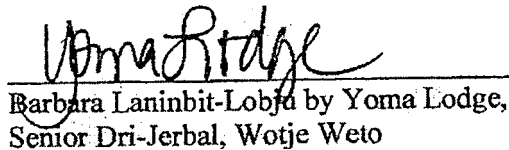
Hilda Samuel by Emilin M. Joran
Alap and Senior Dri-Jerbal, Remejon Weto

Dated: November 22, 2013.



Frances Laninbit by Yolanda Lodge-Ned,
Alap, Wotje Weto

Dated: November 28, 2013.



Barbara Laninbit-Lobju by Yoma Lodge,
Senior Dri-Jerbal, Wotje Weto


Tenant:

Dated: ~~November~~ December 30, 2013.



~~David Aingimez, Chairman~~ Vyko Adeang, Dir.
Eigigu Holdings Corporation

Dated: ~~November~~ December 30, 2013.



David Adeang, Minister
Eigigu Holdings Corporation

SPECIAL DURABLE POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That I, Frances Laninbit, the undersigned Principal, regarding the execution of leases on the property known as Wotje Weto. Delap, Majuro Atoll, Republic of the Marshall Islands (hereinafter the "Wotje premises"), hereby make, constitute and appoint my daughter Yolanda Lodge-Ned ("Attorney/Agent") as the true and lawful agent for me, and in my name, place and stead, and for my use and benefit as follows:

My Attorney/Agent has all power and authority as I might or could do if personally present and to perform any act or thing whatsoever necessary or appropriate to be done to consummate the execution of any lease agreements for my Alap right, title, and interest on the Wotje premises to Eigigu Holdings Corporation or others.

My Attorney/Agent is specifically authorized to take the following actions on my own behalf:

Execute any and all required documents for my Alap right, title, and interest, including a Ground Lease Agreement and other powers of attorney concerning collection and distribution of the damages and/or rental proceeds relating to the Wotje premises.

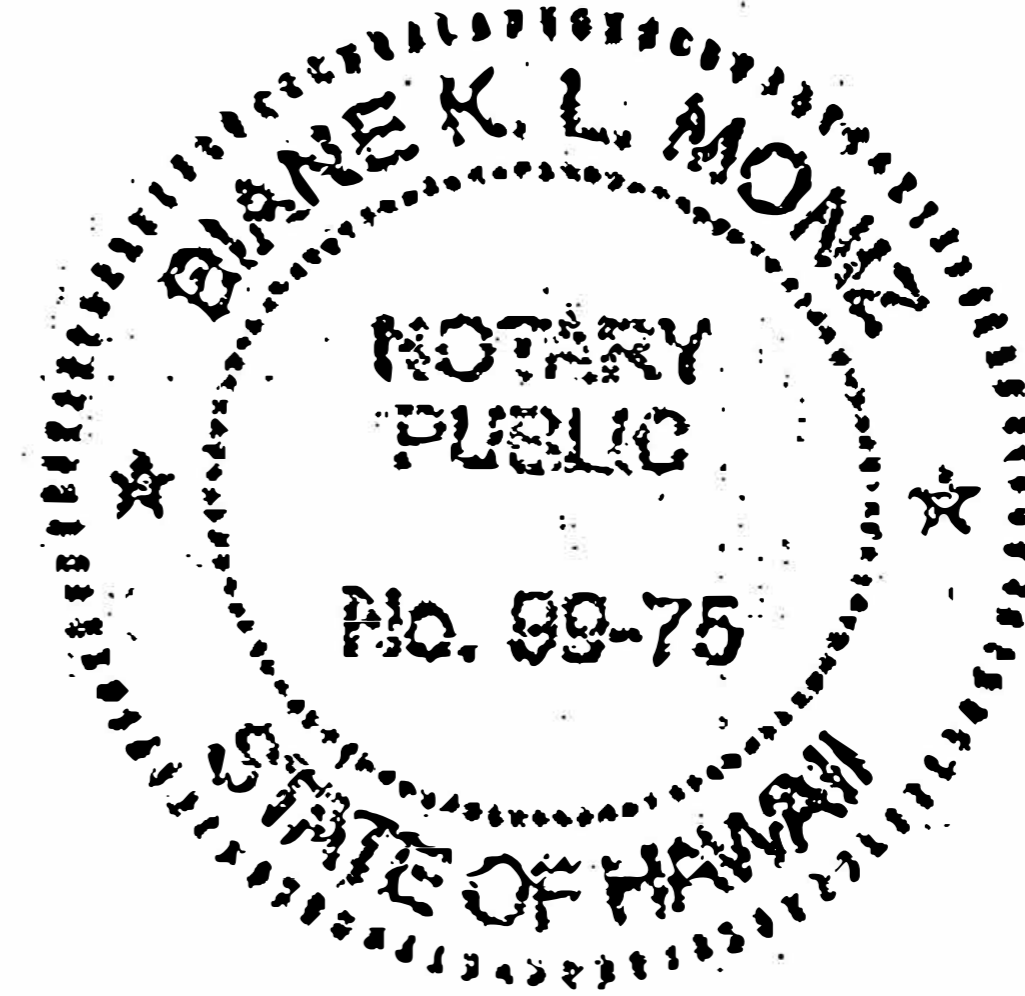
This power shall not be affected by subsequent disability or incapacity of the Principal or lapse of time.

I hereby ratify everything that my Attorney/Agent shall do or cause to be done by virtue of this power.

I, Frances Laninbit, the Principal, sign my name to this Power of Attorney this November 22, 2013, and being first duly sworn, do declare to the undersigned notary that I sign and execute this instrument as my Power of Attorney and that I sign it willingly, that I execute it as my free and voluntary act for the purposes expressed in the Power of Attorney and that I am over the age of 18, of sound mind, and under no constraint or undue influence.

Frances Laninbit

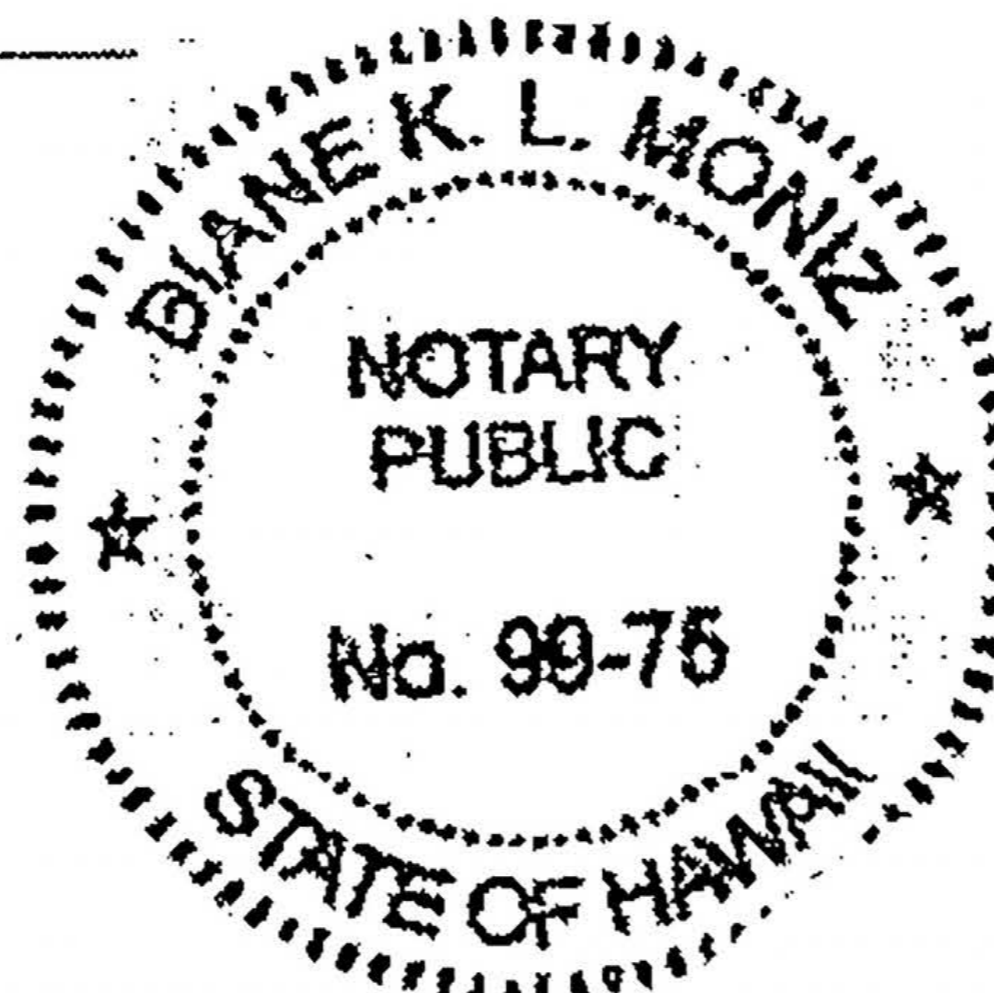
Frances Laninbit



Subscribed and sworn to before me on November 22nd, 2013

Biane K. L. Moniz

Notary Signature
Date: 11/22/13
Notary Commission Expires: Feb 11, 2016



SPECIAL DURABLE POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That I, Barbara Laninbit-Lobju, the undersigned Principal, regarding the execution of leases or other documents on any lands on Majuro Atoll in the Marshall Islands to which I hold the Senior Dri-Jerbal right, title, and interest, hereby make, constitute and appoint my sister Yoma Lodge ("Attorney/Agent") as the true and lawful agent for me, and in my name, place and stead, and for my use and benefit as follows:

My Attorney/Agent has all power and authority as I might or could do if personally present and to perform any act or thing whatsoever necessary or appropriate to be done to consummate the execution of any lease agreements or other documents concerning my Senior Dri-Jerbal right, title, and interest on any of my lands on Majuro Atoll in the Marshall Islands.

My Attorney/Agent is specifically authorized to take the following actions on my own behalf:

Execute any and all required lease agreements or other documents, including additional powers of attorney for my Senior Dri-Jerbal right, title, and interest, including the collection and distribution of rental proceeds relating to such lands.

This power shall not be affected by subsequent disability or incapacity of the Principal or lapse of time.

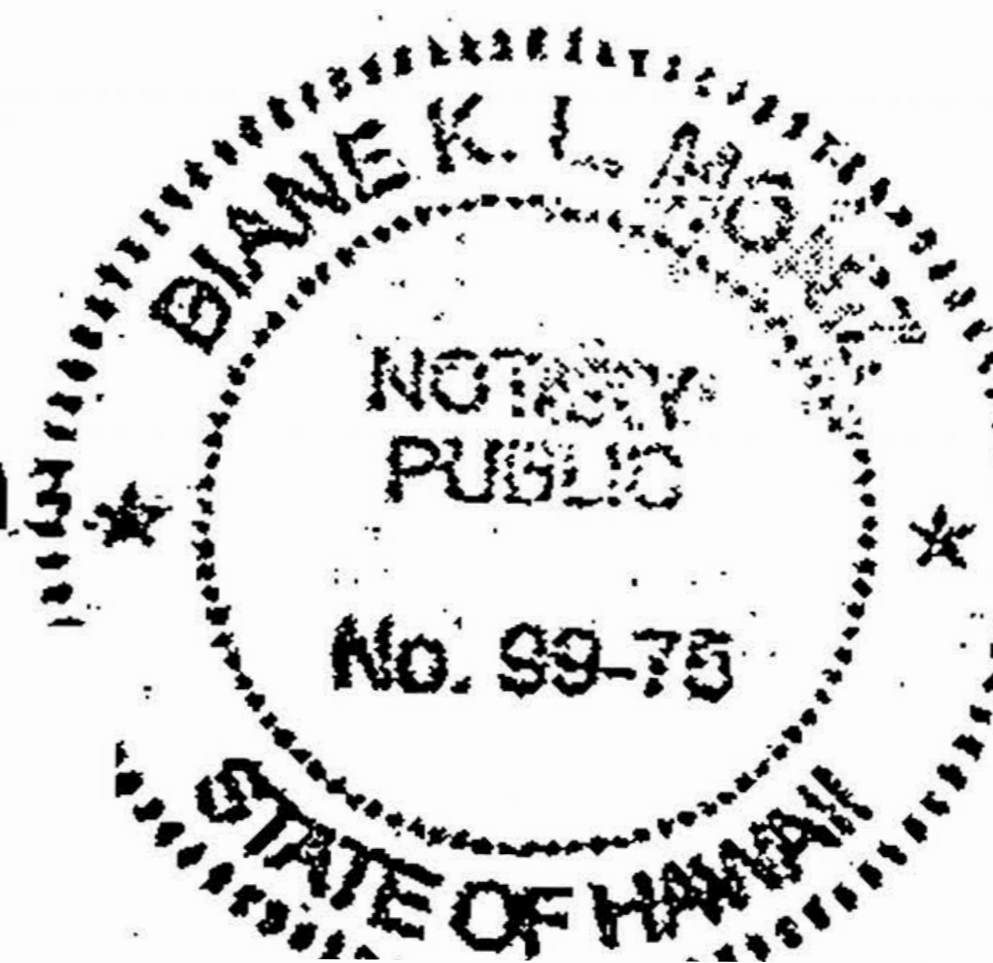
I hereby ratify everything that my Attorney/Agent shall do or cause to be done by virtue of this power.

I, Barbara Laninbit-Lobju, the Principal, sign my name to this Power of Attorney this November 26, 2013, and being first duly sworn, do declare to the undersigned notary that I sign and execute this instrument as my Power of Attorney and that I sign it willingly, that I execute it as my free and voluntary act for the purposes expressed in the Power of Attorney and that I am over the age of 18, of sound mind, and under no constraint or undue influence.

Barbara Laninbit-Lobju

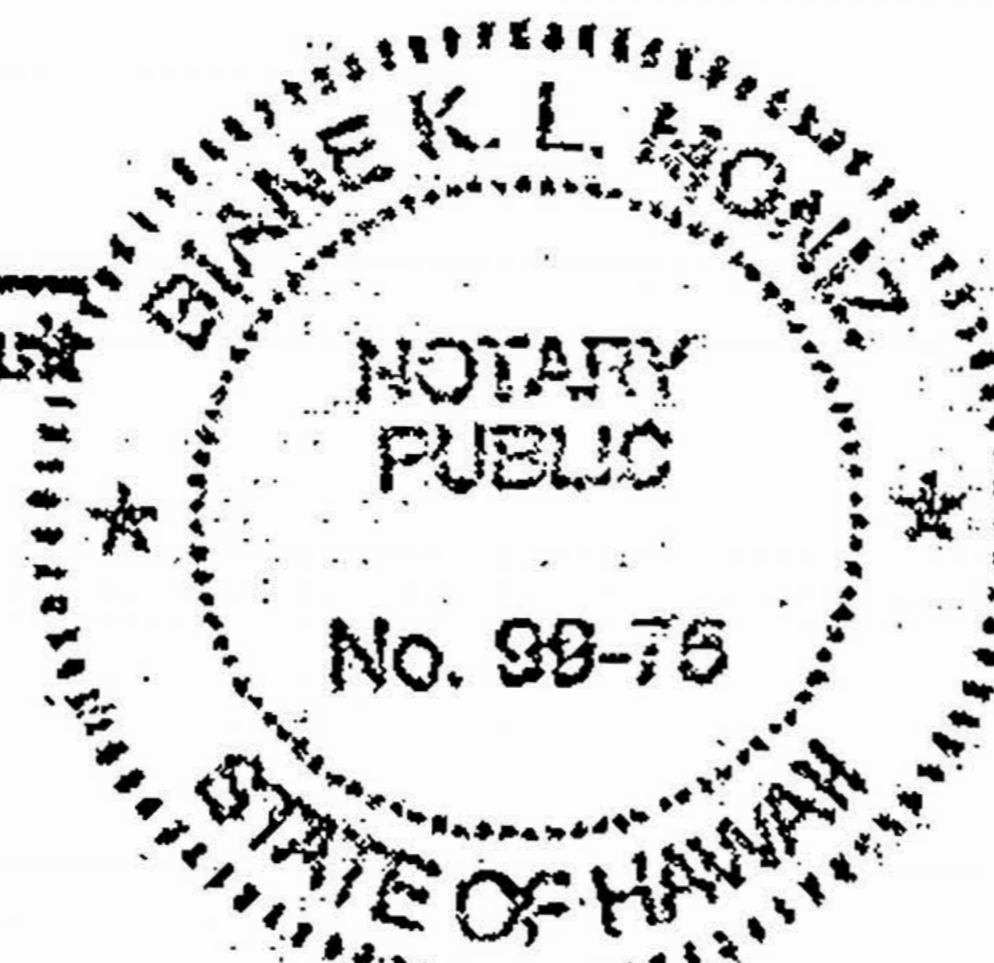
Barbara Laninbit-Lobju

Subscribed and sworn to before me on November 24, 2013



Biane K. L. Mogai

Doc. No. Nov. 26, 2013 Pages 1
Notary for Biane K. L. Mogai Third Circuit
Doc. No. Special Durable
Power of Attorney
Biane K. L. Mogai
Notary Signature 0 Date
Notary Commission Expires Feb. 11, 2015



POWER OF ATTORNEY)
)
REPUBLIC OF THE MARSHALL ISLANDS)
MAJURO ATOLL)
_____)

KNOW ALL PERSONS BY THSES PRESENTS THAT:

1. I, **Hilda Samuel**, I am a citizen of the Republic of the Marshall Islands residing on Waipahu, Honolulu Hawaii;

2. I, **Hilda Samuel**, I DO HEREBY MAKE CONSTITUTE, and APPOINT my daughter **Emlin M. Joran**, my true and lawful attorney-in-fact, for me and in my name, place, and stead, full power to do and perform all and every act that I legally do, through my attorney-in-fact and every power necessary to carry out the purposes for which this power is granted:

TO RECRIVED any checks issued out in my name from any agency within the REPUBLIC OF THE MARSHALL ISLANDS, and to

ENDORSE and **CASH** checks at any banks, agencies, or any other stores within the REPUBLIC OF THE MARSHALL ISLANDS.

TO CONDUCT, engage in and transact any all lawfully businesses of whatsoever kind or nature on my behalf and in my name.

TO ENTER, into binding contracts on my behalf and to sign, endorse and execute any written agreements and documents necessary to enter into any such contracts and/or agreements.

TO MAINTAIN and/or operate any business that currently own or have an interest in or may own here an interest in the future.

TO PREPARE or cause to be prepared, sign or file any documents with any Federal, Local and Government, and to received and evaluated information effectively to communicate decision and to manage my financial resources and affaires property.

THE POWER OF ATTORNEY, will remain in effect until revoked by myself in writing.

IN WITNESS WHEREOF, I Hilda Samuel, affixed my signature hereto this
1st day of April, 2010.

Hilda Samuel
Signature

SUBSCRIBED and SWORN to before me this _____ day of
_____ 2010.

PLEASE SEE ATTACHED FOR NOTARY

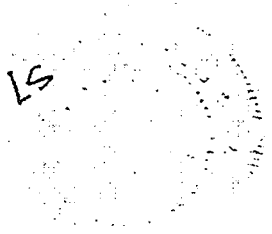
NOTARY PUBLIC

State of Hawaii)
) SS.
City & County of Honolulu)

Subscribed and sworn to before me this 7th day of APRIL, 2010
by HILDA SAMUEL

[Signature]
Aster Dolor, Notary Public
First Judicial Circuit, State of Hawaii

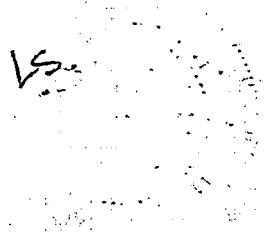
My commission expires: 11-01-2013



NOTARY PUBLIC CERTIFICATION
Aster Dolor First Judicial Circuit
Doc. Description: POWER OF ATTORNEY

No. of Pages: 2 Date of Doc. APR 07 2010

[Signature] APR 07 2010
Notary Signature Date



THE LAW OFFICE OF GORDON C. BENJAMIN

09 January 2014

The Sub-Lessees (Shop Operators / Managers / Residents, as applicable)
Eastern Gateway Hotel premises
Majuro, Marshall Islands 96960

RE: Termination of old Sub-leases

Dear Shop Operators / Managers / Residents:

I represent the legal interests of Eigigu Holdings Corporation. This is to notify you that Mr. Rubin Tsitsi and others affiliated with Mr. Tsitsi have vacated the premises of the Eastern Gateway Hotel.

This letter is also to notify you that your sublease with Mr. Tsitsi, or any of Mr. Tsitsi's sub-lessees (ex. Leander Leander) terminated, as a matter of law, when the landowners terminated Eigigu Holdings Corporation's ("EHC") underlying lease with the landowners, on April 06, 2012, and such termination was filed and recorded at the RMI Land Registration Authority on May 08, 2012 (Instrument No. 4429).

EHC and the landowners negotiated a new lease that became effective in late 2013. Because your sub-lease with EHC terminated when EHC's lease was terminated by the landowners in April 2012, EHC will now enter into new sub-leases with parties interested in sub-leasing space, at EHC's direction and option. This may mean that you may not be offered a space at this time, however EHC will work with each tenant to ensure that the business and enterprises at the Eastern Gateway Hotel Premises (the "Premises") are reputable, clean, and honest, and that no illegal activity is conducted on the Premises.

Any sub-lessees that made any advance payments to Mr. Rubin Tsitsi,

**IN THE HIGH COURT
REPUBLIC OF THE MARSHALL ISLANDS**

EIGIGU HOLDINGS CORPORATION, Plaintiff, -v- LEANDER LEANDER and LIJUN LEANDER, Defendants	Civil Action No. 2014-067 SERVICE OF SCHEDULING ORDER
--	---

I certify that the Scheduling Order was served as follows:

<u>Name</u>	<u>Place / email</u>	<u>Date</u>	<u>Time</u>
Gordon Benjamin	PMA	3/26/15	2:27pm
James McCaffrey	-11-	-11-	-11-

Service Officer

Date filed:

3/26/15

Clerk of Courts

