MINUTES OF THE BOARD OF DIRECTORS SPECIAL MEETING
3:00 p.m., Friday, August 9, 2013
GIAA TERMINAL CONFERENCE ROOM #3

1. CALL TO ORDER AND ATTENDANCE

Chairman Francisco G. Santos called the A.B. Won Pat International Airport Authority, Guam (GIAA) special meeting to order at 3:04 p.m. The presence of Directors is noted as follows: Martin J. Gerber; Lucy M. Alcorn; Rosalinda A. Tolan; Edward G. Untalan, and Pedro P. Ada III. Also present were Charles H. Ada II, Executive Manager, Peter Roy Martinez, Deputy Executive Manager, Carlos P. Bordallo, Acting Comptroller, Frank R. Santos, Business and Financial Consultant, Michael A. Pangelinan Esq., and Janalynn C. Damian Esq., Legal Counsel. The Chairman welcomed the presence of Airport Tenants, stakeholders, and members of the public who are noted in a sheet made as an attachment to the minutes.

2. APPROVAL OF AGENDA

Director Tolan made motion to approve the agenda as presented, seconded by Director Ada; motion carried.

3. MATTERS FOR BOARD RATIFICATION/APPROVAL

A. Approval of FAA Grant Agreement to Extend Runway 06L/24R – Phase XI

The Executive Manager announced the above mentioned project has actually been completed, and this item would be a reimbursement to the Guam International Airport, of a little over two (2) million dollars. The Manager informed the Board for their information that all FAA grants are reimbursement grants and reiterated that the project was completed. Director Ada inquired if the project was on time and on budget. Mr. Frank Santos, Business and Financial Consultant replied yes, on time, this project was completed two (2) years ago, now on budget. Director Ada made motion to approve the FAA Grant Agreement, seconded by Director Alcorn; motion carried.

Director Ada inquired if the Airport would suffer any penalties being that it was completed two (2) years ago. Mr. Frank Santos responded this was a negotiated Agreement with the FAA as to when they would have monies available; a year ago they actually reimbursed the Airport another two (2) million dollars, so this would be the final wave of reimbursements.
B. Approval of Award for Demolition and Remediation of Various Airport Facilities, Phase I - IFB No. GIAA-C02-FY13

The Executive Manager announced that Board action is requested to approve the bid award for the above mentioned project. The project is to provide construction work inclusive of all labor, materials, supplies and equipment to demolish buildings in Tiyan. The project also includes remediation of lead and asbestos materials prior to the demolition work, with the scope of the work comprised mainly of demolition and remediation work. Twenty-five (25) firms/individuals purchased bid packages with ten (10) firms submitting bid proposals before the submission deadline. After all firms were evaluated, only nine (9) were determined to be acceptable. The Manager added that the government estimate for the project is $1,684,456.00. The lowest responsive, responsible bidder is Ian Corporation with a bid amount of $1,062,268.57 which represents 37% less than the government estimate. Management is therefore requesting Board approval of its recommendation to award Ian Corporation in the amount of $1,062,268.57 for the project. The Manager also added that this project is in line with efforts for the Tiyan Parkway. Director Untalan inquired on the background of Ian Corporation, and if they are familiar with the scope of work, including hazard remediation. Director Tolan also asked if they have done work for the Airport. Mr. Frank Santos answered yes, they have done small jobs, he also answered Director Untalan’s question stating that they have the licenses to do so. Director Untalan stated that he was concerned as it is a large amount of money on the table, and queried with such a low bid, if they might have problems completing the project. The Chairman inquired if Ian Corporation has met all the requirements. The Executive Manager replied yes, it was outlined not only in the Invitation to Bid but also as Mr. Frank Santos mentioned with Gov Guam Procurement Regulations. Director Tolan also asked if they had posted a bond. Mr. Santos replied when the bids have a large variance from the estimates they are usually requested to confirm their bid; he stated the last thing anyone wants is for a bidder to start losing money, that has been done, and they have confirmed their bid. So, before Notice To Proceed (NTP), GIAA usually has the bond in the contract, then that will be approved by the FAA. Director Untalan asked, so you cannot put minimum requirements. Mr. Santos replied, well you put the licenses that are required. Director Untalan stated anyone can get a license. Chairman Santos inquired with Mr. Santos if OSHA and Guam EPA will monitor this project, any citations they will be responsible. Mr. Santos stated Guam EPA will be observing them in terms of the environmental mitigation, and what they utilize as safety gear, and secondly where they are going to be disposing of the materials. In some cases the materials are containerized into fifty-five (55) gallon drums and shipped off island. Director Untalan asked if they can control that cost. Mr. Santos replied that this particular Phase I work includes the GPD building. Director Untalan asked confirming if that needs to be demolished, and when is that scheduled. Mr. Santos stated yes, as soon as GIAA clears the award or contract hurdles, issues the NTP, the contract will get a schedule of when the work will be done. Chairman Santos called for a motion regarding item B. Director Tolan made motion to
approve Managements recommendation to award the project to Ian Corporation in the amount of $1,062,268.57, seconded by Director Ada; motion carried.

C. Approval of Award for GIAA TSA Expansion CCO and Offices/Conference Rooms — IFB No. GIAA-C04-FY13

An Invitation For Bid was announced to solicit bids from professional firms to provide construction and renovation work inclusive of all labor, materials, supplies, and equipment to TSA expansion CCO and offices/conference rooms. Of the nine (9) firms/individuals that purchased bid packages, five (5) submitted bid proposals before the submission deadline. The Executive Manager added that the government estimate for the project is $274,424.00. The lowest responsive, responsible bidder is BME & Sons Inc. with a bid amount of $252,482.00 which represents 8% less than the government estimate. Management recommends that the contract be awarded to BME Sons Inc. in the amount of $252,482.00 who has been determined to have met the standards of responsibility and responsiveness outlined in Guam Procurement Regulations.

Director Ada inquired on the government estimate, on this and all projects, if it is in-house. Ms. Jean Arriola responded no. Director Ada inquired with Management stating, with this item and the last and maybe others, do you get nervous when the amount is below the government estimate, and asked if Management was just sticking with the Procurement Regulations. The Executive Manager responded yes, that with the all the speculation with the military buildup, a lot of projects that Management has seen since have been a lot lower, it is obviously the assumption that a lot of folks were positioning themselves for the bigger fish, now everyone is just trying to put food on the table and it has become very competitive. Director Ada apologized to the Chairman, and asked Management if there was something that the Board can do to look at value versus lowest bid. Director Tolan added that some of the companies listed have done business with the Airport, so that is the position of Mr. Santos and Management that they are confident that these companies can produce. Mr. Santos added that the estimate for this project was $274,424.00. Director Tolan added that it is not that much difference. Director Ada referred to his business, they do buildings, they don't look at the lowest, he has been taught that cheapest is not always the best you end up going back and paying more at the end of the day. He stated that he understands that Management is restricted somewhat, and was curious if there was a policy or procedure that the Board could implement to get around that, to see that there is more value structured into the bids versus low bid. The Executive Manager stated that he agreed and that he appreciated the comment, but again the procurement delegation comes from TSA which GIAA strictly has to follow, the procurement rules and regulations. Legal Counsel, Janalynn Damian added that they have to be a responsible bidder, so the bid packages include project listing, maybe even some financial documents showing they are financially capable performing, so that they meet the responsibility component to be the lowest responsible bidder, once they meet that than you have to go with the lowest bidder. The Executive Manager expressed his opinion stating that because the
delegation comes from TSA, the Chief Procurement Officer, he thinks that the Board could just make the process a little more stringent opposed to more flexible, as far as the Airports procurement process goes. Director Ada asked that if Management has any suggestions on how the Board can help to make the procurement process easier to please let the Board know. Director Untalan made motion to approve Managements recommendation, seconded by Director Tolan; motion carried.

D. 2013 Bond Authorization

The Executive Manager announced that the next item requiring Board ratification or approval is the 2013 Bond Authorization. Earlier this year GIAA worked with numerous Senators from the 32nd Legislature for the draft Bond Legislation. Back in May of this year Senator Tina Rose Muna Barnes introduced Bill for a bond legislation, a month later we submitted a letter of concern to Senator Muna Barnes office about the public hearing date for the bond legislation and followed up with office calls to close to 80% of Senatorial offices of the 32nd Legislature. Items discussed were the Bill contents of two (2) other items that we would like to see have floor amendments, one of them was the exemption of PL32-052, which basically limits the Airport from entering into leases longer than five (5) years. Another provision discussed, was a law that prohibits the Airport from entering into loans more than ten (10) years. We were advised by every single Senator that we met to ask the Governor to intervene and to call for a special session, which we did. Last week on Wednesday the Governor called a session, we engaged that process along with GEDA and were successful getting the Bond Legislation passed, short of the two (2) that were just mentioned.

As you may be aware, this past week we have had meetings with Moody’s rating agency and than a teleconference with Standard & Poor’s. It was great that we were able to provide them a report out that we were successful in getting the Bond Legislation passed. Obviously, this is a good sign to the community where the Government of Guam is committed for the Airport to go to the Bond Market.

The Manager informed the Board that the documents provided is a draft Resolution from the Board followed by a draft Indenture. He went on to state that the Authority is scheduled to depart on August 19, 2013 to engage a four city, four day Investment Road Show, followed by the pricing in New York. By September 12, 2013 GIAA should have 110 million dollars loaded into its bank accounts for the nineteen (19) projects that were listed in the Bond Bill, which are the same projects identified in GIAA’s Master Plan. Director Ada inquired on the definition of Road Show. The Executive Manager replied stating the party will be going to four (4) cities, San Francisco, Chicago, Boston and New York. By next week an electronic presentation should be developed outlining in detail our financial conditions here at the Airport and what our intentions are to do with the money. Director Untalan informed the Board and Management that he was curious as to why GIAA is doing a special Road Show, with the age of technology today, everything can be done via video; stating that he remembered his days at GEDA, they would have one (1) investor pre-pricing conference and all the investors called in. The Executive
Manager informed the Board that the Road Show will not be fun or easy on the body either, and reiterated that by next week the electronic presentation will be developed and posted on GIAA’s website. Director Untalan stated well we have an electronic presentation, yet you have to go visit four cities, if investors are interested in the bonds, and that he thought Guam Bonds were very attractive, he did not see the need to go on a four city Road Show. The Director went on to add that in the late 1990’s, early 2000’s there were no Road Shows, there were investor conference calls, and that he did not understand the reason, and asked that he inquire what was the reason for the Road Show. Mr. Frank Santos responded informing the Board that the two (2) major reasons for the marketing of the GIAA Bonds is because the bulk of GIAA’s Bonds are antique, subject to alternative minimum tax and are not as marketable as the live DMT Bonds, which is most of Guam Bonds. The issues with the rating agencies they’re saying, is that these investors are also performing their own internal rating, thus the purpose for the marketing of the bonds on a face to face basis or as a group in each city, that’s what is being told to us. We could do away with the Road Show but as of earlier this week the invitations were sent out. Director Tolan inquired that he still was not convinced that a Road Show was necessary in this age of technology, and stated it is too late now with the invitations sent out. Director Untalan inquired on who is attending the Road Show. The Executive Manager informed the Board that attending would be himself, Carlos Bordallo, the Acting Comptroller, Frank Santos, Business and Financial Consultant, Ms. Jean Arriola, Airport Services Manager and Director Martin Gerber, along with Senator Tina Rose Muna Barnes who introduced the Bill. Director Untalan inquired if the Senator would attend the full ten (10) days. The Manager stated no, just the pricing in New York. Director Untalan inquired on what other parties will attend. The Executive Manager informed the Board Lestor Carlson, Henry Taitano, and possibly a third person from GEDA. Director Untalan questioned the amount of people attending, he stated that he understood the Airport representatives as this is the Airport’s show, but did not understand the amount of people from GEDA as their speaking part is minimal. The Executive Manager added that the Airport is not paying for GEDA’s TA’s. Director Untalan stated that eventually it was going to come out of the Airport’s pocket and went on to say that it needed to be controlled, this is not an open invitation for everybody to travel, and that it would come out of Airport’s pocket one way or another. He stated that the two (2) representatives from GEDA were fine, but he did not think that a third party was necessary. The Executive Manager informed the Board that he was not sure, he might be wrong, but that is what he was informed, that there was going to be a third person from GEDA.

Chairman Santos asked the Executive Manager if an invitation was extended to the Oversight Chairman, Senator Michael San Nicolas to attend. The Manager replied yes, but the Senator was concerned in regard to FY14 Budget that the Legislature is engaged in at present, however the Senator did ask if he could send a staff representative. The Manager informed the Board that his response to the Oversight Chairman was that it would be best and more feasible for the Board to approve if it were him who was attending and not a staff representative, and informed the Senator that he would
present it to the Board for consideration. Director Untalan inquired if GEDA had informed the Airport of their fees. Mr. Frank Santos responded no, and went on to inform the Board stating that the issuance fees allocated the last time in 2003 was approximately $600,000.00, and the total Bond issued was 240 million. The Chairman encouraged the Executive Manager, and stated just make sure you bring the bid back to Guam. The Executive Manager stated that was the game plan and that it is an exciting time for the Airport.

Director Ada added relative to Director Untalan’s point, if a Senator cannot attend, no staff should be sent as a substitute, not on the Airports dime and cautioned Management on their spending; stating I don’t think the Airport should be subject to criticism, this is big business, keep it contained. Director Untalan added that he thought it was prudent that the Airport look at the expenses very carefully and try to minimize it, especially being that it is a ten (10) day trip. Director Ada inquired if anyone from the Governor’s Office was attending. The Executive Manager replied no. Director Alcorn inquired for confirmation if it was just Airport and GEDA attending; Executive Manager replied yes. Chairman Santos called for a motion on Item D. Director Ada made motion to approve the Draft Resolution and the Draft Indenture presented, seconded by Director Alcorn; motion carried.

The Executive Manager announced that before moving to the next subject item he would like to point out in reference to one of the amendments he had mentioned earlier, one of the items in the Bill 32-62. Legal Counsel, Michael Pangelinan announced that if this is a different item that is not on the special meeting agenda, it is prohibited to discuss. The Executive Manager stated technically it does relate to the Bonds. Mr. Michael Pangelinan stated that Item D was 2013 Bond Authorization. The Executive Manager stated that it was an item in the Bond Legislation that was removed that he wanted to discuss. Mr. Pangelinan stated that if it does not pertain to the Bonds he suggested not discussing. The Manager informed the Board that it would be put on the agenda for the next meeting.

E. Approval of FY2014 O&M Budget

The Executive Manager announced that Carlos Bordallo, the Acting Comptroller unfortunately had to step away due to an emergency, and that Mr. Frank Santos would present the FY2014 O&M Budget. The Manager informed the Board that the Airport’s airline partners were very happy, and that the Airport only received minimal comments before airlines seeing the cost in enplanement cost reduced. Director Untalan announced that he spent time with the Acting Comptroller and Mr. Santos going over the Budget, and to expedite the budget review he suggested the three exhibits to focus on are the Revenues, which is Tab 6, Exhibit E; the Operating Budget, which is the expenses, Tab 11; and more importantly, the Airlines, Tab 7, which is a calculation of rates and fees which shows particularly for GIAA’s Signatory Airline partners the reduction in the enplanement passenger cost which is something significant.
Mr. Frank Santos presented the O&M Budget, relative to Revenue he informed the Board that with the rates and charges as well as the enplaned passenger, Signatory Airline cost for passengers is now at $15.61 as compared to the current year FY2013 of $17.20. Relative to concession revenues he informed the Board they will notice a major increase on the duty free side as GIAA has incorporated the minimum annual guarantee from Lotte. He went on to add that the important thing to note is that those revenues were between the Airlines, and Duty Free was all of the other non-aeronautical concessions, it actually reduced the percentage of revenues on non-aeronautical to 51%, now Airline revenues are at 37%, stating it is a great feather in the Airports cap. The Airport is not fully depending on the Airlines for revenue; so those are the highlights on the revenue side. Director Ada inquired if that is the basic formula for airports throughout the nation, that the more non-aeronautical revenue you get, then there’s a decrease in what you would charge a Signatory Airline. Mr. Santos replied yes, stating if the Airport incurs a 10 million dollar hit on some other revenue source, the Airlines under the agreement would have to make up for that, they would therefore increase their rate, that is the purpose of the Signatory Airline Agreement; they are essentially guarantors of the Airports financial bottom line. Also, if the Airport does benefit from other sources, then of course on a protected basis airline rates would go down. Director Ada asked if that would translate into lower ticket fares. Mr. Santos replied no. Director Ada inquired on the enplanement number, and if it was a negotiated number. Mr. Santos replied that it is part of the agreement, as appropriation, the Airlines provide us their forecast, if they don’t meet the forecast we have the flexibility to charge them. Application of Revenues, Debt Service would increase from 17.3 million to 24 million and that is to account for the new monies in our Bond issuance. The bulk of the debt service will expire in 2023, that’s the refunding Bonds so there’s only a ten (10) year life remaining in the refunding Bonds, so the 2023 the debt service would be reduced to half. Then the new monies will continue for another 20 years after that. What it shows in terms of the forecast for FY14, if you look at capital improvement fund it shows 1.6 million dollars in the Capital Improvement Subaccount and the Other Available Subaccount is 1.6 million dollars also, what that represents is that 50% of profits goes to GIAA’s Capital Improvements fund to any projects we deem worthy and secondly 15% could act as a credit to the airlines; Although GIAA has not exercised that for the last three (3) fiscal years.

Our usual airline agreements are normally for just five (5) years, so there is three (3) years left, we will renegotiate all terms and conditions, and they have provisions there that they could actually stop us from implementing any project 10 million dollars and over. Likewise, there are also provisions if they object projects that are below 10 million they can only do that for one year, the following year the Airport can proceed. That’s what we call a Negative MAI (Majority and Interest), if they are going to disapprove, they actually have to send us a letter disapproving it, and it has to represent 60% of the total airline revenue. So when we knew the Bond Schedule, that is why we are requesting approval of the FY14 Budget at a Special meeting because we will be unable to meet
later in the month, and we need to provide the airlines a 30 day notice of changes in the airport tariff schedule. When we sent the airlines the revised Budget Friday last week giving them another opportunity to submit comments, they were fine. The evolution of the Budget when they first received our draft was at $16.00 per passenger, even at that time they did not object, so after tweaking the numbers and reducing that contribution, it is now at $15.61. Because we are a resort destination, the margin or the yield for the carriers, this helps in their yield. Director Ada asked does Guam compare with other resort destinations in the area. Mr. Santos replied with the larger airports we’re lower. But the rating agencies actually compare us to U.S. airports; we are high, higher than the norm. But because we are multi international, international passengers require more facilities, more services, which means higher the cost per passenger. A lot of the mainland airports, most of them are domestic; they don’t need to go through those facilities, and that’s why in terms of international arrivals Guam ranked 8 out of the total U.S. airports, top 10. Therefore the total Budget requested under FY14 is $40,270,473.00 and that doesn’t include debt service that’s just operations. Director Untalan inquired on the amount for debt service. Ms. Santos replied that is 1.40, the minimum coverage is 1.25. The current year’s Budget is 1.29, but because of the increase in traffic also for this year it’s at 1.68. Director Untalan stated the amount of cash on hand typically being 90 days if something were to happen to keep the Airport afloat, but after reviewing the Budget, the Airport has over 200 days of cash on hand, with there being over 20 million in available cash. Director Ada asked if that is required reserve that the Airport has to have on hand. Director Untalan replied no, but from a rating stand point, they want to see over 200 days of cash available. So we do have that cash available, just in different categories. Mr. Santos listed the categories; the bottom line is all those monies are available in the unlikely event the Airport needs it. Discussion followed relative to the management of the available funds. Director Untalan made a motion to approve the FY2014 O&M Budget presented, seconded by Director Tolan; motion carried.

Director Ada thanked Management for preparing the FY2014 O&M Budget.

F. Personnel Matters/Appointment of Comptroller

The Executive Manager announced that the above mentioned item stemmed from a motion that was made two (2) meetings ago. There were some concerns with regard to the requirements or qualifications listed in the position for the Comptroller, and informed the Board that a packet was sent out to the Board listing the salaries for the Comptrollers throughout the Government of Guam. The Chairman announced to Management that he would like to make a recommendation for Management to look into salaries at other departments, as the listing only showed the salaries of Comptrollers for two (2) agencies. The Chairman stated that there are two (2) types of Comptroller’s, a Comptroller and Fiscal Comptroller. The Executive Manager informed the Chairman yes, that he would reach out to all other autonomous agencies to see
what the pay ranges are and provide that information to the Board. Director Tolan inquired on the salary amount that Mr. Carlos Bordallo was receiving as Comptroller, if he was receiving $109,000.00 per annum. The Executive Manager clarified that Mr. Bordallo is Acting Comptroller at this point in time. Legal Counsel, Michael Pangelinan announced that at the June Board meeting Director Tolan requested that Legal Counsel look into specifically whether the Airports Comptroller is required to have a CPA. He explained that they have spent some time researching it with all of the legislation applicable to Airport and all of the regulations that they could find within the law, they found no legal requirement that the Comptroller be a CPA, what they do have is the enabling legislation that authorizes the Board to appoint a Comptroller, it doesn’t specify the qualifications of the Comptroller, but their interpretation is the Board may determine the qualifications. He announced that a memorandum was submitted and handed out to the Board, it highlights the specific enabling legislation, it does give some background and job announcements that the Airport has issued in the past. In the past the Airport has included a CPA as a requirement, but in their view it is not because it’s a legal requirement but that it is what the Board had chosen to do. Also attached are job descriptions for eight to nine other agencies of Gov Guam, it also lists out their criteria for the position, just a little more than half of those require a CPA, but there’s three agencies in the group that don’t require a CPA as part of their qualifications. Mr. Pangelinan stated that the conclusion is that a CPA is not required; it is up to the Board to decide what ever qualifications the Board deems appropriate. Director Untalan inquired on the length of time Mr. Bordallo has been the Acting Comptroller. Director Tolan stated approximately three years. Director Untalan asked if the position gets an annual review. The Executive Manager stated yes, because the position is Board appointed along with the Executive Manager and Deputy Executive Manager. Director Untalan inquired if Mr. Bordallo’s position had received an increment from the salary increments that were approved recently. The Executive Manager responded stating that the position slot was not part of the study, however the Executive Manager, and Deputy Executive Manager was. Director Untalan inquired why, and asked if the Board determines both the Executive Manager and Deputy Executive Managers salaries. The Executive Manager stated that when the study was implemented, the Comptroller position was not included. Director Untalan inquired for confirmation stating so it was the Board that didn’t include the Comptroller. Ms. Jean Arriola added for the Boards information that at the time of the Airport migrating to the 10% market percentile based on the Board’s decision the salary of the Comptroller which was determined by the prior Board was inactive, so in the Boards capacity exempted that position. Director Untalan asked if the Airport was at the 20th market percentile, and where does that leave the Comptroller position, is it less. Ms. Arriola stated that is not to say that the Board cannot determine that. Director Tolan stated that it is up to the Board. Director Untalan expressed the need for consistency. The Executive Manager informed the Board that as the Chairman requested, Management will finish gathering all of the information to present to the Board to figure out how to place the Comptroller. Director Untalan stated that the Comptroller position should not be placed above everybody else in
terms of the market percentile. Director Ada made motion for Management to inquire on the salaries of other Gov Guam agencies, seconded by Director Tolan; motion carried.

Discussion followed relative to the Comptroller position requiring a CPA in regard to the pros and cons. Mr. Pangelinan informed the Board that it is not necessary for the Board to do a job announcement; the Board may just appoint a Comptroller.

4. ADJOURNMENT

Director Gerber made a motion to adjourn the meeting, seconded by Director Tolan; motion carried. The meeting adjourned at 4:11 p.m.

Respectfully submitted,

Amanda O'Brien-Rios
Board Secretary

APPROVED:

EDWARD G. UNTALAN
Chairman of the Board

Attachment

10/02/13
Date
BOARD OF DIRECTORS SPECIAL MEETING
3:00 p.m., Friday, August 9, 2013
Terminal Conference Room No. 3

AGENDA

1. Call to Order and Attendance
2. Approval of Agenda
3. Matters for Board Ratification/Approval
   A. Approval of FAA Grant Agreement to Extend Runway 06L/24R – Phase XI
   B. Approval of Award for Demolition and Remediation of Various Airport Facilities, Phase I - IFB No. GIAA-C02-FY13
   C. Approval of Award for GIAA TSA Expansion CCO and Offices/Conference Rooms - IFB No. GIAA-C04-FY13
   D. 2013 Bond Authorization
   E. Approval of FY2014 O&M Budget
   F. Personnel Matters/Appointment of Comptroller
4. Adjournment
### Sign in Sheet

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Egypt's rulers want to break up Brotherhood vigils

Supporters of deposed Egyptian President Mohamed Mursi should slognag and hold symbolic coffins during a march from the Al-Fath Mosque to the defence ministry, in Cairo, July 30. (Reuters)

CAIRO (Reuters) - Egypt faced the prospect of fresh bloodshed on Thursday after the country's army-backed rulers signaled they would move soon to disperse thousands of supporters of deposed Islamist President Mohamed Mursi.

With no sign of a negotiated end to weeks of violent confrontation, Egypt's interim government said two Cairo vigils by Mursi supporters posed a threat to national security, citing "terrorism" and traffic disruption.

It ordered the Interior Ministry to try to take steps to "address these dangers and put an end to the disturbance," but gave no time frame.

The announcement set up a showdown with the Muslim Brotherhood, which refuses to leave the streets until Egypt's first freely elected president is reinstated. Deposed, by the army on July 3, Mursi remains in military detention at a secret location.

"We are moving again against his supporters," one of the Interior Ministry's top officials said on condition of anonymity. "We are trying to convince them to go back to their families."

The Interior Ministry said in a statement that it had warned the Brotherhood not to organize another protest after a wave of popular revolts since 2011.

A top government official said 300 people have been killed in weeks of violence since the army deposed Mursi, inspiring tears in the West of a wider conflagration in Egypt, which straddles the Suez Canal and whose 1979 peace treaty with Israel makes it a vital factor in Middle East stability.

Rights group Amnesty International called the cabinet decision to clear the camps "a recipe for further bloodshed."

As US draws down, Afghan casualty toll is up

KABUL (AP) - Afghanistan's civilian casualty toll has jumped this year as insurgents fight to recapture territory from the departing American-led coalition, a U.N. report showed on Wednesday.

The number of dead rose 14 percent, and wounded 28 percent, compared with January-June last year, UNAMA, the United Nations Assistance Mission for Afghanistan said.

Homemade bombs and mines on or near roads. Nine percent were attributed to the Afghan security forces and U.S.-led international military coalition, and 12 percent to ground engagements between pro-government forces and insurgents. The rest were either unattributed or caused by old explosive charges.

Many died in ground engagements in the east and south where the U.S. launched an 11-month assault on the Taliban to recapture lost ground.

Israel's wines time with peace talks

Israel's Prime Minister Benjamin Netanyahu attends the weekly cabinet meeting in Jerusalem, July 29. (Reuters)

JERUSALEM (Reuters) - Pressured by Washington, worried about its international standing and perturbed by Middle East turmoil, Israel had many reasons to return to peace talks with the Palestinians this week after a three-year hiatus.

On the surface, Israelis saw little reason to jump back into negotiations. The status quo in the occupied Palestinian territories was holding and the question of the so-called peace process had largely fallen off the domestic political agenda.

But Prime Minister Benjamin Netanyahu may have realized he could not take the rap for failing to hold U.S. efforts to revive the talks, and recognized that turbulent regional dynamics made it worthwhile to engage with the Palestinians once more.

"Resuming the diplomatic process at this time is important for the state of Israel, both in order to try to end the conflict and give the complex reality in our region, especially the security challenges from Syria and Iran," Netanyahu told his cabinet on Sunday before it sanctioned the resumption of talks.
Woman sentenced after making false 911 calls

By Gini Taotaneche-Helty
gin@mgaguam.com
Satuday News Staff

A 26-year-old mother of five yesterday admitted in court that she repeatedly made 911 calls for non-life-threatening reasons. She also expressed regret for assisting a police officer last Sept. 20.

Melinda Torres Taotaneche, of Mongmong, was sentenced to two years' probation and was ordered by Judge Maria T. Cenzon to write a letter of apology to Guam Police Department Chief Fred Borallo and Officer J. Castro, the police officer she is accused of kicking.

Taotaneche was charged with assaulting a police officer as a third-degree felony, and false alarm as a misdemeanor with a special allegation of obstructing governmental functions.

She called 911 as well as the Southern Precinct Command numerous times on the evening of Sept. 20, asking that they arrest her ex-boyfriend for reasons "just because," Superior Court of Guam documents state.

Taotaneche allegedly told the dispatch officer she had already previously filed a complaint. When the officer asked what the case number was, Taotaneche allegedly told the officer: "So I guess you don’t care about your job," (explicative). "Just a joke."

After calling about five more times and then hanging up, police officers proceeded to Taotaneche’s residence where they found two females at the front.

"Both females started laughing," saying: "We’re sorry, it was just a joke before officers accessed any questions," court documents stated.

The police officers confirmed Taotaneche’s identity and arrested her. During the arrest, Taotaneche allegedly stated, "I (explicative) told you I was just joking. I wanted to see how fast it would take to get here."

She then allegedly kicked an officer twice in the leg then communicated threats that the officer’s life would be in danger. "I am going to get you when I get out of jail... you don’t know who I am connected with. I am going to tell them to get you," she stated.

ATTENTION FARMERS AND RESIDENTS
Northern Guam Soil and Water Conservation District
Regular Monthly Board Meeting

DATE:
Wednesday, Aug. 21, 2013
Time:
7:00 p.m.
Place:
770 P.S. Baylon Blvd., Suite 360 (Guam)
Natural Resources Conservation Services (NRCS) area office in Tamuning (Fasolo Cha Coop facility)
Paid by NAC Government Funds

NOTICE
In accordance with the order of the Banking and Insurance Commissioner, Fireman’s Insurance Company (FHC) hereby announces its intention to effect a distribution of surplus in September 2013 from its unassigned surplus as of June 30, 2013. Under applicable National Association of Insurance Commissioners (NAIC)’s guidelines for total capital and surplus, following the distribution, FHC will have total allocated and unallocated capital and surplus more than the minimum required by NAIC to withstand its risk portfolio and meet operating requirements.

The Honorable
EDIE S. CALVO
A.S. Governor

The Honorable
RAY TENDO
Lt. Governor

PUBLIC NOTICE
The Board of Directors of the A.S. Won Piti International Airport Authority, Guam (GIAA) will hold a Special Board Meeting on Friday, Aug. 9, 2013 at 5:00 p.m., in GIAA Terminal Conference Room No. 3 to discuss the Approval of FAA Grant Agreement to Beai Airline Runway 06L/24R - Phase XII; Approval of Award of GIAA Runway 06L/24R Rehabilitation and Remediation of Various Airport Facilities, Phase I-4; FAA-GIAA C-6311, 2009-2013, Phase XII; Approval of Award of GIAA C-6311, 2009-2013, Phase XII; Approval of Award of 2014 GIAA C3 Budget and Personnel Management/Appointment of Comptroller. Parking is available in the Public Parking Lot.

For special accommodations, please call the Board Office at 647-4717.

Vitol withdraws GPA fuel protest

By Nav-Vis Caguangan
marc@mgaguam.com
Variety News Staff

WITH the Guam Power Authority expected to sign its new fuel supply agreement with Hyundai Oil&Gas, anytime soon, Vitol Asia Pte. Ltd. has abandoned its protest last Friday, during the scheduled hearing of its case at the Office of Public Accountability.

"We were surprised that they withdrew their appeal but they have that prerogative," she said.

John Terlaje and Graham Bollin, attorneys for Vitol and GPA, respectively, on Friday signed a stipulation for the dismissal of the Singapore company’s appeal.

Terlaje declined to comment when asked why Vitol agreed to dismiss the appeal.

Vitol previously asked OPA to nullify Petrogas’ extended contract, maintaining that its bid was 25 cents lower than Petrogas’ negotiated rate with GPA and that it agreed to a six-month contract extension following the expiration of its agreement in February.

In its June filing with OPA, Vitol said it was ready to commence fuel deliveries on “a six-week mobilization notice” if the remainder of the contract was given over to the company. The Consolidated Commission on Utilities has approved GPA’s selection of Hyundai Oil&Gas for a two-year fuel supply contract, which is anticipated to be executed on Sept. 1.

OPA dismisses Able Industries appeal

By Nav-Vis Caguangan
marc@mgaguam.com
Variety News Staff

THE Office of Public Accountability has dismissed Able Industries of the Pacific’s appeal of a notice of appeal with the OPA.

Ken Leon Guerrero, chief executive officer of Able Industries of the Pacific, filed a notice of appeal with the OPA on June 10, arguing GIAA did not provide legal justification for disqualifying his group from the bidding process.

The appeal was based on GIAA’s bid status notification on May 3, advising Able Industries that the airport was rejecting its bid due to lack of the bid security or insufficient bid security amount.

Able is a profit corporation under the Community Rehabilitation Program, which provides employment for the disabled. Prior to the issuance of the solicitation, Leon Guerrero said he requested GIAA General Manager Charles Asa to award the custodial service contract to Able Industries based on rules and policy that afforded considerations to non-profit organizations.
July 24, 2013

Mr. Charles H. Ada II
Executive Manager
A. B. Won Pat Guam International Airport Authority
P. O. Box 8770
Tamuning, Guam 96931

Dear Mr. Ada:

We are enclosing two copies of the Grant Offer for Airport Improvement Program (AIP) Project No. 3-66-0001-085-2013 at Guam International Airport in Agana, Guam. This letter outlines expectations for success. Please read the conditions and assurances carefully.

To properly enter into this agreement, you must do the following:

- The governing body or board of directors must approve the grant, along with your attorney’s certification, in order for the grant to be valid.
- We ask that you return one copy of the Grant Offer to us by regular mail and maintain the other copy for your records.

Subject to the requirements in 49 CFR 18.21, each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

Please note Grant Condition No. 4 requires you to complete the project without undue delay. We will be paying close attention to your progress to ensure proper stewardship of these Federal funds. **You are required to submit a payment request for reimbursement for allowable incurred project expenses every 30 days.** Should you fail to make draws on a regular basis, your grant may be placed in “inactive” status which will impact future grant offers.

Until the grant is completed and closed, you are responsible for submitting formal reports as follows:
- A signed/dated SF-270 (non-construction projects) or SF-271 or equivalent (construction projects) and SF-425 annually, due 90 days after the end of each federal fiscal year in which this grant is open (due December 31 of each year this grant is open); and
- Quarterly Progress Reports due every quarter.

Once the project(s) is completed and all costs are determined, we ask that you close the project without delay and submit, as a minimum, the following:

- Sponsor Certification for Project Final Acceptance; and
- Summary of all change orders and summary of all testing; and
- Final SF-270 or SF-271 (or equivalent) and SF-425.

Steven Wong, (808) 541-1225, is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein. We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,

[Signature]
Ronnie V. Simpson
Manager, Airports District Office

Enclosure
GRANT AGREEMENT

PART I – OFFER

July 24, 2013

Date of Offer

Guam International

(herina called the “Airport”)

3-66-0001-085-2013

Grant No

855035531

DUNS No

TO: The A. B. Won Pat Guam International Airport Authority

(herina called the “Sponsor”)

FROM: The United States of America (acting through the Federal Aviation Administration, herein called the “FAA”)

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated February 12, 2009, for a grant of Federal funds for a project at or associated with the Guam International Airport, which Project Application, as approved by the FAA, is hereby incorporated herein and made a part hereof; and

WHEREAS, the FAA has approved a project for the Airport (or Planning Area) (hereina called the “Project”) consisting of the following:

Extend Runway 06L/24R – Phase XI

all as more particularly described in the Project Application.

NOW THEREFORE, pursuant to and for the purpose of carrying out the provisions of Title 49, United States Code, as amended, herein called “the Act,” and in consideration of (a) the Sponsor’s adoption and ratification of the representations and assurances contained in said Project Application and its acceptance of this Offer as hereinafter provided, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the assurances and conditions as herein provided, THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States’ share of the allowable costs incurred in accomplishing the Project, ninety (90) per centum thereof.
This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

**Conditions**

1. The maximum obligation of the United States payable under this Offer shall be $2,005,605.00. For the purposes of any future grant amendments which may increase the foregoing maximum obligation of the United States under the provisions of Section 47108(b) of the Act, the following amounts are being specified for this purpose:
   - $ 0 for planning
   - $ 2,005,605.00 for airport development or noise program implementation
2. The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration as to allowability under the Act.
3. Payment of the United States' share of the allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
4. The Sponsor shall carry out and complete the Project without undue delays and in accordance with the terms hereof, and such regulations and procedures as the Secretary shall prescribe, and agrees to comply with the assurances which were made part of the project application.
5. The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.
6. This offer shall expire and the United States shall not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before August 30, 2013, or such subsequent date as may be prescribed in writing by the FAA.
7. The Sponsor shall take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. It shall obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. It shall return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. It shall furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share shall be approved in advance by the Secretary.
8. The United States shall not be responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.
9. **CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER REQUIREMENTS**
   
   **A. Requirement for Central Contractor Registration (CCR)**
   
   Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration and more frequently if required by changes in your information or another award term.
   
   **B. Requirement for Data Universal Numbering System (DUNS) Numbers**
   
   If you are authorized to make subawards under this award, you:
   
   1. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
   2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.
C. Definitions

For purposes of this award term:

1. Central Contractor Registration (CCR) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at https://www.sam.gov/portal/public/SAM/).

2. Data Universal Numbering System

DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866-705-5714) or the Internet (currently at http://fedgov.dnb.com/webform).

3. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR Part 25, Subpart C:
   a. A Governmental organization, which is a State, local government, or Indian Tribe;
   b. A foreign public entity;
   c. A domestic or foreign nonprofit organization;
   d. A domestic or foreign for-profit organization; and
   e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

4. Subaward:
   a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
   b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. 210 of the attachment to OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations”). A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

5. Subrecipient means an entity that:
   a. Receives a subaward from you under this award; and
   b. Is accountable to you for the use of the Federal funds provided by the subaward.
   c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.

10. ELECTRONIC GRANT PAYMENT(S): The requirements set forth in these terms and conditions supersede previous financial invoicing requirements for FAA grantees. Each payment request under this grant agreement must be made electronically via the Delphi invoicing System for Department of Transportation (DOT) Financial Assistance Awardees. The following are the procedures for accessing and utilizing the Delphi invoicing System.

A. Grant Recipient Requirements.
   (1) Grantees must have Internet access to register and submit payment requests through the Delphi invoicing system unless, under limited circumstances, a waiver is granted by the FAA and DOT under section (c) below.
   (2) Grantees must submit payment requests electronically and the FAA will process payment requests electronically.

B. System User Access.
   (1) Grantees must contact the FAA Airports District/Regional Office and officially submit a written request to sign up for the system. The FAA Office of Airports will provide the grantee’s name, email address and telephone number to the DOT Financial Management Office. The DOT will then invite the grantee via email to sign up for the system and require the grantee to complete two forms. The grantee will complete a web based DOT registration form and download the Proof of Identification form to verify the grantee’s identity.
(2) The grantee must complete the Proof of Identification form, and present it to a Notary Public for verification. The grantee will return the notarized form to:

DOT Enterprise Services Center
FAA Accounts Payable, AMZ-100
PO Box 25710
Oklahoma City, OK 73125

(3) The DOT will validate the both forms and email a user ID and password to the grantee. Grantees should contact the FAA Airports District/Regional Office with any changes to their system information.

Note: Additional information, including access forms and training materials, can be found on the DOT elningoing website (http://www.dot.gov/cfo/delphi-elinvoking-system.html).

C. Waivers. DOT Financial Management officials may, on a case by case basis, waive the requirement to register and use the electronic grant payment system based on user requests and concurrence of the FAA. Waiver request forms can be obtained on the DOT elinvoking website (http://www.dot.gov/cfo/delphi-elinvoking-system.html) or by contacting the FAA Airports District/Regional Office. Recipients must explain why they are unable to use or access the Internet to register and enter payment requests.

(1) All waiver requests should be sent to the FAA Airports District/Regional Office for concurrence, prior to sending to the Director of the Office of Financial Management, US Department of Transportation, Office of Financial Management, B-30, room W93-431, 1200 New Jersey Avenue SE, Washington DC 20590-0001, DOTElectronicInvoking@dot.gov. The Director of the DOT Office of Financial Management will confirm or deny the request within approximately 30 days.

(2) If a grantee is granted a waiver, the grantee should submit all hard-copy invoices directly to:

DOT/FAA
PO Box 25082
AMZ-110
Oklahoma City, OK 73125

11. INFORMAL LETTER AMENDMENT OF AIP PROJECTS: It is mutually understood and agreed that if, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by $25,000.00 or five percent (5%), whichever is greater, the maximum obligation of the United States can be unilaterally reduced by letter from the FAA advising of the budget change. Conversely, if there is an overrun in the total actual eligible and allowable project costs, FAA may increase the maximum grant obligation of the United States to cover the amount of the overrun not to exceed the statutory percent limitation and will advise the Sponsor by letter of the increase. It is further understood and agreed that if, during the life of the project, the FAA determines that a change in the grant description is advantageous and in the best interests of the United States, the change in grant description will be unilaterally amended by letter from the FAA. Upon issuance of the aforementioned letter, either the grant obligation of the United States is adjusted to the amount specified or the grant description is amended to the description specified.

12. AIR AND WATER QUALITY: Approval of the project included in this agreement is conditioned on the Sponsor's compliance with applicable air and water quality standards in accomplishing project construction. Failure to comply with this requirement may result in suspension, cancellation, or termination of Federal assistance under this agreement.

13. PAVEMENT MAINTENANCE MANAGEMENT PROGRAM: For a project to replace or reconstruct pavement at the airport, the Sponsor shall implement an effective airport pavement maintenance management program as is required by Airport Sponsor Assurance Number C-11. The Sponsor shall use such program for the useful life of any pavement constructed, reconstructed, or repaired with federal financial assistance at the airport. As a minimum, the program must conform with the provisions outlined below

Pavement Maintenance Management Program

An effective pavement maintenance management program is one that details the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed. An airport sponsor may
use any form of inspection program it deems appropriate. The program must, as a minimum, include the following:

a. **Pavement Inventory.** The following must be depicted in an appropriate form and level of detail:

   (1) location of all runways, taxiways, and aprons;
   (2) dimensions;
   (3) type of pavement, and;
   (4) year of construction or most recent major rehabilitation.

   For compliance with the Airport Improvement Program (AIP) assurances, pavements that have been constructed, reconstructed, or repaired with federal financial assistance shall be so depicted.

b. **Inspection Schedule.**

   (1) **Detailed Inspection.** A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e., Pavement Condition Index (PCI) survey as set forth in Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," the frequency of inspections may be extended to three years.

   (2) **Drive-By Inspection.** A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition.

c. **Record Keeping.** Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The types of distress, their locations, and remedial action, scheduled or performed, must be documented. The minimum information to be recorded is listed below:

   (1) inspection date,
   (2) location,
   (3) distress types, and
   (4) maintenance scheduled or performed.

   For drive-by inspections, the date of inspection and any maintenance performed must be recorded.

d. **Information Retrieval.** An airport sponsor may use any form of record keeping it deems appropriate, so long as the information and records produced by the pavement survey can be retrieved to provide a report to the FAA as may be required.

e. **Reference.** Refer to Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," for specific guidelines and procedures for maintaining airport pavements and establishing an effective maintenance program. Specific types of distress, their probable causes, inspection guidelines, and recommended methods of repair are presented.

14. **PROJECTS WHICH CONTAIN PAVING WORK IN EXCESS OF $250,000:** The Sponsor agrees to perform the following:

a. Furnish a construction management program to FAA prior to the start of construction which shall detail the measures and procedures to be used to comply with the quality control provisions of the construction contract, including, but not limited to, all quality control provisions and tests required by the Federal specifications. The program shall include as a minimum:

   (1) The name of the person representing the Sponsor who has overall responsibility for contract administration for the project and the authority to take necessary actions to comply with the contract.

   (2) Names of testing laboratories and consulting engineer firms with quality control responsibilities on the project, together with a description of the services to be provided.

   (3) Procedures for determining that testing laboratories meet the requirements of the American Society of Testing and Materials standards on laboratory evaluation, referenced in the contract specifications (D 3866, C 1077).

   (4) Qualifications of engineering supervision and construction inspection personnel.

   (5) A listing of all tests required by the contract specifications, including the type and frequency of tests to be taken, the method of sampling, the applicable test standard, and the acceptance criteria or tolerances permitted for each type of test.

   (6) Procedures for ensuring that the tests are taken in accordance with the program, that they are documented daily, and that the proper corrective actions, where necessary, are undertaken.
b. Submit at completion of the project, a final test and quality control report documenting the results of all tests performed, highlighting those tests that failed or that did not meet the applicable test standard. The report shall include the pay reductions applied and the reasons for accepting any out-of-tolerance material. An interim test and quality control report shall be submitted, if requested by the FAA.

c. Failure to provide a complete report as described in paragraph b, or failure to perform such tests, shall, absent any compelling justification, result in a reduction in Federal participation for costs incurred in connection with construction of the applicable pavement. Such reduction shall be at the discretion of the FAA and will be based on the type or types of required tests not performed or not documented and will be commensurate with the proportion of applicable pavement with respect to the total pavement constructed under the grant agreement.

d. The FAA, at its discretion, reserves the right to conduct independent tests and to reduce grant payments accordingly if such independent tests determine that sponsor test results are inaccurate.

15. **BUY AMERICAN REQUIREMENT:** Unless otherwise approved by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for airport development or noise compatibility for which funds are provided under this grant. The Sponsor will include in every contract a provision implementing this special condition.

16. **MAXIMUM OBLIGATION INCREASE FOR PRIMARY AIRPORTS:** In accordance with Section 47108(b) of the Act, as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer

   a. may not be increased for a planning project;

   b. may be increased by not more than 15 percent for development projects;

   c. may be increased by not more than 15 percent or by an amount not to exceed 25 percent of the total increase in allowable costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding.

17. The Sponsor agrees to take the following actions to maintain and/or acquire a property interest, satisfactory to the FAA, in the Runway Protection Zones:

   a. Existing Fee Title Interest in the Runway Protection Zone: The Sponsor agrees to prevent the erection or creation of any structure or piece of public assembly in the Runway Protection Zone, except for NAVAIDS that are fixed by their functional purposes or any other structure approved by the FAA. Any existing structures or uses within the Runway Protection Zone will be cleared or discontinued unless approved by the FAA.

   b. Existing Easement Interest in the Runway Protection Zone: The Sponsor agrees to take any and all steps necessary to ensure that the owner of the land within the designated Runway Protection Zone will not build any structure in the Runway Protection Zone that is a hazard to air navigation or which might create glare or misleading lights or lead to the construction of residences, fuel handling and storage facilities, smoke generating activities, or places of public assembly, such as churches, schools, office buildings, shopping centers, and stadiums.

   c. Future Interest in the Runway Protection Zone: The Sponsor agrees that it will acquire fee title or less-than-fee interest in the Runway Protection Zones for runways that presently are not under its control within ten years of this Grant Agreement. Said interest shall provide the protection noted in the above Subparagraphs a and b.
The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

(Signature)

Ronnie V. Simpson
(Typed Name)
Manager, Honolulu Airports District Office
(Title)
PART II - ACCEPTANCE

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application. I declare under penalty of perjury that the foregoing is true and correct. ¹

Executed this __________ day of ____________________________.

A. B. Won Pat Guam International
Airport Authority

(Name of Sponsor)

(Signature of Sponsor's Designated Official Representative)

By:

(Typed Name of Sponsor's Designated Official Representative)

Title:

(Typed Title of Sponsor's Designated Official Representative)

Attest: ________________________________

CERTIFICATE OF SPONSOR'S ATTORNEY

I, ________________________________, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Territory of Guam. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at ____________________________ this __________ day of ____________________________.

By ________________________________

(Signature of Sponsor's Attorney)

¹ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.
ASSURANCES
Airport Sponsors

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.

2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.

3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor. The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor. The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. Airport Planning Undertaken by a Sponsor. Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 30, 32, 33, and 34 in section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project.

C. Sponsor Certification. The sponsor hereby assures and certifies, with respect to this grant that:
1. **General Federal Requirements.** It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

**Federal Legislation**

b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.\(^1\)
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.\(^1\)
g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.\(^1\)
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.\(^1\)
l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))

r. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.\(^1\)
s. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.\(^1\)

**Executive Orders**

Executive Order 11246 - Equal Employment Opportunity\(^1\)
Executive Order 11990 - Protection of Wetlands
Executive Order 11998 – Flood Plain Management
Executive Order 12372 - Intergovernmental Review of Federal Programs
Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction\(^1\)
Executive Order 12898 - Environmental Justice
Federal Regulations

b. 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport
   Enforcement Proceedings.
c. 14 CFR Part 150 - Airport noise compatibility planning.
d. 29 CFR Part 1 - Procedures for predetermination of wage rates.¹

c. 29 CFR Part 3 - Contractors and subcontractors on public building or
   public work financed in whole or part by loans or grants from the United
   States.¹

f. 29 CFR Part 5 - Labor standards provisions applicable to contracts
   covering federally financed and assisted construction (also labor standards
   provisions applicable to non-construction contracts subject to the Contract
   Work Hours and Safety Standards Act).¹

g. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal
   Employment Opportunity, Department of Labor (Federal and federally
   assisted contracting requirements).¹

h. 49 CFR Part 18 - Uniform administrative requirements for grants and
   cooperative agreements to state and local governments.³

i. 49 CFR Part 20 - New restrictions on lobbying.
j. 49 CFR Part 21 - Nondiscrimination in federally-assisted programs of the
   Department of Transportation - effectuation of Title VI of the Civil Rights
   Act of 1964.
k. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in
   Airport Concessions.
l. 49 CFR Part 24 - Uniform relocation assistance and real property
   acquisition for Federal and federally assisted programs.¹²

m. 49 CFR Part 26 - Participation By Disadvantaged Business Enterprises in
   Department of Transportation Programs.

n. 49 CFR Part 27 - Nondiscrimination on the basis of handicap in programs
   and activities receiving or benefiting from Federal financial assistance.¹

o. 49 CFR Part 29 - Government wide debarment and suspension
   (nonprocurement) and government wide requirements for drug-free
   workplace (grants).
p. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods
   and services of countries that deny procurement market access to U.S.
   contractors.

q. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or
   regulated new building construction.¹

Office of Management and Budget Circulars

a. A-87 - Cost Principles Applicable to Grants and Contracts with State and
   Local Governments.
b. A-133 - Audits of States, Local Governments, and Non-Profit
   Organizations
   ¹ These laws do not apply to airport planning sponsors.
2. These laws do not apply to private sponsors.

3. 49 CFR Part 18 and OMB Circular A-87 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

2. Responsibility and Authority of the Sponsor.

a. **Public Agency Sponsor:** It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. **Private Sponsor:** It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.** It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. **Good Title.**

a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or
modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in
permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. **Consistency with Local Plans.** The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.** It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.** In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.** In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Air and Water Quality Standards.** In projects involving airport location, a major runway extension, or runway location it will provide for the Governor of the state in which the project is located to certify in writing to the Secretary that the project will be located, designed, constructed, and operated so as to comply with applicable air and water quality standards. In any case where such standards have not been approved and where applicable air and water quality standards have been promulgated by the Administrator of the Environmental Protection Agency, certification shall be obtained from such Administrator. Notice of certification or refusal to certify shall be provided within sixty days after the project application has been received by the Secretary.

11. **Pavement Preventive Maintenance.** With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.** For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of
submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates.** It shall include, in all contracts in excess of $2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran’s Preference.** It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications.** It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to
commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. **Construction Inspection and Approval.** It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects.** In carrying out planning projects:
   a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
   b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.
   c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
   d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
   e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
   f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
   g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
   h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**
   a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition.
and in accordance with the minimum standards as may be required or
prescribed by applicable Federal, state and local agencies for maintenance
and operation. It will not cause or permit any activity or action thereon
which would interfere with its use for airport purposes. It will suitably
operate and maintain the airport and all facilities thereon or connected
therewith, with due regard to climatic and flood conditions. Any proposal
to temporarily close the airport for non-aeronautical purposes must first be
approved by the Secretary. In furtherance of this assurance, the sponsor
will have in effect arrangements for-

1) Operating the airport's aeronautical facilities whenever required;
2) Promptly marking and lighting hazards resulting from airport
conditions, including temporary conditions; and
3) Promptly notifying airmen of any condition affecting aeronautical
use of the airport. Nothing contained herein shall be construed to
require that the airport be operated for aeronautical use during
temporary periods when snow, flood or other climatic conditions
interfere with such operation and maintenance. Further, nothing
herein shall be construed as requiring the maintenance, repair,
restoration, or replacement of any structure or facility which is
substantially damaged or destroyed due to an act of God or other
condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items
that it owns or controls upon which Federal funds have been expended.

20. Hazard Removal and Mitigation. It will take appropriate action to assure that
such terminal airspace as is required to protect instrument and visual operations to
the airport (including established minimum flight altitudes) will be adequately
cleared and protected by removing, lowering, relocating, marking, or lighting or
otherwise mitigating existing airport hazards and by preventing the establishment
or creation of future airport hazards.

21. Compatible Land Use. It will take appropriate action, to the extent reasonable,
including the adoption of zoning laws, to restrict the use of land adjacent to or in
the immediate vicinity of the airport to activities and purposes compatible with
normal airport operations, including landing and takeoff of aircraft. In addition, if
the project is for noise compatibility program implementation, it will not cause or
permit any change in land use, within its jurisdiction, that will reduce its
compatibility, with respect to the airport, of the noise compatibility program
measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

a. It will make the airport available as an airport for public use on reasonable
terms and without unjust discrimination to all types, kinds and classes of
aeronautical activities, including commercial aeronautical activities
offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a
right or privilege at the airport is granted to any person, firm, or
corporation to conduct or to engage in any aeronautical activity for
furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:

1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, non tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non tenants and signatory carriers and non signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights. It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public.
For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure. It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the
airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of Title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. Reports and Inspections. It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms,
conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft.** It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that —

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. **Land for Federal Facilities.** It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan.**

a. It will keep up to date at all times an airport layout plan of the airport showing (1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto; (2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars
and roads), including all proposed extensions and reductions of existing airport facilities; (3) the location of all existing and proposed nonnavigation areas and of all existing improvements thereon; and (4) all proposed and existing access points used to taxi aircraft across the airport’s property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary’s design standards beyond the control of the airport sponsor.

30. Civil Rights. It will comply with such rules as are promulgated to assure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or handicap be excluded from participating in any activity conducted with or benefiting from funds received from this grant. This assurance obligates the sponsor for the period during which Federal financial assistance is extended to the program, except where Federal financial assistance is to provide, or is in the form of personal property or real property or interest therein or structures or improvements thereon in which case the assurance obligates the sponsor or any transferee for the longer of the following periods: (a) the period during which the property is used for a purpose for which Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits, or (b) the period during which the sponsor retains ownership or possession of the property.


a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States’ share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another
project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services. It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions. It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications. It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated 01/12/2012 and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.

35. Relocation and Real Property Acquisition. (1) It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B. (2) It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24. (3) It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses. The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises. The recipient shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The Recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure non discrimination in the award and administration of DOT-assisted contracts. The recipient’s DBE program, as required by 49 CFR Part 26, and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation.
and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the Department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801).

38. **Hangar Construction.** If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner’s expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. **Competitive Access.**

   a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

      1) Describes the requests;
      2) Provides an explanation as to why the requests could not be accommodated; and
      3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.

   b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.
# Current FAA Advisory Circulars Required for Use in AIP Funded and PFC Approved Projects

Updated: 1/25/2012

View the most current versions of these ACs and any associated changes at: [http://www.faa.gov/airports/resources/advisory_circulars](http://www.faa.gov/airports/resources/advisory_circulars)

<table>
<thead>
<tr>
<th>NUMBER</th>
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<tbody>
<tr>
<td>70/7460-1K</td>
<td>Obstruction Marking and Lighting</td>
</tr>
<tr>
<td>150/5000-13A</td>
<td>Announcement of Availability—RTCA Inc., Document RTCA-221, Guidance and Recommended Requirements for Airports Surface Movement Sensors</td>
</tr>
<tr>
<td>150/5020-1</td>
<td>Noise Control and Compatibility Planning for Airports</td>
</tr>
<tr>
<td>150/5070-6B</td>
<td>Airport Master Plans</td>
</tr>
<tr>
<td>Change 1</td>
<td></td>
</tr>
<tr>
<td>150/5070-7</td>
<td>The Airport System Planning Process</td>
</tr>
<tr>
<td>150/5100-13B</td>
<td>Development of State Standards for Non Primary Airports</td>
</tr>
<tr>
<td>150/5200-28D</td>
<td>Notices to Airmen (NOTAMS) for Airport Operators</td>
</tr>
<tr>
<td>150/5200-30C</td>
<td>Airport Winter Safety and Operations</td>
</tr>
<tr>
<td>150/5200-33B</td>
<td>Hazardous Wildlife Attractants On or Near Airports</td>
</tr>
<tr>
<td>150/5210-5D</td>
<td>Painting, Marking and Lighting of Vehicles Used on an Airport</td>
</tr>
<tr>
<td>150/5210-7D</td>
<td>Aircraft Rescue and Fire Fighting Communications</td>
</tr>
<tr>
<td>150/5210-13C</td>
<td>Airport Water Rescue Plans and Equipment</td>
</tr>
<tr>
<td>150/5210-14B</td>
<td>Aircraft Rescue Fire Fighting Equipment, Tools, and Clothing</td>
</tr>
<tr>
<td>150/5210-15A</td>
<td>Airport Rescue &amp; Firefighting Station Building Design</td>
</tr>
<tr>
<td>150/5210-18A</td>
<td>Systems for Interactive Training of Airport Personnel</td>
</tr>
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<tr>
<td>150/5210-19A</td>
<td>Driver's Enhanced Vision System (DEVS)</td>
</tr>
<tr>
<td>150/5220-10E</td>
<td>Guide Specification for Aircraft Rescue and Firefighting Vehicles</td>
</tr>
<tr>
<td>150/5220-16D</td>
<td>Automated Weather Observing Systems for Non-Federal Applications</td>
</tr>
<tr>
<td>150/5220-17B</td>
<td>Aircraft Rescue and Firefighting (ARFF) Training Facilities</td>
</tr>
<tr>
<td>150/5220-18A</td>
<td>Buildings for Storage and Maintenance of Airport Snow and Ice Control Equipment and Materials</td>
</tr>
<tr>
<td>150/5220-20 Change 1</td>
<td>Airport Snow and Ice Control Equipment</td>
</tr>
<tr>
<td>150/5220-21B</td>
<td>Guide Specification for Lifts Used to Board Airline Passengers With Mobility Impairments</td>
</tr>
<tr>
<td>150/5220-22A</td>
<td>Engineered Materials Arresting System (EMAS) for Aircraft Overruns</td>
</tr>
<tr>
<td>150/5220-23</td>
<td>Frangible Connections</td>
</tr>
<tr>
<td>150/5220-24</td>
<td>Foreign Object Debris Detection Equipment</td>
</tr>
<tr>
<td>150/5300-7B</td>
<td>FAA Policy on Facility Relocations Occasioned by Airport Improvements or Changes</td>
</tr>
<tr>
<td>150/5300-13 Changes 1 - 18</td>
<td>Airport Design</td>
</tr>
<tr>
<td>150/5300-14B</td>
<td>Design of Aircraft Deicing Facilities</td>
</tr>
<tr>
<td>150/5300-16A</td>
<td>General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey</td>
</tr>
<tr>
<td>150/5300-17C</td>
<td>General Guidance and Specifications for Aeronautical Survey Airport Imagery Acquisition and Submission to the National Geodetic Survey</td>
</tr>
<tr>
<td>150/5300-18B</td>
<td>General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Field Data Collection and Geographic Information System (GIS) Standards</td>
</tr>
<tr>
<td>150/5320-5C Change 1</td>
<td>Surface Drainage Design</td>
</tr>
<tr>
<td>150/5320-6E</td>
<td>Airport Pavement Design and Evaluation</td>
</tr>
<tr>
<td>150/5320-12C Change 8</td>
<td>Measurement, Construction, and Maintenance of Skid Resistant Airport Pavement Surfaces</td>
</tr>
<tr>
<td>150/5320-15A</td>
<td>Management of Airport Industrial Waste</td>
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<tr>
<td>150/5325-4B</td>
<td>Runway Length Requirements for Airport Design</td>
</tr>
<tr>
<td>150/5335-5B</td>
<td>Standardized Method of Reporting Airport Pavement Strength PCN</td>
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<tr>
<td>150/5340-1K</td>
<td>Standards for Airport Markings</td>
</tr>
<tr>
<td>150/5340-5C</td>
<td>Segmented Circle Airport Marker System</td>
</tr>
<tr>
<td>150/5340-18F</td>
<td>Standards for Airport Sign Systems</td>
</tr>
<tr>
<td>150/5340-30F</td>
<td>Design and Installation Details for Airport Visual Aids</td>
</tr>
<tr>
<td>150/5345-3G</td>
<td>Specification for L821 Panels for the Control of Airport Lighting</td>
</tr>
<tr>
<td>150/5345-5B</td>
<td>Circuit Selector Switch</td>
</tr>
<tr>
<td>150/5345-7E</td>
<td>Specification for L824 Underground Electrical Cable for Airport Lighting Circuits</td>
</tr>
<tr>
<td>150/5345-10G</td>
<td>Specification for Constant Current Regulators Regulator Monitors</td>
</tr>
<tr>
<td>150/5345-12F</td>
<td>Specification for Airport and Heliport Beacon</td>
</tr>
<tr>
<td>150/5345-13B</td>
<td>Specification for L841 Auxiliary Relay Cabinet Assembly for Pilot Control of Airport Lighting Circuits</td>
</tr>
<tr>
<td>150/5345-26D</td>
<td>Specification for L823 Plug and Receptacle, Cable Connectors</td>
</tr>
<tr>
<td>150/5345-27D</td>
<td>Specification for Wind Cone Assemblies</td>
</tr>
<tr>
<td>150/5345-28G</td>
<td>Precision Approach Path Indicator (PAPI) Systems</td>
</tr>
<tr>
<td>150/5345-39D</td>
<td>FAA Specification L853, Runway and Taxiway Retroreflective Markers</td>
</tr>
<tr>
<td>150/5345-42F</td>
<td>Specification for Airport Light Bases, Transformer Housings, Junction Boxes and Accessories</td>
</tr>
<tr>
<td>150/5345-43F</td>
<td>Specification for Obstruction Lighting Equipment</td>
</tr>
<tr>
<td>150/5345-44J</td>
<td>Specification for Taxiway and Runway Signs</td>
</tr>
<tr>
<td>150/5345-45C</td>
<td>Low-Impact Resistant (LIR) Structures</td>
</tr>
<tr>
<td>150/5345-46D</td>
<td>Specification for Runway and Taxiway Light Fixtures</td>
</tr>
<tr>
<td>150/5345-47C</td>
<td>Specifications for Series to Series Isolation Transformers for Airport Lighting System</td>
</tr>
<tr>
<td>150/5345-49C</td>
<td>Specification L854, Radio Control Equipment</td>
</tr>
<tr>
<td>NUMBER</td>
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<tr>
<td>150/5345-50B</td>
<td>Specification for Portable Runway and Taxiway Lights</td>
</tr>
<tr>
<td>150/5345-51B</td>
<td>Specification for Discharge-Type Flasher Equipment</td>
</tr>
<tr>
<td>150/5345-52A</td>
<td>Generic Visual Glideslope Indicators (GVGI)</td>
</tr>
<tr>
<td>150/5345-53C</td>
<td>Airport Lighting Equipment Certification Program</td>
</tr>
<tr>
<td>150/5345-54B</td>
<td>Specification for L-1884, Power and Control Unit for Land and Hold Short</td>
</tr>
<tr>
<td>150/5345-55A</td>
<td>Specification for L893, Lighted Visual Aid to Indicate Temporary Runway Closure</td>
</tr>
<tr>
<td>150/5345-56B</td>
<td>Specification for L-890 Airport Lighting Control and Monitoring System (ALCMS)</td>
</tr>
<tr>
<td>150/5360-9</td>
<td>Planning and Design of Airport Terminal Facilities at Non-Hub Locations</td>
</tr>
<tr>
<td>150/5360-12E</td>
<td>Airport Signing and Graphics</td>
</tr>
<tr>
<td>150/5360-13</td>
<td>Planning and Design Guidance for Airport Terminal Facilities</td>
</tr>
<tr>
<td>Change 1</td>
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</tr>
<tr>
<td>150/5360-14</td>
<td>Access to Airports By Individuals With Disabilities</td>
</tr>
<tr>
<td>150/5370-2F</td>
<td>Operational Safety on Airports During Construction</td>
</tr>
<tr>
<td>150/5370-10F</td>
<td>Standards for Specifying Construction of Airports</td>
</tr>
<tr>
<td>150/5370-11B</td>
<td>Use of Nondestructive Testing Devices in the Evaluation of Airport Pavement</td>
</tr>
<tr>
<td>150/5380-6B</td>
<td>Guidelines and Procedures for Maintenance of Airport Pavements</td>
</tr>
<tr>
<td>150/5390-2B</td>
<td>Heliport Design</td>
</tr>
<tr>
<td>150/5395-1</td>
<td>Seaplane Bases</td>
</tr>
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</table>

THE FOLLOWING ADDITIONAL APPLY TO AIP PROJECTS ONLY
<table>
<thead>
<tr>
<th>NUMBER</th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>150/5100-14D</td>
<td>Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects</td>
</tr>
<tr>
<td>150/5100-15A</td>
<td>Civil Rights Requirements for the Airport Improvement Program</td>
</tr>
<tr>
<td>150/5100-17</td>
<td>Land Acquisition and Relocation Assistance for Airport Improvement Program Assisted Projects</td>
</tr>
<tr>
<td>150/5200-37</td>
<td>Introduction to Safety Management Systems (SMS) for Airport Operators</td>
</tr>
<tr>
<td>150/5300-15A</td>
<td>Use of Value Engineering for Engineering Design of Airports Grant Projects</td>
</tr>
<tr>
<td>150/5320-17</td>
<td>Airfield Pavement Surface Evaluation and Rating (PASER) Manuals</td>
</tr>
<tr>
<td>150/5370-6D</td>
<td>Construction Progress and Inspection Report – Airport Grant Program</td>
</tr>
<tr>
<td>150/5370-12A</td>
<td>Quality Control of Construction for Airport Grant Projects</td>
</tr>
<tr>
<td>150/5370-13A</td>
<td>Offpeak Construction of Airport Pavements Using Hot-Mix Asphalt</td>
</tr>
<tr>
<td>150/5380-7A</td>
<td>Airport Pavement Management Program</td>
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</table>

**THE FOLLOWING ADDITIONAL APPLY TO PFC PROJECTS ONLY**

**DATED: 1/25/2012**

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>TITLE</th>
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<tbody>
<tr>
<td>150/5000-12</td>
<td>Announcement of Availability – Passenger Facility Charge (PFC) Application (FAA Form 5500-1)</td>
</tr>
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</table>
Purpose

Board action is requested to approve the bid award of the above project under the Invitation For Bid No. GIAA-C02-FY13.

Background

The project is to provide construction work inclusive of all labor, materials, supplies and equipment to demolish Buildings in Tiyan. The project also includes remediation of lead and asbestos materials prior to the demolition work. The scope of work of the project is comprised mainly of demolition and remediation work.

Procurement Background

The solicitation announcement was advertised through the local newspapers during the months of June & July 2013. The bid submission deadline and bid opening took place on August 2, 2013.

Twenty Five (25) firms/individuals purchased bid package and ten (10) firms submitted bid proposal before the submission deadline. The firms were evaluated and nine (9) were determined to be acceptable. As required by the Procurement Rules and Regulations, the bids were publicly opened and read aloud in the presence of the bidders.

The submitted bids are presented below:

<table>
<thead>
<tr>
<th>BIDDER'S NAME</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Korando Corporation</td>
<td>$1,333,000.00</td>
</tr>
<tr>
<td>P&amp;S Construction Inc.</td>
<td>$2,327,000.00</td>
</tr>
<tr>
<td>Smithbridge Guam Inc. *</td>
<td>$2,113,268.00</td>
</tr>
<tr>
<td>Maeda Pacific Corp.</td>
<td>$1,817,000.00</td>
</tr>
<tr>
<td>Chi Construction Inc.</td>
<td>$3,400,000.00</td>
</tr>
<tr>
<td>Camacho/Dirt Doctor</td>
<td>$1,493,000.00</td>
</tr>
<tr>
<td>Ian Corporation</td>
<td>$1,062,268.57</td>
</tr>
<tr>
<td>Company</td>
<td>Amount</td>
</tr>
<tr>
<td>------------------------------</td>
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</tr>
<tr>
<td>BME &amp; Sons Inc.</td>
<td>$2,348,724.00</td>
</tr>
<tr>
<td>Base Corporation</td>
<td>$2,435,000.00</td>
</tr>
<tr>
<td>Chugach World Service Inc.</td>
<td>$2,220,582.30</td>
</tr>
</tbody>
</table>

*rejected for non compliance

**Legal Review**

Upon receipt of the required Performance and Payment Bonds, contract documents will be forwarded to legal counsel for review prior to execution and issuance of Notice to Proceed.

**Financial Review**

The lowest responsive, responsible total bid amount received is $1,062,268.57 or 37% below government estimate of $1,684,456.00. Funding for this project is available under the AIP grant no. 3-66-0001-81 & 82.

**Recommendation**

Management recommends the contract award of $1,062,268.57 to Ian Corporation, who has been determined to have met the standards of responsibility and responsiveness outlined in Guam Procurement Regulation.
MEMORANDUM

TO: Charles H. Ada II, Executive Manager

FROM: Franklin P. Taitano, Supply Management Administrator
Victor J. Cruz, Chief Engineer

SUBJECT: Bid Evaluation and Recommendation “Invitation For Bid”
For Demolition and Remediation of Various Airport Facilities-Phase I
IFB No. GIAA-C02-FY13
Project No. GIAA-FY12-01-5; AIP No. 3-66-0001-81 & 82

Procurement Background:
The above referenced Invitation For Bid was publicly announced through the local newspaper
during the months of June & July 2013. A pre-bid conference was held on July 2, 2013 at the
Terminal Conference Room. The bid submission deadline and bid opening took place on August
2, 2013.

Twenty Five (25) firms/individuals purchased the bid package and ten (10) firms submitted
proposal before the bid submission deadline. The bid submittals were opened in the presence of
the bidders, members of the public and several GIAA representatives. The bid offer was read
aloud by the Supply Management Administrator and tabulated by a Procurement staff.

The results of the bid price submittals are as follows in the order they were received and opened:

<table>
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<tr>
<th>BIDDER’S NAME</th>
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<tbody>
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<td>$1,062,268.57</td>
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<td>$2,348,724.00</td>
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</tr>
<tr>
<td>Chugach World Service Inc.</td>
<td>$2,220,582.30</td>
</tr>
</tbody>
</table>

*rejected for non compliance
Bid Analysis and Evaluation:
Pursuant to Section 9 of the Instructions to Bidders, the contract is to be awarded, if it is to be awarded, as soon as possible to the lowest responsible, responsive bidder. To determine the responsibility of bidders, the bid package specified the required documents that bidders must submit with their bid packages. The attached abstract illustrates the inventory of required documents and bidders submittal.

**Korando Corporation:** The firm has submitted a total bid price of $1,333,000.00. The submitted Statement of Bidders Experience form included lists of projects from 2008-2011 with resumes. The bidder submitted a copy of their current Guam Contractors License #5172, #7940. All other required documents are complete and in conformance with the Invitation For Bid.

**P&S Construction Inc.:** The firm has submitted a total bid price of $2,327,000.00. The submitted Statement of Bidders Experience form included lists of projects from 2007-2012 with resumes. The bidder submitted a copy of their current Guam Contractors License #CLB13-0952. All other required documents are complete and in conformance with the Invitation For Bid.


As a result of the bidder's non-submittal of the required documents, Smithbridge Guam Inc. is deemed to be non-responsive and non-responsible bidder. Therefore, the bid is rejected.

**Maeda Pacific Corp.:** The firm has submitted a total bid price of $1,817,000.00. The submitted Statement of Bidders Experience form included lists of projects from 2004-2013 with resumes. The bidder submitted a copy of their current Guam Contractors License #1009, #7940. All other required documents are complete and in conformance with the Invitation For Bid.

**Chi Construction Inc.:** The firm has submitted a total bid price of $3,400,000.00. The submitted Statement of Bidders Experience form included lists of projects from 1991-2013 with no resumes. The bidder submitted a copy of their current Guam Contractors License #2019, #7940. All other required documents are complete and in conformance with the Invitation For Bid.

**Camacho/Dirt Doctor:** The firm has submitted a total bid price of $1,493,000.00. The submitted Statement of Bidders Experience form included lists of projects from 2006-2011 with resumes. The bidder submitted a copy of their current Guam Contractors License #7094, 7940. All other required documents are complete and in conformance with the Invitation For Bid.

**Ian Corporation:** The firm has submitted a total bid price of $1,062,268.57. The submitted Statement of Bidders Experience form included lists of projects from 2009-2012 with resumes. The bidder submitted a copy of their current Guam Contractors License #8524, #3061, #8137, #7940. All other required documents are complete and in conformance with the Invitation For Bid.

**BME & Sous Inc.:** The firm has submitted a total bid price of $2,348,724.00. The submitted Statement of Bidders Experience form included lists of projects from 2002-2013 with resumes.
The bidder submitted a copy of their current Guam Contractors License #3028, #7940. All other required documents are complete and in conformance with the Invitation For Bid.

**Base Corporation:** The firm has submitted a total bid price of $2,435,000.00. The submitted Statement of Bidders Experience form included lists of projects from 2002-2012 with resumes. The bidder submitted a copy of their current Guam Contractors License #8035. All other required documents are complete and in conformance with the Invitation For Bid.

**Chugach World Service Inc.:** The firm has submitted a total bid price of $2,220,582.30. The submitted Statement of Bidders Experience form included lists of projects from 2003-2013 with resumes. The bidder submitted a copy of their current Guam Contractors License #3061, #7940. All other required documents are complete and in conformance with the Invitation For Bid.

**Recommendation:**
Pursuant to the guidelines in Item 9 of the Instruction to Bidders, the award of contract will be made to the lowest responsible, responsive bidder. Ian Corporation has been determined to have met the standards of responsibility and responsiveness outlined in the Guam Procurement Regulations and has deemed to be the lowest responsible, responsive bidder.

Therefore, it is recommended that **Ian Corporation** be awarded the contract in the amount of $1,062,268.57 for this project.

Should you have any questions or concerns, please call our office at your convenience.

![Signature]
Victor Cruz

![Signature]
Franklin P. Taitano

**APPROVED:**

![Signature]
CHARLES H. ADA II
Executive Manager

attachment

cc: Admin/Proc/Eng/Expansion
<table>
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<tr>
<th>No.</th>
<th>Company</th>
<th>BB</th>
<th>15%</th>
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<th>√</th>
<th>√</th>
<th>√</th>
<th>√</th>
<th>√</th>
<th>ARMs/Loan</th>
<th>Total &amp; Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Knowledge Corporation</td>
<td>07319</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(B)</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td>$1,332,000.00</td>
</tr>
<tr>
<td>2</td>
<td>P&amp;J Construction Inc.</td>
<td>09</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(B)</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td>$2,321,000.00</td>
</tr>
<tr>
<td>3</td>
<td>Smithbridge Exum Inc.</td>
<td>07</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(E)</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td>$2,113,268.00</td>
</tr>
<tr>
<td>4</td>
<td>Kadeck Pacific Corp.</td>
<td>07</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(E)</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td>$1,817,000.00</td>
</tr>
<tr>
<td>5</td>
<td>CHI Construction Inc.</td>
<td>046</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(E)</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td>$3,460,460.00</td>
</tr>
<tr>
<td>6</td>
<td>Caracho /Dirt Doctor</td>
<td>07</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(E)</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td>$1,493,000.00</td>
</tr>
<tr>
<td>7</td>
<td>JN Corporation</td>
<td>07</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(E)</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td>$1,622,567.57</td>
</tr>
<tr>
<td>8</td>
<td>MEI &amp; Sons Inc.</td>
<td>134</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(E)</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,345,784.00</td>
</tr>
<tr>
<td>9</td>
<td>Basis Corporation</td>
<td>048</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(E)</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,425,000.00</td>
</tr>
<tr>
<td>10</td>
<td>Chicago World Service Inc</td>
<td>07</td>
<td>15%</td>
<td>√</td>
<td>√</td>
<td>(A)</td>
<td>(E)</td>
<td>√</td>
<td>√</td>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,220,582.00</td>
</tr>
</tbody>
</table>

Bids received: 10
Valid Bids: 10
Lowest Bid: Knowledge Corporation

Total Bid Price: $10,757,270.57

Awarded to: Knowledge Corporation

Date: [Signature]
<table>
<thead>
<tr>
<th>Vendor No.</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(A) Designates &quot;Hexion Environmental&quot; for Environmental (B) Proj. List 2008-2011 w/Resumes (C) GCL # 5137, # 9340 for Required C-11, C-08.</td>
</tr>
<tr>
<td>2</td>
<td>(A) Designates &quot;Hilton Construction&quot; for Civil, Structural &amp; Architectural Design/Build (B) Proj. PM: Different (C) GCL # 1426-12, 01-12 for Required C-11.</td>
</tr>
<tr>
<td>3</td>
<td>(A) Subcontractors Listed (B) Proj. List 2004-2013 w/Resumes (C) GCL # 8163 for Required C-11, C-08.</td>
</tr>
<tr>
<td>4</td>
<td>(A) Designates &quot;Hexion&quot; for Environmental/Remediation (B) Proj. List 2004-2013 w/Resumes (C) GCL # 1202, # 9340 for Required C-11, C-08.</td>
</tr>
<tr>
<td>5</td>
<td>(A) Designates &quot;Hexion Environmental&quot; for Environmental (B) Proj. List 1991-2013 &quot;W/ No Resumes (C) GCL # 2019, # 9340 for Required C-11, C-08.</td>
</tr>
<tr>
<td>6</td>
<td>(A) Designates &quot;Arc&quot; &amp; &quot;Hexion&quot; for Environmental/Remediation Unlimited (B) Proj. List 2000-2011 w/Resumes (C) GCL # 3034, # 9340 for Required C-11, C-08.</td>
</tr>
<tr>
<td>7</td>
<td>(A) Designates &quot;Ned's PC&quot; &amp; &quot;Hexion&quot; (B) Proj. List 2004-2013 w/Resumes (C) GCL # 8252, # 5201, # 9340 for Required C-11, C-08.</td>
</tr>
<tr>
<td>8</td>
<td>(A) Designates &quot;Hexion&quot; for Environmental (B) Proj. List 2008-2013 w/Resumes (C) GCL # 8282, # 9340 for Required C-11, C-08.</td>
</tr>
<tr>
<td>9</td>
<td>(A) Subcontractors Listed (B) Proj. List 2002-2012 w/Resumes (C) GCL # 8085 for Required C-11, C-08.</td>
</tr>
<tr>
<td>10</td>
<td>(A) Designates &quot;JCM Contracting&quot; for Civil Contracting (B) Proj. List 2003-2013 w/Resumes (C) GCL # 8041, # 9340, for Required C-11, C-08.</td>
</tr>
</tbody>
</table>
MAJOR SHAREHOLDERS DISCLOSURE AFFIDAVIT

CITY OF ________________)

) ss.

ISLAND OF GUAM

A. I, the undersigned, being first duly sworn, depose and say that I am an authorized representative of the offeror and that [please check only one]:

[ ] The offeror is an individual or sole proprietor and owns the entire (100%) interest in the offering business.

[ ] The offeror is a corporation, partnership, joint venture, or association known as [please state name of offeror company], and the persons, companies, partners, or joint venturers who have held more than 10% of the shares or interest in the offering business during the 365 days immediately preceding the submission date of the proposal are as follows [if none, please so state]:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>% of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ian J. Chong.</td>
<td>183 Adacao Ave.</td>
<td>96.0%</td>
</tr>
<tr>
<td>President,</td>
<td>Barrigada, Guam</td>
<td></td>
</tr>
<tr>
<td>JAN CORPORATION</td>
<td>96921</td>
<td></td>
</tr>
</tbody>
</table>

B. Further, I say that the persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid or proposal for which this affidavit is submitted are as follows [if none, please so state]:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>% of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>NONE</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C. If the ownership of the offering business should change between the time this affidavit is made and the time an award is made or a contract is entered into, then I promise personally to update the disclosure required by 5 GCA §5233 by delivering another affidavit to the government.

Signature of one of the following:
Offeror, if the offeror is an individual; Partner, if the offeror is a partnership; Officer, if the offeror is a corporation.

Subscribed and sworn to before me this __________ day of July, 2013.

[Signature]

NOTARY PUBLIC
My commission expires:

BARBARA C. SALAS
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: Dec. 20, 2014
P.O. Box 20162 GMF Barrigada, Guam 96921

THIS AFFIDAVIT MUST BE COMPLETED AND RETURNED IN THE ENVELOPE CONTAINING THE BID.
Purpose

Board action is requested to approve the bid award of the above project under the Invitation For Bid No. GIAA-C04-FY13.

Background

The project is to provide construction and renovation work inclusive of all labor, materials, supplies and equipment to TSA expansion CCO & offices/conference rooms.

Procurement Background

The solicitation announcement was advertised through the local newspapers during the months of June & July 2013. The bid submission deadline and bid opening took place on August 1, 2013.

Nine (9) firms/individuals purchased bid package and five (5) firms submitted bid proposal before the submission deadline. The firms were evaluated and determined to be acceptable. As required by the Procurement Rules and Regulations, the bids were publicly opened and read aloud in the presence of the bidders.

The submitted bids are presented below:

<table>
<thead>
<tr>
<th>BIDDER’S NAME</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIC International Inc.</td>
<td>$441,345.00</td>
</tr>
<tr>
<td>IAN Corporation</td>
<td>$266,248.16</td>
</tr>
<tr>
<td>Allied Pacific Builders Inc.</td>
<td>$298,000.00</td>
</tr>
<tr>
<td>Rex International Inc.</td>
<td>$483,200.00</td>
</tr>
<tr>
<td>BME &amp; Sons Inc.</td>
<td>$252,482.00</td>
</tr>
</tbody>
</table>
Legal Review

Upon receipt of the required Performance and Payment Bonds, contract documents will be forwarded to legal counsel for review prior to execution and issuance of Notice to Proceed.

Financial Review

The lowest responsive, responsible total bid amount received is $252,482.00 or 8% below government estimate of $274,424.00. Funding for this project is available under the CIF.

Recommendation

Management recommends the contract award of $252,482.00 to BME & Sons Inc., who has been determined to have met the standards of responsibility and responsiveness outlined in Guam Procurement Regulation.
August 1, 2013

MEMORANDUM

TO: Charles H. Ada II, Executive Manager

FROM: Franklin P. Taitano, Supply Management Administrator
       Victor J. Cruz, Chief Engineer

SUBJECT: Bid Evaluation and Recommendation “Invitation For Bid”
For GIAA TSA Expansion CCO & Offices/Conference Rooms
IFB No. GIAA-C04-FY13
Project No. GIAA-FY13-06-01

Procurement Background:
The above referenced Invitation For Bid was publicly announced through the local newspaper during the months of June & July 2013. A pre-bid conference was held on July 5, 2013 at the Terminal Conference Room. The bid submission deadline and bid opening took place on August 1, 2013.

Nine (9) firms/individuals purchased the bid package and five (5) firms submitted proposal before the bid submission deadline. The bid submittals were opened in the presence of the bidders, members of the public and several GIAA representatives. The bid offer was read aloud by the Supply Management Administrator and tabulated by a Procurement staff.

The results of the bid price submittals are as follows in the order they were received and opened:

<table>
<thead>
<tr>
<th>BIDDER’S NAME</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIC International Inc.</td>
<td>$441,345.00</td>
</tr>
<tr>
<td>IAN Corporation</td>
<td>$266,248.16</td>
</tr>
<tr>
<td>Allied Pacific Builders Inc.</td>
<td>$298,000.00</td>
</tr>
<tr>
<td>Rex International Inc.</td>
<td>$483,200.00</td>
</tr>
<tr>
<td>BME &amp; Sons Inc.</td>
<td>$252,482.00</td>
</tr>
</tbody>
</table>

Bid Analysis and Evaluation:
Pursuant to Section 9 of the Instructions to Bidders, the contract is to be awarded, if it is to be awarded, as soon as possible to the lowest responsible, responsive bidder. To determine the responsibility of bidders, the bid package specified the required documents that bidders must submit with their bid packages. The attached abstract illustrates the inventory of required documents and bidders submittal.

AIC International Inc.: The firm has submitted a total bid price of $441,345.00. The submitted Statement of Bidders Experience form included lists of projects current and past with resumes. The bidder submitted a copy of their current Guam Contractors License #1572, #CLB06-0108. All other required documents are complete and in conformance with the Invitation For Bid.
**IAN Corporation:** The firm has submitted a total bid price of $266,248.16. The submitted Statement of Bidders Experience form included lists of projects from 2009-2013 with resumes. The bidder submitted a copy of their current Guam Contractors License #CLB06-0065, #CLB06-0068, #5721. All other required documents are complete and in conformance with the Invitation For Bid.

**Allied Pacific Builders Inc.:** The firm has submitted a total bid price of $298,000.00. The submitted Statement of Bidders Experience form included lists of projects from 2007-2012 with resumes. The bidder submitted a copy of their current Guam Contractors License #CLB06-0010, #7547, #CLB10-0575. All other required documents are complete and in conformance with the Invitation For Bid.

**Rex International Inc.:** The firm has submitted a total bid price of $483,200.00. The submitted Statement of Bidders Experience form included lists of projects from 1994-2011 with resumes. The bidder submitted a copy of their current Guam Contractors License #1347, #CLB07-0193. All other required documents are complete and in conformance with the Invitation For Bid.

**BME & Sons Inc.:** The firm has submitted a total bid price of $252,482.00. The submitted Statement of Bidders Experience form included lists of projects from 2006-2013 with resumes. The bidder submitted a copy of their current Guam Contractors License #3028. All other required documents are complete and in conformance with the Invitation For Bid.

**Recommendation:** Pursuant to the guidelines in Item 9 of the Instruction to Bidders, the award of contract will be made to the lowest responsible, responsive bidder. BME & Sons Inc. has been determined to have met the standards of responsibility and responsiveness outlined in the Guam Procurement Regulations and has deemed to be the lowest responsible, responsive bidder.

Therefore, it is recommended that BME & Sons Inc. be awarded the contract in the amount of $252,482.00 for this project.

Should you have any questions or concerns, please call our office at your convenience.

[Signature]

Victor Cruz

Franklin P. Taitano

**APPROVED:**

[Signature]

CHARLES H. ADA II
Executive Manager

attachment

cc: Admin/Proc/Eng/Expansion
<table>
<thead>
<tr>
<th>S. No.</th>
<th>Company</th>
<th>Score</th>
<th>15%</th>
<th>EDR/Plan</th>
<th>Designation</th>
<th>Signature of Submitting Firm</th>
<th>Certification of Subcontractor</th>
<th>Certification of Subcontractor</th>
<th>Standard Deviation of Score</th>
<th>Bid Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AIC International Inc</td>
<td>✔</td>
<td>35</td>
<td>✔</td>
<td>✔</td>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td>$491,345.80</td>
</tr>
<tr>
<td>2</td>
<td>IAN Corporation</td>
<td>✔</td>
<td>71</td>
<td>✔</td>
<td>✔</td>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td>$246,248.16</td>
</tr>
<tr>
<td>3</td>
<td>Allied Pacific Builders Inc</td>
<td>✔</td>
<td>67</td>
<td>✔</td>
<td>✔</td>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td>$298,000.00</td>
</tr>
<tr>
<td>4</td>
<td>REX International Inc</td>
<td>✔</td>
<td>230</td>
<td>✔</td>
<td>✔</td>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td>$483,200.00</td>
</tr>
<tr>
<td>5</td>
<td>BMES &amp; Sons Inc</td>
<td>✔</td>
<td>133</td>
<td>✔</td>
<td>✔</td>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td>$252,482.00</td>
</tr>
</tbody>
</table>

Note: The above table shows the evaluation of each company based on their scores and certifications, leading to the total bid price.
<table>
<thead>
<tr>
<th>No.</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(A) DESIGNATES <em>STAR DELTA</em> FOR ELECTRICAL/”MTR” FOR MECHANICAL (B) PROJ. LIST OF CURRENT &amp; FUT. W/R Ses 1.  (C) GCL*#1872, #240G*30P FOR REQUIRED C-13, C-51.</td>
</tr>
<tr>
<td>2</td>
<td>(A) DESIGNATES <em>ADVISORY ELECTRICAL ENG.</em> FOR ELECTRICAL/Pipe, Alum, Con., Cat, Intr. to /”MTR-ARC” FOR MECHANICAL/(MAC)/H. Const. M Co.* FOR FPE* STEINBERG. (B) PROJ. LIST 2004-2013 W/R Ses 1. (C) GCL*#240G, #5072, #3701 FOR REQUIRED C-13, C-51.</td>
</tr>
<tr>
<td>3</td>
<td>(A) DESIGNATES <em>TERRIS CONS, LLC</em> FOR ARCHITECTURAL/”MTR-ARC” FOR MECHANICAL/(B) PROJ. LIST 2001-2012 W/R Ses 1. (C) GCL*#3071, #5947, #3240 FOR REQUIRED C-13, C-51.</td>
</tr>
<tr>
<td>4</td>
<td>(A) VAG Const. LLC* FOR MECHANICAL (B) PROJ. LIST 1984-2011 W/R Ses 1. (C) GCL*#1872, #3807-01A FOR REQUIRED C-13, C-51.</td>
</tr>
<tr>
<td>5</td>
<td>(A) SUBCONTRACTORS “NONE” (B) PROJ. LIST 2000-2013 W/R Ses 1. (C) GCL*#3071 FOR REQUIRED C-13, C-51.</td>
</tr>
</tbody>
</table>
MAJOR SHAREHOLDERS DISCLOSURE AFFIDAVIT

CITY OF __________________________________________)  
) ss.  
ISLAND OF GUAM  

A. I, the undersigned, being first duly sworn, depose and say that I am an authorized representative of the offeror and that [please check only one]:

[ ] The offeror is an individual or sole proprietor and owns the entire (100%) interest in the offering business.

[ ] The offeror is a corporation, partnership, joint venture, or association known as [please state name of offeror company], and the persons, companies, partners, partners, or joint venturers who have held more than 10% of the shares or interest in the offering business during the 365 days immediately preceding the submission date of the proposal are as follows [if none, please so state]:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>% of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>BERNIE MARANAN</td>
<td>LATTE HEIGHTS</td>
<td>70</td>
</tr>
<tr>
<td>DANNY NATIVIDAD</td>
<td>MACHANANAO</td>
<td>20</td>
</tr>
<tr>
<td>BERNADETTE MARANAN</td>
<td>LATTE HEIGHTS</td>
<td>10</td>
</tr>
</tbody>
</table>

B. Further, I say that the persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid or proposal for which this affidavit is submitted are as follows [if none, please so state]:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>% of Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

C. If the ownership of the offering business should change between the time this affidavit is made and the time an award is made or a contract is entered into, then I promise personally to update the disclosure required by 5 GCA §5233 by delivering another affidavit to the government.

Signature of one of the following:  
Offeror, if the offeror is an individual; Partner, if the offeror is a partnership; Officer, if the offeror is a corporation.

Subscribed and sworn to before me this  
21st day of July, 2013  

NOTARY PUBLIC  
My commission expires: 9-14-2013

THIS AFFIDAVIT MUST BE COMPLETED AND RETURNED IN THE ENVELOPE CONTAINING THE BID
BOARD OF DIRECTORS OF THE  
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

RESOLUTION NO. __

RESOLUTION DETERMINING TO ISSUE AND SELL 
GENERAL REVENUE BONDS IN AN AGGREGATE 
PRINCIPAL AMOUNT NOT TO EXCEED $265,000,000, AND 
APPROVING AND AUTHORIZING RELATED DOCUMENTS, 
AGREEMENTS AND ACTIONS

WHEREAS, pursuant to Chapter 1 of Title 12 of the Guam Code Annotated, as amended (the “Act”), the A.B. Won Pat International Airport Authority, Guam (the “Authority”), is 
authorized (subject to the approval of the Legislature of Guam pursuant to Section 1208 of the 
Act and the approval of the Legislature and the Guam Economic Development Authority 
(“GEDA”) pursuant to Section 50103(k) of Division 2 of Title 12 of the Guam Code Annotated, 
such approval by the Legislature being referred to herein as the “Bond Act”) to issue and sell 
revenue bonds for the purpose of providing money to be used for the cost of the acquisition, 
purchase, construction, reconstruction, improvement, betterment or extension of the Antonio B. 
Won Pat Guam International Air Terminal, together with related facilities or other airports and 
related facilities (as more particularly described in the Act, the “Airport”), and for the purpose of 
refunding any bonds then outstanding under the Act, subject to the requirements and limitations 
set forth in the Act; and

WHEREAS, the Authority previously entered into an indenture, dated as of September 1, 
2003, as supplemented and amended (the “Indenture”), providing for the issuance of A.B. Won 
Pat Guam International Airport Authority General Revenue Bonds, 2003 Series A, 2003 Series 
B, 2003 Series C and 2003 Series D (collectively, the “2003 Bonds”); and

WHEREAS, the Authority proposes to issue and sell one or more additional series of 
general revenue bonds under the Indenture (the “2013 Bonds”) for the purposes of financing and 
refinancing the acquisition, construction, reconstruction, improvement, betterment and extension 
of the Airport, refunding the outstanding 2003 Bonds and paying related costs of issuance and 
funding a debt service reserve fund for the 2013 Bonds (collectively, the “Project”); and

WHEREAS, this Board of Directors (the “Board”) has determined that it is in the best 
interests of the Authority to redeem or otherwise retire the outstanding 2003 Bonds, and that it is 
in the best interests of the Authority to issue the 2013 Bonds pursuant to the Act for the purposes 
described in this resolution; and

WHEREAS, this Board desires to authorize the appropriate officers and employees of the 
Authority to determine the terms of the 2013 Bonds to be issued and to proceed with 
arrangements for the sale of the 2013 Bonds; and

WHEREAS, pursuant to Section 50103(k) of Division 2 of Title 12 of the Guam Code 
Annotated, agencies and instrumentalities of the Government of Guam, including the Authority 
shall issue bonds and other obligations only by means of and through the agency of GEDA; and
WHEREAS, the Authority has paid or may pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Project within 60 days prior to the adoption of this Resolution, and prior to the issuance of the 2013 Bonds, for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of 2013 Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures) in an aggregate principal amount not to exceed the maximum principal amount authorized to be issued by the Legislature of Guam and GEDA; and

WHEREAS, as required by Section 1208 of the Act and said Section 50103(k), the authorization provided by this resolution to sell and issue the 2013 Bonds is subject to the approval by the Legislature of Guam and GEDA of the terms and conditions of the 2013 Bonds and their issuance;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the A.B. Won Pat International Airport Authority, Guam, as follows:

Section 1. The form of Supplemental Indenture (the “Supplemental Indenture”), among the Authority, Bank of Guam, as Trustee (the “Trustee”) and U.S. Bank National Association, as Co-Trustee (the “Co-Trustee”), supplementing and amending the Indenture and providing for the issuance of the 2013 Bonds, presented to this meeting in substantially final form, is hereby approved, with such additions, changes and modifications as the Chairman of this Board, the Executive Manager of the Authority or members of the Authority staff designated in writing by said Chairman or Executive Manager (said Chairman, Executive Manager and designated staff, whether acting individually or collectively, are referred to herein as “Authorized Officers”) may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the form of such Supplemental Indenture executed by the Authorized Officers, who are hereby authorized and directed to execute the same. The final Supplemental Indenture shall specify the denomination or denominations and series designations in which the 2013 Bonds shall be issued.

Section 2. The form of Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), between the Authority and an initial dissemination agent to be named therein (the “Dissemination Agent”), presented to this meeting in substantially final form, is hereby approved, with such additions, changes and modifications as the Authorized Officers may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the form of such Continuing Disclosure Agreement executed by the Authorized Officers, who are hereby authorized and directed to execute the same.

Section 3. The form of Bond Purchase Agreement (the “Bond Purchase Agreement”), between the Authority and Citigroup Global Markets Inc., as representative of the underwriters of the 2013 Bonds named therein (the “Underwriters”), presented to this meeting in
substantially final form, is hereby approved, with such additions, changes and modifications as the Authorized Officers may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the form of such Bond Purchase Agreement executed by the Authorized Officers, who are hereby authorized and directed to execute the same.

Section 4. The form of Escrow Agreement (the "Escrow Agreement"), between the Authority and the escrow agent named therein, presented to this meeting in substantially final form, is hereby approved, with such additions, changes and modifications as the Authorized Officers may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the form of such Escrow Agreement executed by the Authorized Officers, who are hereby authorized and directed to execute the same.

Section 5. The form of preliminary official statement ("Preliminary Official Statement") presented to this meeting in substantially final form is hereby approved, with such additions, changes and modifications as the Authorized Officers may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the execution of a certificate deeming final the Preliminary Official Statement for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission by the Authorized Officers. Each of the Authorized Officers is hereby authorized to execute and deliver such certificate, to authorize the Underwriters to distribute such Preliminary Official Statement to potential purchasers of the 2013 Bonds and other interested parties, and to execute and cause to be delivered a final official statement (the "Official Statement") to purchasers of the 2013 Bonds and other interested parties, with such additions, changes and modifications from the Preliminary Official Statement as the Authorized Officers may approve upon consultation with staff and legal counsel, such approval to be conclusively evidenced by the execution and delivery of such final Official Statement by one or more of the Authorized Officers. The Underwriters are hereby authorized to cause the Official Statement to be delivered to the purchasers of the 2013 Bonds and to be distributed in preliminary form in connection with the marketing and sale of the 2013 Bonds.

Section 6. The sale, issuance and delivery of the 2013 Bonds, pursuant to the Act and the Indenture as supplemented by the Supplemental Indenture, in one or more series and in an aggregate principal amount not to exceed $265,000,000, is hereby approved, subject to the approval of the Legislature of Guam and GEDA as described above.

The Bond Purchase Agreement shall specify the aggregate principal amount of 2013 Bonds to be issued (not to exceed $265,000,000), the number of series of such 2013 Bonds, the maturity or maturities (not later than October 1, 2044), and the fixed interest rate or rates of the 2013 Bonds (established in accordance with the Act and the Bond Act) and the price or prices at which the 2013 Bonds are sold (established in accordance with the Act and the Bond Act).

Notwithstanding any other provision of this resolution, the 2013 Bonds and all obligations of the Authority under the Indenture as supplemented shall be limited obligations payable solely from the revenues and other assets of the Authority available for such purpose and shall not be a debt or liability of the Government of Guam.
Said Authorized Officers are hereby also expressly authorized to arrange for such bond insurance, reserve fund surety bond or other supplemental security arrangements for all or such portion of the 2013 Bonds as they may deem in the public interest, and to enter into any other agreements or amendments deemed by them to be necessary or appropriate in connection therewith.

Section 7. The Authorized Officers of the Authority are hereby authorized and directed to do any and all things and to execute and deliver any and all certificates, agreements and documents which they may deem necessary or advisable in order to effectuate the purposes of this resolution. Such actions may include, but are not limited to, the distribution of information and material relating to the 2013 Bonds and the execution and delivery of a letter of representations regarding book-entry provisions to The Depository Trust Company, the publication of any notices and consummation of any proceedings necessary to comply with the Act and the Internal Revenue Code of 1986 (the “Code”), including requirements of the Tax Equity and Fiscal Responsibility Act of 1982, execution of any agreements, amendments, terminations, notices, consents or directions in connection with the refunding of the 2003 Bonds or the investment of any funds on deposit under the Indenture, execution and delivery of any tax certificate or other closing certificates or amendments to be delivered in connection with the issuance, sale and delivery of the 2013 Bonds and the refunding of the 2003 Bonds.

Section 8. This resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of Section 1.103-8(a)(5) and Section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures.

Section 9. All actions heretofore taken by the officers, representatives or agents of the Authority in connection with the issuance and sale of the 2013 Bonds are hereby ratified, confirmed and approved.

Section 10. This resolution shall take effect from and after its adoption.
SECRETARY’S CERTIFICATE

I, Amanda O’Brien-Rios, Secretary of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a special meeting of the members of the Board of Directors of said Authority duly and legally held at the regular meeting place thereof on August 9, 2013, of which meeting all of said members had due notice and at which at least a majority thereof were present;

At said meeting said resolution was adopted by the following vote:

Ayes:
Noes:
Absent:

Said original resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated:

________________________________________
Secretary of the Board of Directors

(SEAL)
The foregoing Resolution is hereby APPROVED for purposes of Section 1208 of Chapter 1 of Title 12 of the Guam Code Annotated.

EDWARD J.B. CALVO
Governor of Guam
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

and

BANK OF GUAM,
as Trustee,

and

U.S. BANK NATIONAL ASSOCIATION,
as Co-Trustee

THIRD SUPPLEMENTAL INDENTURE

Dated as of [______] 1, 2013

Relating to

$[Series A Par] A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series A

and

$[Series B Par] A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series B

and

$[Series C Par] A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series C
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>ARTICLE XX</th>
<th>DEFINITIONS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 20.01</td>
<td>Definitions</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE XXI</th>
<th>AUTHORIZATION AND TERMS OF THE 2013 BONDS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 21.01</td>
<td>Authorization of 2013 Bonds</td>
<td>7</td>
</tr>
<tr>
<td>Section 21.02</td>
<td>Terms of 2013 Bonds; Appointments; Designations</td>
<td>7</td>
</tr>
<tr>
<td>Section 21.03</td>
<td>Terms of Redemption of the 2013 Bonds</td>
<td>9</td>
</tr>
<tr>
<td>Section 21.04</td>
<td>Special Covenants as to Book-Entry Only System for 2013 Bonds</td>
<td>10</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE XXII</th>
<th>ISSUANCE OF 2013 BONDS; CREATION OF ACCOUNTS; APPLICATION OF PROCEEDS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 22.01</td>
<td>Issuance of 2013 Bonds</td>
<td>12</td>
</tr>
<tr>
<td>Section 22.02</td>
<td>Application of Proceeds of 2013 Bonds and Other Moneys; Defeasance of Refunded Bonds</td>
<td>12</td>
</tr>
<tr>
<td>Section 22.03</td>
<td>Establishment and Application of the 2013 Costs of Issuance Account</td>
<td>14</td>
</tr>
<tr>
<td>Section 22.04</td>
<td>Establishment and Application of Accounts Within Construction Fund</td>
<td>14</td>
</tr>
<tr>
<td>Section 22.05</td>
<td>Designation of Bond Reserve Account Requirement for 2013 Bonds; Credit Facility</td>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE XXIII</th>
<th>TAX COVENANTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 23.01</td>
<td>2013 Rebate Account</td>
<td>15</td>
</tr>
<tr>
<td>Section 23.02</td>
<td>Tax Covenants for 2013 Bonds</td>
<td>16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ARTICLE XXIV</th>
<th>AMENDMENTS TO INDENTURE AND MISCELLANEOUS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 24.01</td>
<td>Amendment to Section 1.01</td>
<td>16</td>
</tr>
<tr>
<td>Section 24.02</td>
<td>Amendments to Section 3.05; Designation of 2013 Bonds as &quot;Initial Bonds.&quot;</td>
<td>16</td>
</tr>
<tr>
<td>Section 24.03</td>
<td>Amendment and Restatement of Section 5.06</td>
<td>17</td>
</tr>
<tr>
<td>Section 24.04</td>
<td>Qualification of Depository</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXHIBIT A</th>
<th>FORM OF BOND</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>A-1</td>
</tr>
</tbody>
</table>
THIS THIRD SUPPLEMENTAL INDENTURE, made and entered into and dated as of [______] 1, 2013, by and among the A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, (formerly known as the A.B. Won Pat Guam International Airport Authority), a duly organized public corporation and autonomous instrumentality of the government of Guam (the “Authority”), BANK OF GUAM, a domestic banking corporation organized under the laws of Guam, authorized to do business within Guam and qualified to accept and administer the trusts hereby created, as trustee (the “Trustee”) and depositary (the “Depositary”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America and qualified to accept and administer the trusts hereby created, as co-trustee (the “Co-Trustee”), paying agent (the “Paying Agent”) and registrar (the “Registrar”),

WITNESSETH:

WHEREAS, pursuant to Chapter 1 of Title 12 of the Guam Code Annotated, as amended (as more fully described in the Indenture referred to herein, the “Act”), the Authority is authorized to issue and sell revenue bonds for the purpose of providing money to be used for the cost of the acquisition, purchase, construction, reconstruction, improvement, betterment or extension of the Airport (as defined in the Indenture hereinafter identified), and for the purpose of refunding any bonds then outstanding under the Act;

WHEREAS, the Authority has determined to issue revenue bonds for such purposes and to that end has duly authorized the execution and delivery of that certain Indenture, dated as of September 1, 2003, by and between the Authority and Bank of Hawaii (the “Original Trustee”), as predecessor trustee, as supplemented by that certain Supplemental Indenture, dated as of September 1, 2003, by and between the Authority and the Original Trustee (the “First Supplemental Indenture”), authorizing the issuance of the 2003 Bonds (as defined herein), and as further supplemented by that certain Supplemental Indenture, dated as of October 1, 2006, among the Authority, the Trustee and the Co-Trustee (the “Second Supplemental Indenture”), pursuant to which the Trustee and the Co-Trustee were appointed in replacement of the Original Trustee (as amended and supplemented, collectively, the “Indenture”) to secure the payment of the principal thereof and the interest and premium, if any, thereon, and the observance of the covenants and conditions therein contained;

WHEREAS, revenue bonds may be issued pursuant to the Indenture and one or more indentures supplemental thereto (each, a “Supplemental Indenture”), from time to time, in an aggregate principal amount not limited except as therein provided, and said revenue bonds are to be designated as the “A.B. Won Pat Guam International Airport Authority General Revenue Bonds” (the “Bonds”);

WHEREAS, it is now desirable and necessary and in the best interests of the Authority to authorize the issuance of $[Series A Par] principal amount of Bonds further designated as “2013 Series A Bonds”, $[Series B Par] principal amount of Bonds further designated as “2013 Series B Bonds”, and $[Series C Par] principal amount of Bonds further designated as “2013 Series C Bonds” (collectively, the “2013 Bonds”) for the purposes set forth herein, including to refund all or a portion of the remaining outstanding 2003 Bonds;
WHEREAS, pursuant to and subject to the terms and conditions set forth in Public Law No. 32-62 (the "Refunding Bond Act"), the Legislature of Guam (as required by Section 50103(k) of Title 12, Guam Code Annotated (the "GEDA Law") and the Act) approved the terms and conditions of the issuance of said 2013 Bonds, so long as the 2013 Bonds meet the requirements set forth in the Refunding Bond Act;

WHEREAS, pursuant to the GEDA Law, the Guam Economic Development Authority has approved the sale of the 2013 Bonds pursuant to its Resolution No. 13-[___], adopted on ________, 2013;

WHEREAS, the 2013 Bonds shall be additional Bonds issued under the Indenture as supplemented hereby, in particular Section 3.04 thereof; and

WHEREAS, Section 9.01(A) of the Indenture provides that the Indenture may be modified or amended at any time by a Supplemental Indenture which shall become binding with the consent of the Owners of at least sixty percent (60%) in Accreted Value of the Bonds then Outstanding (calculated as set forth in the Indenture), provided that if such modification or amendment will, by its terms, not take effect so long as any bonds of any particular maturity or Series remain Outstanding, the consent of the Owners of Bonds of such maturity or Series shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any such calculation of Outstanding Bonds;

WHEREAS, a matter has arisen under the Indenture regarding the establishment and application of the Bond Reserve Account Requirement in respect of Additional Bonds;

WHEREAS, the Authority has deemed it necessary and desirable to make provision in regard to such matter, and to clarify and supplement certain other provisions by making certain amendments to the Indenture, all as set forth in this Supplemental Indenture;

WHEREAS, the amendments effected by this Supplemental Indenture shall become effective upon the delivery of the 2013 Bonds and the concurrent defeasance of all of the Outstanding 2003 Bonds, and the Owners of the 2013 Bonds, by their purchase thereof, shall be deemed to have agreed and consented to such amendments;

WHEREAS, all acts, conditions and things required by the laws of the United States of America and the Government of Guam to exist, to have happened and to have been performed precedent to and in connection with the issuance of said 2013 Bonds exist, have happened, and have been performed in regular and due time, form and manner as required by law, and the Authority is now duly authorized and empowered, pursuant to each and every requirement of law, to issue said Bonds for the purpose, in the manner and upon the terms herein provided;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the 2013 Bonds by the owners thereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee as follows:
ARTICLE XX

DEFINITIONS

Section 20.01 **Definitions.** Unless the context otherwise requires, the terms defined in the Indenture shall, for all purposes of this Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings specified in the Indenture.

In addition, unless the context otherwise requires, the terms defined in this Section shall for all purposes of the Indenture and this Supplemental Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

**Bond Year**

“Bond Year” means, with respect to the 2013 Bonds, the period of twelve consecutive months ending on [October 1] of each year if 2013 Bonds are or will be Outstanding in such twelve-month period; provided that the first Bond Year shall commence on the date of delivery of the 2013 Bonds and end on [October 1], 2014.

**DTC**

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

**Escrow Agent**

“Escrow Agent” means U.S. Bank National Association, as Paying Agent for the Refunded Bonds and escrow agent appointed pursuant to the Escrow Agreement.

**Escrow Agreement**

“Escrow Agreement” means that certain Escrow Agreement, dated as of [_______] 1, 2013 by the Authority to the Escrow Agent relating to the establishment of an escrow fund for the purpose of the refunding of the Refunded Bonds.

**Escrow Fund**

“Escrow Fund” means the fund of that name to be established by the Escrow Agent pursuant to the Escrow Agreement.

**Refunded Bonds**

“Refunded Bonds” means the 2003 Bonds.

**Rating Agency**

Standard & Poor’s and Moody’s Investors Service are each designated as a Rating Agency with respect to the 2013 Bonds.
Representation Letter

"Representation Letter" means any representation letter delivered to or agreement with DTC with respect to the Bonds.

Serial Bonds

"Serial Bonds" means, with respect to the 2013 Bonds, the 2013 Bonds designated as such by Section 21.02, and for which no Mandatory Sinking Account Payments are provided.

Tax Maximum

"Tax Maximum" means, for any Series of Bonds, the lesser of: the greatest amount of principal, interest and premium, if any, required to be paid in any Fiscal Year on such Series; one hundred and twenty-five percent (125%) of average amount of principal, interest and premium, if any, required to be paid on such Series during all Fiscal Years in which such Series will be Outstanding, calculated as of the date of issuance of such Series; or, ten percent of the proceeds of such Series, as "proceeds" is defined for purposes of Section 148(d) of the Code.

Term Bonds

"Term Bonds" means, with respect to the 2013 Bonds, the 2013 Bonds designated as such by Section 21.02, and for which Mandatory Sinking Account Payments are scheduled.

[2003 Bond Insurance Policy]

"2003 Bond Insurance Policy" means the financial guaranty insurance policy issued by the 2003 Bond Insurer, guaranteeing the scheduled payment of the principal of and interest on the 2003 Bonds when due.

[2003 Bond Insurer]

"2003 Bond Insurer" means MBIA Insurance Corporation, a New York corporation, or any successor thereto or assignee thereof.


[2003 Credit Agreement]

“2003 Credit Agreement” means the Reimbursement and Indemnity Agreement, dated as of September 1, 2003, by and between the Authority and the 2003 Bond Insurer.

[2003 Investment Agreement]

“2003 Investment Agreement” means the Investment Agreement, dated as of October 30, 2003, by and between the Authority and [CDC Funding Corp.] and the Co-Trustee.

2013 Authorized Amount

“2013 Authorized Amount” means $[_______] in the aggregate, composed of 2013 Series A Bonds which may be issued and Outstanding under this Supplemental Indenture in an amount not exceeding $[Series A Par], 2013 Series B Bonds which may be issued and Outstanding under this Supplemental Indenture in an amount not exceeding $[Series B Par], and 2013 Series C Bonds which may be issued and Outstanding under this Supplemental Indenture in an amount not exceeding $[Series C Par].

2013 Bond Reserve Account

“2013 Bond Reserve Account” means the Bond Reserve Account established with respect to the 2013 Bonds.

2013 Bond Reserve Account Requirement

“2013 Bond Reserve Account Requirement” has the meaning given thereto in Section 22.05 hereof.

2013 Bond Reserve Account Bonds

“2013 Bond Reserve Account Bonds” has the meaning given thereto in Section 22.05 hereof.


"2013 Series A Bonds" means the $[Series A Par] principal amount of A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series A.

"2013 Series B Bonds" means the $[Series B Par] principal amount of A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series B.

"2013 Series C Bonds" means the $[Series C Par] principal amount of A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series C.

2013 Series [A/B/C] Projects

"2013 Series [A/B/C] Projects" means [to come].

ARTICLE XXI

AUTHORIZATION AND TERMS OF THE 2013 BONDS

Section 21.01 Authorization of 2013 Bonds. The following Series of Bonds are hereby authorized and created under the Act for the purpose[(s)] of (i) [financing and refinancing the 2013 Series [A/B/C] Projects (ii) refunding the Refunded Bonds and (iii) paying related Costs of Issuance. Such Series of Bonds are hereby designated as, respectively, "A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series A," "A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series B", and "A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series C." The aggregate principal amount of 2013 Bonds authorized to be issued and outstanding hereunder is expressly limited to the 2013 Authorized Amount.

The 2013 Series A Bonds, the 2013 Series B Bonds and the 2013 Series C Bonds shall collectively be treated as a single Series under the Indenture.

Section 21.02 Terms of 2013 Bonds; Appointments; Designations.

The 2013 Bonds shall be issued as fully registered Bonds without coupons in the denominations of $5,000 or any integral multiple thereof. The 2013 Bonds shall be dated their date of delivery, and interest thereon (based on a 360-day year of twelve thirty-day months) shall
be payable on [April 1 and October 1] of each year, commencing [October 1, 2013], (each, an
"Interest Payment Date" for the 2013 Bonds).

The 2013 Series A Bonds shall mature on the dates and in the amounts and shall
bear interest at the rates per annum specified in the following table:

<table>
<thead>
<tr>
<th>Maturity Date ([October 1])</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>

The Principal Payment Period for the 2013 Series A Bonds shall be the twelve
calendar months next preceding each maturity date for such Bonds. [The 2013 Series A Bonds
are Serial Bonds/ Term Bonds.]

The 2013 Series B Bonds shall mature on the dates and in the amounts and shall
bear interest at the rates per annum specified in the following table:

<table>
<thead>
<tr>
<th>Maturity Date ([October 1])</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>

The Principal Payment Period for the 2013 Series B Bonds shall be the twelve
calendar months next preceding each maturity date for such Bonds. [The 2013 Series B Bonds
are Serial Bonds/ Term Bonds.]

The 2013 Series C Bonds shall mature on the dates and in the amounts and shall
bear interest at the rates per annum specified in the following table:

<table>
<thead>
<tr>
<th>Maturity Date ([October 1])</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>
The Principal Payment Period for the 2013 Series C Bonds shall be the twelve calendar months next preceding each maturity date for such Bonds. [The 2013 Series C Bonds are Serial Bonds/ Term Bonds.]

The Record Date for all scheduled payments of principal of and interest on the 2013 Bonds shall be the 15th day of the calendar month next preceding the date each such payment is due, whether or not such 15th day is a Business Day.

The Co-Trustee is hereby appointed Depositary for the 2013 Bond Reserve Account, and Paying Agent and Registrar for the 2013 Bonds, and the Co-Trustee’s corporate trust office in Los Angeles, California, is hereby confirmed as being designated the Principal Office of the Co-Trustee; provided, however, that, with respect to the transfer, registration, exchange and cancellation of the 2013 Bonds, the office of the Paying Agent in St. Paul, Minnesota shall be the Principal Office of the Co-Trustee.

The Trustee is hereby appointed Depositary for the Series 2013 Costs of Issuance Account and the Series 2013 Rebate Account.

The principal of and premium, if any, on each 2013 Bond shall be payable in lawful money of the United States of America to the Owner of such Bond, upon the surrender of such Bond at the Principal Office of any Paying Agent for such Bond. The interest on each 2013 Bond shall be payable in like lawful money to the person whose name appears on the bond registration books of the Registrar for such Bond as the Owner of such Bond as of the close of business on the Record Date for such Bond preceding the Interest Payment Date, whether or not such Record Date is a Business Day, such interest to be paid by check or mailed by first class mail to such Owner at such address as appears on such registration books or at such address as such Owner may have filed with the Registrar for that purpose. Upon the written request of a registered owner of one million dollars ($1,000,000) or more in aggregate principal amount of 2013 Bonds, payment of interest on and principal (including Redemption Price) of such Bonds shall be made by wire transfer from the Paying Agent to the registered owner of such Bonds. Any such principal payment by wire transfer shall nevertheless be subject to prior surrender of the 2013 Bonds with respect to which such payment is made. Each payment of interest or principal on 2013 Bonds, whether by check, draft or wire transfer, shall be accompanied by information specifying for each maturity of such Bonds with respect to which such payment is being made, the amount and the CUSIP number (if available).

Each 2013 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the Record Date preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before [September 15, 2013], in which event it shall bear interest from its date of delivery; provided, however, that if, at the time of authentication of any 2013 Bond, interest is in default on Outstanding Bonds of such Series, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the Outstanding Bonds of such Series.
The Registrar for the 2013 Bonds shall assign each 2013 Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof which shall be available to the Authority for inspection.

The 2013 Bonds, the Registrar’s certificate of authentication and registration and the form of assignment to appear thereon shall be in substantially the forms set forth in Exhibit A hereto, respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by the Indenture.

Section 21.03 Terms of Redemption of the 2013 Bonds. (A) The Authority shall have the right to redeem 2013 Bonds on any date prior to their respective stated maturities, as a whole, or in part by lot within each maturity so that the reduction in Annual Debt Service for the 2013 Bonds for each Bond Year after such redemption date shall be as nearly proportional as practicable, from and to the extent of proceeds received by the Authority due to a governmental taking of the Airport or portions thereof by eminent domain proceedings, if such amounts are not used for additions, improvements or extensions to the Airport, under the circumstances and upon the conditions and terms set forth in the Indenture, at the principal amount thereof plus interest accrued thereon, without premium.

(B) The 2013 Bonds maturing after [October 1], 2013 [(other than the 2013 Series ___ Bonds maturing [October 1], 20__ and [October 1], 20__, as set forth below)] are subject to redemption prior to their respective stated maturities, at the option of the Authority, from any source of available moneys, on any date on or after [October 1], 20__, as a whole, or in part by such maturity or maturities or portions thereof as may be determined by the Authority (or by lot within a maturity in the absence of such a determination), at a Redemption Price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption.

(C) The 2013 Bonds maturing on October 1, 20__ (the “Series ___ 20__ Term Bonds”) are also subject to redemption prior to their stated maturity in part, by lot, from Mandatory Sinking Account Payments established for such maturity in this subsection, upon payment of the principal amount thereof and accrued interest thereon to the date fixed for redemption, without premium. Subject to the terms and conditions set forth in this Section and in the Indenture, such Series ___ 20__ Term Bonds shall be redeemed (paid at maturity, as the case may be) by application of Mandatory Sinking Account Payments for such Series ___ 20__ Term Bonds, in the amounts (after giving effect to the credits provided for in Section 5.05 of the Indenture) and on October 1 in the years hereinafter set forth.
### Mandatory Sinking Account Payments for Bonds Due October 1, 20__

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>20__</td>
<td>$</td>
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<tr>
<td>20__</td>
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<tr>
<td>20__*</td>
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</tr>
</tbody>
</table>

* maturity

### Section 21.04 Special Covenants as to Book-Entry Only System for 2013 Bonds

(a) Except as otherwise provided in subsections (b) and (c) of this Section 21.04, all of the 2013 Bonds initially issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any 2013 Bond registered in the name of Cede & Co. shall be made on each interest payment date for such 2013 Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The 2013 Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of each portion of such 2013 Bonds, representing the aggregate principal amount of the 2013 Bonds of such portion and maturity. Upon initial issuance, the ownership of all such 2013 Bonds shall be registered in the registration records maintained by the Registrar pursuant to Section 2.03 of the Indenture in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Co-Trustee, the Registrar, the Authority and any paying agent may treat DTC (or its nominee) as the sole and exclusive owner of the 2013 Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such 2013 Bonds, selecting the 2013 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondowners hereunder, registering the transfer of 2013 Bonds, obtaining any consent or other action to be taken by Bondowners of the 2013 Bonds and for all other purposes whatsoever; and the Trustee, the Co-Trustee, the Registrar, the Authority and any paying agent shall not be affected by any notice to the contrary. Neither the Trustee, the Co-Trustee, the Authority nor any paying agent shall have any responsibility or obligation to any Participant (which shall mean, for purposes of this Section 21.04, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the 2013 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondowner, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the 2013 Bonds, (iii) any notice which is permitted or required to be given to Holders of the 2013 Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the 2013 Bonds, or (v) any consent given or other action taken by DTC as Holder of the 2013 Bonds. The Paying Agent shall pay all principal of
and premium, if any, and interest on the 2013 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the principal of and premium, if any, and interest on the 2013 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the 2013 Bonds will be transferable to such new nominee in accordance with subsection (f) of this Section 21.04.

(c) In the event that the Authority elects to discontinue the book-entry system for any 2013 Bonds, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, such 2013 Bonds will be transferable in accordance with subsection (f) of this Section 21.04. DTC may determine to discontinue providing its services with respect to the 2013 Bonds at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the 2013 Bonds will be transferable in accordance with subsection (f) of this Section 21.04. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the 2013 Bonds then Outstanding. In such event, the 2013 Bonds will be transferable to such securities depository in accordance with subsection (f) of this Section 21.04, and thereafter, all references in this Supplemental Indenture to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Supplemental Indenture to the contrary, so long as all 2013 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such 2013 Bond and all notices with respect to each such 2013 Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) The Trustee is hereby authorized and requested to execute and deliver the Representation Letter and, in connection with any successor nominee for DTC or any successor depository, enter into comparable arrangements, and shall have the same rights with respect to its actions thereunder as it has with respect to its actions under this Supplemental Indenture.

(f) In the event that any transfer or exchange of 2013 Bonds is authorized under subsection (b) or (c) of this Section 21.04, such transfer or exchange shall be accomplished upon receipt by the Registrar from the registered owner thereof of the 2013 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.03 and 2.04 of the Indenture. In the event 2013 Bond certificates are issued to Holders other than Cede & Co., its successor as nominee for DTC as holder of all the 2013 Bonds, another securities depository as holder of all the 2013 Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.03 and 2.04 of the Indenture shall also apply to, among other things, the registration, exchange and transfer of the 2013 Bonds and the method of payment of principal of, premium, if any, and interest on the 2013 Bonds.
ARTICLE XXII

ISSUANCE OF 2013 BONDS; CREATION OF ACCOUNTS; APPLICATION OF PROCEEDS

Section 22.01 Issuance of 2013 Bonds. At any time after the execution and delivery of this Supplemental Indenture, the Authority may sell and execute and the Registrar for the 2013 Bonds shall authenticate and, upon the Order of the Authority, deliver 2013 Series A Bonds in an aggregate principal amount not to exceed $[Series A Par], 2013 Series B Bonds in an aggregate principal amount not to exceed $[Series B Par], and 2013 Series C Bonds in an aggregate principal amount not to exceed $[Series C Par].

Section 22.02 Application of Proceeds of 2013 Bonds and Other Moneys; Defeasance of Refunded Bonds. (A) The net proceeds received by the Authority from the sale of the 2013 Bonds shall be deposited with the Co-Trustee, who shall forthwith transfer or apply, as applicable, such proceeds in the following manner, as directed by a Request of the Authority:

(1) The proceeds received from the sale of the 2013 Series A Bonds shall be applied by the Co-Trustee in the following manner, as directed by a Request of the Authority:

(a) [the Co-Trustee shall transfer to the Escrow Agent, for deposit in the Escrow Fund, an amount equal to $____________.]

(b) [the Co-Trustee shall deposit in the 2013 Bond Reserve Account an amount equal to $____________.]

(c) [the Co-Trustee shall transfer $_______ to the Trustee for deposit in the 2013 Series A Construction Account of the Construction Fund;] and

(d) the Co-Trustee shall transfer to the 2013 Costs of Issuance Account Depositary, for deposit in the 2013 Costs of Issuance Account, the balance of such proceeds.

(2) The proceeds received from the sale of the 2013 Series B Bonds shall be applied by the Co-Trustee in the following manner, as directed by a Request of the Authority:

(a) [the Co-Trustee shall transfer to the Escrow Agent, for deposit in the Escrow Fund, an amount equal to $____________.]

(b) [the Co-Trustee shall deposit in the 2013 Bond Reserve Account an amount equal to $____________.]

(c) [the Co-Trustee shall transfer $_______ to the Trustee for deposit in the 2013 Series B Construction Account of the Construction Fund;] and
(d) the Co-Trustee shall transfer to the 2013 Costs of Issuance Account Depositary, for deposit in the 2013 Costs of Issuance Account, the balance of such proceeds.

(3) The proceeds received from the sale of the 2013 Series C Bonds shall be applied by the Co-Trustee in the following manner, as directed by a Request of the Authority:

(a) [the Co-Trustee shall transfer to the Escrow Agent, for deposit in the Escrow Fund, an amount equal to $__________;]

(b) [the Co-Trustee shall deposit in the 2013 Bond Reserve Account an amount equal to $__________;]

(c) [the Co-Trustee shall transfer $______ to the Trustee for deposit in the 2013 Series C Construction Account of the Construction Fund;] and

(d) the Co-Trustee shall transfer to the 2013 Costs of Issuance Account Depositary, for deposit in the 2013 Costs of Issuance Account, the balance of such proceeds.

(B) [other transfers or deposits or release of amounts relating to Refunded Bonds, if any – to come].

Section 22.03 Establishment and Application of the 2013 Costs of Issuance Account. (A) The Trustee, as 2013 Costs of Issuance Account Depositary, shall establish within the A.B. Won Pat Guam International Airport Authority construction fund (created by Section 1205 of the Act) and maintain and hold in trust under the Indenture a separate account designated as the “2013 Costs of Issuance Account”. Amounts in the 2013 Costs of Issuance Account shall be used and withdrawn, as provided in the Indenture, solely for the payment of Costs of Issuance of the 2013 Bonds.

(B) Upon the earlier to occur of (i) receipt by the Trustee of a Certificate of the Authority to the effect that all Costs of Issuance for the 2013 Bonds have been paid and (ii) 180 days after the Date of Issuance, any moneys remaining on deposit in the 2013 Costs of Issuance Account shall be transferred to the Revenue Fund.

Section 22.04 Establishment and Application of Accounts Within Construction Fund. [The Trustee, as Construction Fund Depositary, shall establish within the A.B. Won Pat Guam International Airport Authority construction fund (created by Section 1205 of the Act) a separate account (the “2013 Series [A/B/C] Construction Account”) which shall be applied in accordance with Section 3.03 for the purpose of paying, or reimbursing the Authority for the payment of, costs of the 2013 Series [A/ B/C/D] Projects. No transfers shall be made after the Interest Payment Date next succeeding the date of receipt by the Trustee and the Co-Trustee of a Certificate of the Authority to the effect that the 2013 Series [A/ B/C/D] Projects have been completed.]
Section 22.05 Designation of Bond Reserve Account Requirement for 2013 Bonds: Credit Facility. [The Bond Reserve Account Requirement in respect of the 2013 Bonds (the "2013 Bond Reserve Account Requirement") is hereby established as a pooled Bond Reserve Account Requirement to secure repayment of each Series of the 2013 Bonds and any one or more subsequently issued Series of Bonds designated in a Supplemental Indenture as having the same pooled Bond Reserve Account Requirement (collectively, the "2013 Bond Reserve Account Bonds") and shall be an amount equal to (a) the lesser of (i) Maximum Annual Debt Service on all Outstanding 2013 Bond Reserve Account Bonds, or (ii) one hundred and twenty-five percent (125%) of average Annual Debt Service on all Outstanding 2013 Bond Reserve Account Bonds or (b) the amount described in the next sentence. If at the time of issuance of a Series of 2013 Bond Reserve Account Bonds, the amount required to be added to the 2013 Bond Reserve Account to make the balance in the 2013 Bond Reserve Account equal to the lesser of Maximum Annual Debt Service on all Outstanding 2013 Bond Reserve Account Bonds or one hundred and twenty-five percent (125%) of average Annual Debt Service on all Outstanding 2013 Bond Reserve Account Bonds exceeds the Tax Maximum calculated with respect to such Series of 2013 Bond Reserve Account Bonds, then the 2013 Bond Reserve Account Requirement shall mean the 2013 Bond Reserve Account Requirement in effect immediately prior to the issuance of that Series of 2013 Bond Reserve Account Bonds, plus the Tax Maximum calculated with respect to that Series of 2013 Reserve Account Bonds. Moneys in the 2013 Bond Reserve Account shall be invested in Investment Securities paying interest and maturing, or subject to liquidation at the option of the Authority at a price equal to the par amount thereof plus accrued interest, not later than five (5) years from the date of such investment. The amount on deposit in the 2013 Bond Reserve Account (including any investments held therein) shall be determined by the Trustee, not less frequently than annually and upon Request of the Authority, as the fair market value thereof as of the date of such determination.]
ARTICLE XXIII

TAX COVENANTS

Section 23.01 2013 Rebate Account.

(A) The Trustee, as 2013 Rebate Account Depositary, shall establish and maintain within the Rebate Fund a separate subaccount designated as the “2013 Rebate Account.” There shall be deposited in the 2013 Rebate Account from amounts in the Operation and Maintenance Fund or other lawfully available moneys such amounts as are required to be deposited therein pursuant to the Tax Certificate delivered by the Authority in connection with the issuance of the 2013 Tax-Exempt Bonds. All money at any time deposited in the 2013 Rebate Account shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement for the 2013 Tax-Exempt Bonds, for payment to the United States of America, and the United States of America is hereby granted a first lien on such money until such payment. All amounts required to be deposited into or on deposit in the 2013 Rebate Account shall be governed exclusively by this Section and by such Tax Certificate (which is incorporated herein by reference).

In the event that the amount in the 2013 Rebate Account exceeds the Rebate Requirement for the 2013 Tax-Exempt Bonds, upon the Request of the Authority, the Trustee shall transfer the excess from the 2013 Rebate Account to the Revenue Fund.

(B) Notwithstanding any provisions of this Section, if the Authority shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on any Series of Bonds, the Trustee and the Authority may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article IX of the Indenture, the covenants hereunder shall be deemed to be modified to that extent.

Section 23.02 Tax Covenants for 2013 Bonds. (A) The Authority intends that interest on the 2013 Tax-Exempt Bonds be excluded from gross income for federal income tax purposes, that the 2013 Bonds and the interest thereon be exempt from taxation by any state or political subdivision or the District of Columbia and that interest on the [2013 Series A and B Bonds] not be treated as a specific preference item for purposes of the federal individual and corporate alternative minimum taxes. The Authority reserves the right to determine the desired tax status of any additional Series of Bonds.

(A) The Authority shall not use or permit the use of any proceeds of the 2013 Tax-Exempt Bonds or any other funds of the Authority, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Authority in any manner, and shall not take or permit to be taken any other action or actions, which would cause any such Bond to be an “arbitrage bond” within the meaning of Section 148 of the Code or to be “federally guaranteed” within the meaning of Section 149(b) of the Code.
(B) The Authority shall at all times do and perform all acts and things permitted by law and this Indenture which are necessary or desirable in order to assure that interest paid on the 2013 Tax-Exempt Bonds (or on any of them) shall be excluded from gross income for federal income tax purposes and that interest paid on the [2013 Series A and B] Bonds shall not be treated as a specific preference item for purposes of the federal individual and corporate alternative minimum taxes.

ARTICLE XXIV

AMENDMENTS TO INDENTURE AND MISCELLANEOUS

Section 24.01 Amendment to Section 1.01. The following definition is hereby amended and restated in its entirety (solely for convenience of the reader, insertions appear as \textbf{bold underlined} text and deletions appear as \textit{strikethrough italicized} text):

"Bond Reserve Account Requirement” means, as of any particular date of calculation, with respect to any Series of Bonds \textbf{for which a Bond Reserve Account Requirement is established}, an amount equal to the amount calculated for such date as specified by the Supplemental Indenture providing for the issuance of such Series of Bonds, \textit{but not less than the least of} (i) \textit{Maximum Annual Debt Service on all such Bonds,} (ii) \textit{one hundred twenty-five percent (125\%) of average Annual Debt Service on all such Bonds, or} (iii) \textit{ten percent (10\%) of the original principal amount of such Series.}

Section 24.02 Amendments to Section 3.05; Designation of 2013 Bonds as “Initial Bonds.”

(A) Section 3.05(A)(3) of the Indenture is hereby amended and restated as follows (solely for convenience of the reader, insertions appear as \textbf{bold underlined} text and deletions appear as \textit{strikethrough italicized} text):

"the amount of the Bond Reserve Account Requirement for such Series, if any, and if so established, whether the Bond Reserve Account Requirement shall apply solely for such Series or on a pooled basis and, if on a pooled basis, the Series of Bonds which shall be secured by the related pooled Bond Reserve Account to which such Bond Reserve Account Requirement applies;"

(B) Section 3.05(B)(1)(c)(i)(B) of the Indenture is hereby amended and restated as follows (solely for convenience of the reader, insertions appear as \textbf{bold underlined} text and deletions appear as \textit{strikethrough italicized} text):

A certificate of a Consulting Engineer \textbf{the Authority} setting forth (I) the projected Date of Beneficial Occupancy for the Project or Projects for which such Series of Bonds is being issued and for any other uncompleted Projects, and (II) an estimate of the cost of construction of such Projects;
(C) Section 3.05 of the Indenture is hereby amended to add the following subsection (C), as follows:

(C) Notwithstanding the foregoing, the requirements of Section 3.05(B) shall not apply to the issuance of one or more series of Additional Bonds if, not later than the date of issuance and delivery of such Additional Bonds (which shall be the same date for all such Bonds), the Authority delivers a certificate to the Trustee stating that (i) on and as of such date, such Bonds are the only Bonds Outstanding under the Indenture, and (ii) no Parity Payment Agreements are then in effect. Such Additional Bonds shall be designated as “initial Bonds” in the related Supplemental Indenture.

(D) The 2013 Bonds are hereby designated “initial Bonds” for purposes of Section 3.05(C) of the Indenture, as amended by Section 24.01(C) hereof.

Section 24.03 Amendment and Restatement of Section 5.06. Section 5.06 of the Indenture is hereby amended and restated as follows (solely for convenience of the reader, insertions appear as bold underline text and deletions appear as strike-through text):

All amounts in each Bond Reserve Account shall be used and withdrawn by the Trustee solely for the purpose of paying debt service on the Series of Bonds (including Payment Agreement Payments to the extent provided in any Supplemental Indenture) for which such Account was established in the event of a deficiency in the Debt Service Fund, in the manner and to the extent set forth in Section 5.11. The Supplemental Indenture for any Series of Bonds may establish a pooled Bond Reserve Account Requirement for the Series of Bonds to be issued under such Supplemental Indenture and any one or more subsequently issued Series of Bonds with the same pooled Bond Reserve Account Requirement, in which case the Bond Reserve Account Requirement for the initial such Series of Bonds shall be deposited in the applicable Bond Reserve Account in an account solely for the benefit of those Bonds and any Additional Bonds designated in a related Supplemental Indenture as having the same pooled Bond Reserve Account Requirement, and on the date of issuance of any such Additional Bonds, there shall be deposited in the aforementioned account the amount necessary to increase the balance in such account to an amount equal to the Bond Reserve Account Requirement for all Bonds secured by that account. So long as the Authority is not in default hereunder, any amount in any Bond Reserve Account in excess of its Bond Reserve Account Requirement shall be transferred to the Revenue Fund. A Supplemental Indenture providing for the issuance of a Series of Bonds may provide that income derived from the investment of the proceeds of such Series in the Bond Reserve Account for such Series prior to the completion of each Project for which such Bonds were issued.
shall be deposited in the Construction Account for such Project. Otherwise, such income shall be deposited in the Revenue Fund.

If and to the extent provided by a Supplemental Indenture authorizing the issuance of a Series of Bonds, the Bond Reserve Account Requirement for such Series the Bond Reserve Account, if any, securing such Series may be wholly or partially satisfied by a Credit Facility. Notwithstanding anything to the contrary contained hereinbefore in this Section or in Article IV, such Supplemental Indenture may also provide that if a drawing or other claim on such Credit Facility is honored, amounts available under Section 5.02(C) for deposit in the applicable Bond Reserve Account shall be applied by the Trustee to reimburse, as soon as practicable, the amount of each payment honoring such drawing or other claim, and the Trustee shall give any notice of such reimbursement required by the applicable Credit Agreement.

Section 24.04 Qualification of Depositary. Notwithstanding the requirements of Section 8.03(F)(3) of the Indenture, U.S. Bank National Association is hereby designated, ratified and confirmed as a Fiduciary pursuant to the Indenture, and duly appointed to act as a Depositary hereunder.
IN WITNESS WHEREOF, the A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM has caused this Third Supplemental Indenture to be signed in its name by its duly authorized officers under its seal; and BANK OF GUAM and U.S. BANK NATIONAL ASSOCIATION have caused this THIRD SUPPLEMENTAL INDENTURE to be signed in their respective corporate names by one of their authorized officers, all as of the day and year first above written.

A.B. WON PAT INTERNATIONAL
AIRPORT AUTHORITY, GUAM

By _______________________
Chairman

By _______________________
Executive Manager

BANK OF GUAM, as Trustee

By _______________________
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION,
as Co-Trustee

By _______________________
Authorized Officer
The undersigned BANK OF GUAM hereby accepts and agrees to perform the
duties and obligations of Depositary for the 2013 Costs of Issuance Account and the 2013 Rebate
Account under this THIRD SUPPLEMENTAL INDENTURE.

BANK OF GUAM, as Trustee

By __________________________
Authorized Officer
The undersigned U.S. BANK NATIONAL ASSOCIATION hereby accepts and agrees to perform the duties and obligations of Depositary for the 2013 Bond Reserve Account, Registrar and Paying Agent under this THIRD SUPPLEMENTAL INDENTURE.

U.S. BANK NATIONAL ASSOCIATION,
as Co-Trustee

By _______________________________________

Authorized Officer
EXHIBIT A

FORM OF BOND

No. R-___ $__________

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
GENERAL REVENUE BOND,
2013 SERIES ___

INTEREST RATE MATURITY DATE DATED DATE CUSIP

Registered Owner:

Principal Sum: Dollars

The A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM, a duly organized public corporation and autonomous instrumentality of the government of Guam (herein called the “Authority”), for value received, hereby promises to pay (but only out of the Revenues and other assets pledged therefor as hereinafter mentioned) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter mentioned), the principal sum specified above in lawful money of the United States of America; and to pay interest thereon, in like lawful money and solely from said Revenues and assets, from the Interest Payment Date next preceding the date of authentication of this Bond unless this Bond is authenticated as of a day during the period from the Record Date preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before September 15, 2013, in which event it shall bear interest from its date of delivery, until payment of such principal sum shall be discharged as provided in the indenture hereinafter mentioned, at the interest rate specified above per annum, payable on [April 1 and October 1] in each year, commencing [October 1, 2013]; provided, however, that if, at the time of authentication of this Bond, interest is in default hereon, this Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment. The principal (or redemption price) hereof is payable upon surrender hereof at the Principal Office of U.S. Bank National Association (herein called the “Paying Agent”) in Los Angeles, California, and the interest hereon is payable by check or draft mailed by first class mail to the person in whose name this Bond is registered at the close of business on the fifteenth day of the month immediately preceding an interest payment date, at such person’s address as it appears on the bond registration books of U.S. Bank National Association (herein called the “Registrar”). Upon the written request of a registered owner of $1,000,000 or more in aggregate principal amount of 2013 Bonds, payment of interest on and principal (including redemption price) of such Bonds will be made by wire transfer as provided in the Indenture; provided that any such principal payment shall nevertheless be subject to prior surrender of the 2013 Bonds with respect to which such payment is made.
This Bond is one of a duly authorized issue of bonds of the Authority designated as the “A.B. Won Pat Guam International Airport Authority General Revenue Bonds” (herein called the “Bonds”), unlimited in aggregate principal amount, except as otherwise provided in the laws of the United States of America and the government of Guam and in the Indenture hereinafter mentioned, which issue of Bonds consists or may consist of one or more Series of varying dates, maturities, interest rates, and redemption and other provisions, all issued or to be issued pursuant to Chapter 1 of Title 12 of the Guam Code Annotated, as amended, and that certain Indenture, dated as of September 1, 2003, as amended and supplemented (herein called the “Indenture”), by and between the Authority and the Trustee. This Bond is additionally designated “2013 Series ___” (together with the other Bonds so designated, herein called the “2013 Series ___ Bonds”), and is also one of a duly authorized Series of Bonds (the “2013 Bonds”) in the aggregate principal amount of $__________, comprised of the 2013 Series ___ Bonds and the Authority’s A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series ___, its A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series ___, and its A.B. Won Pat International Airport Authority, Guam General Revenue Bonds, 2013 Series ___, all issued under the provisions of the Indenture. The 2013 Bonds are issued for the purpose, among others, of refunding the Authority’s General Revenue Bonds, 2003 Series ___. Reference is hereby made to the Indenture (a copy of which is on file at said office of the Trustee) and all indentures supplemental thereto for a description of the rights thereunder of the registered owners of the Bonds, of the nature and extent of the security and provisions for payment of the Bonds, of the rights, duties and immunities of the Trustee and other fiduciaries and of the rights and obligations of the Authority thereunder, to all the provisions of which Indenture the registered owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds and the interest thereon (to the extent set forth in the Indenture) are payable solely from Revenues (as that term is defined in the Indenture) and other assets pledged as provided in the Indenture. Subject only to the provisions of the Indenture permitting the application thereof for or to the purposes and on the terms and conditions set forth therein, said Revenues are pledged under the Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Indenture and the payment of Credit Agreement Payments and Parity Payment Agreement Payments in accordance with their terms.

The 2013 Bonds are subject to redemption on any date prior to their respective stated maturities, as a whole, or in part by lot within each maturity so that the reduction in Annual Debt Service (as that term is defined in the Indenture) for the 2013 Bonds for each Bond Year (as that term is defined in the Indenture) after such redemption date shall be as nearly proportional as practicable, from and to the extent of proceeds received by the Authority due to a governmental taking of the Airport or portions thereof by eminent domain proceedings, if such amounts are not used for additions, improvements or extensions to the Airport, under the circumstances and upon the conditions and terms set forth in the Indenture, at the principal amount thereof plus interest accrued thereon, without premium.

The 2013 Bonds maturing after [October 1], 20__ [(other than the 2013 Series ___ Bonds maturing [October 1], 20__ and [October 1], 20__, as described below)] are subject to redemption prior to their respective stated maturities, at the option of the Authority, from any
source of available moneys, on any date on or after [October 1], 20__, as a whole, or in part by such maturity or maturities or portions thereof as may be determined by the Authority (or by lot within a maturity in the absence of such a determination), at a Redemption Price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption.

Notice of any redemption, identifying the Bonds or portions thereof to be redeemed, shall be given by the Registrar not less than 30 nor more than 60 days before the date fixed for redemption by first class mail to each of the registered owners of Bonds designated for redemption at their addresses appearing on the bond registration books of the Registrar on the date the Bonds to be redeemed are selected. Receipt of such notice by such registered owners shall not be a condition precedent to such redemption.

If this Bond is called for redemption and payment is duly provided herefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

The 2013 Bonds are issuable only in fully registered form in denominations of $5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, this Bond may be exchanged, at the Principal Office of the Registrar, in Los Angeles, California, for a new fully registered Bond or Bonds, of the same Series, maturity and tenor and of any authorized denomination or denominations and for the aggregate principal amount of this Bond then remaining outstanding.

This Bond is transferable by the registered owner hereof, in person or by its attorney duly authorized in writing, at said office of the Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds, of the same Series, maturity and tenor and of any authorized denomination or denominations and for the same aggregate principal amount of this Bond then remaining outstanding, will be issued to the transferee in exchange herefor. The Registrar shall not be required to register the transfer of this Bond during the period established by the Trustee for the selection of Bonds for redemption or at any time after selection of this Bond for redemption.

The Authority, the Trustee, the Paying Agent and the Registrar may treat the registered owner hereof as the absolute owner hereof for all purposes, and neither the Authority, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Authority, the registered owners of the Bonds, the Trustee, the Registrar and other fiduciaries may be modified or amended at any time in the manner, to the extent, and upon the terms provided in the Indenture, provided that no such modification or amendment shall (i) extend the fixed maturity of this Bond, or reduce the amount of principal hereof, or extend the time of payment or reduce the amount of any Mandatory Sinking Account Payment provided in the Indenture for the payment of this Bond, or extend the time of payment of any interest on this Bond or reduce the rate of interest hereon, without the consent of the registered owner hereof, or (ii) reduce the percentage of the principal amount of Bonds the consent of the registered owners of which is required to
effect any such modification or amendment, permit the creation of any lien on the Revenues and other assets pledged as security for the Bonds (including additional Bonds hereafter issued) prior to or on a parity with the lien created by the Indenture or deprive the registered owners of the Bonds of the lien of the Indenture (except as expressly provided in the Indenture), without the consent of the registered owners of all Bonds then outstanding, all as more fully set forth in the Indenture. There is no provision in the Indenture for the acceleration of amounts due on the Bonds upon the occurrence of an event of default thereunder.

The Bonds are limited obligations of the Authority and are not a lien or charge upon the funds or property of the Authority, except to the extent of the pledge and assignment herein described. Neither the faith and credit of the government of Guam nor the faith and credit of the United States of America or any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been dated and signed by the Registrar.

It is hereby certified and recited that any and all conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond exist, have happened and have been performed in due time, form and manner as required by the laws of the United States of America and the government of Guam, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by such laws, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.
IN WITNESS WHEREOF, the A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM has caused this Bond to be executed in its name and on its behalf by the facsimile signature of the Chairman of its Board of Directors and the Secretary of the Authority and its seal to be reproduced hereon by facsimile, all as of the date first referenced above.

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

By ____________________________

Chairman of the Board of Directors

(SEAL)

By ____________________________

Secretary
[FORM OF] REGISTRAR'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned Indenture, which has been registered
as of ____________, 20__.

U.S. BANK NATIONAL ASSOCIATION,
as Registrar

By _______________________
Authorized Officer

Unless this Bond is presented by an authorized representative of The Depository Trust Company,
a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange,
or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name
as is requested by an authorized representative of DTC (and any payment is made to Cede & Co.
or to such other entity as is requested by an authorized representative of DTC), ANY
TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR
TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof Cede & Co., has
an interest herein.
[FORM OF] ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the books of the Registrar with full power of substitution in the premises.

The following abbreviations, when used in the inscription on the face of the within Bond and in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - Custodian
(State) (Minor)
under Uniform Gifts to Minors Act

Additional abbreviations may also be used though not in the above list.

For value received the undersigned do(es) hereby sell, assign and transfer unto ______________ the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) ____________ attorney, to transfer the same on the books of the Registrar with full power of substitution in the premises.

Dated: ______________

NOTICE: The signature on this Assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed: ________________

Social Security Number, Taxpayer Identification Number or other Identifying Number of Assignee: ________________

Notice: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

Note: Transfer fees must be paid to the Registrar in order to transfer or exchange this bond as provided in the within-mentioned Indenture.
CONTINUING DISCLOSURE AGREEMENT

A.B. WON PAT
INTERNATIONAL AIRPORT AUTHORITY, GUAM

$_______  General Revenue Bonds 2013 Series A (Non-AMT)
$_______  General Revenue Bonds 2013 Series B (Non-AMT)
$_______  General Revenue Bonds 2013 Series C (AMT)

This Continuing Disclosure Agreement, dated as of _______, 2013 (the "Disclosure Agreement"), is executed and delivered by the A.B. Won Pat International Airport Authority, Guam (the "Authority"), and ________________, as dissemination agent (the "Dissemination Agent"), in connection with the issuance by the Authority of the above-captioned bonds (the "Bonds"). The Bonds are being issued pursuant to the Indenture, dated as of September 1, 2003 (the "General Indenture"), as amended and supplemented, including by a Supplemental Indenture, dated as of _________ 1, 2013 (the "2013 Supplemental Indenture"), by and between the Authority and Bank of Guam, as trustee as the successor in interest to the Bank of Hawaii (the "Trustee"), and U.S. Bank National Association (the "Co-Trustee"). The General Indenture, as amended and restated, including by the 2013 Supplemental Indenture, is referred to herein as the "Indenture." The Authority and the Dissemination Agent covenant and agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Authority for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person that has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" initially shall mean ________________, or any successor Dissemination Agent designated in writing by the Authority (which may be the Authority) and which has filed with the Authority a written acceptance of such designation.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.
"Official Statement" means the official statement of the Authority, dated as of ______, 2013, relating to the Bonds.

"Participating Underwriter" shall mean, collectively, the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than 180 days after the end of the Authority’s fiscal year (presently September 30), commencing with the report for the fiscal year ended September 30, 2012, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided, that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority’s fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If the Authority is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Authority shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall (if the Dissemination Agent is other than the Authority) file a report with the Authority certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. (a) The Authority’s Annual Report shall contain or include by reference the following:

(a) the audited financial statements of the Authority for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided that if the Authority’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements for such entity in a format similar to the financial statements contained in the Official Statement relating to the Bonds, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available; and

(b) information regarding the level of passenger traffic at the Airport (to the extent not included in the financial statements referred to in (a) above), to the extent that such information is historical and not projected and that similar information is included in the Official Statement; and

(c) information regarding passenger airline departures (to the extent not included in the financial statements referred to in (a) above), to the extent that such information is historical and not projected and that similar information is included in the Official Statement.
Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been made available to the public on the MSRB’s website. The Authority shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;

4. Release, substitution, or sale of property securing repayment of the Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or co-trustee, or the change of name of a trustee or co-trustee.

(c) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Authority shall determine if such event would be material under applicable federal securities laws.

(d) If the Authority learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Indenture.

SECTION 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. Termination of Reporting Obligation. The obligations of the Authority and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in a filing with the MSRB.

SECTION 8. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Agreement. If at any time there is not any other designated Dissemination Agent, the Authority shall be the Dissemination Agent. The initial Dissemination Agent shall be [________________________].

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Authority and the Dissemination Agent may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment so requested by the Authority), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Authority chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Authority shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

SECTION 11. Default. In the event of a failure of the Authority or the Dissemination Agent to comply with any provision of this Disclosure Agreement, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Dissemination Agent to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed to be an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Authority or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.
SECTION 12. **Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. **Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Authority agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Co-Trustee or the Dissemination Agent and payment of the Bonds.

SECTION 14. **Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. **Governing Law.** This Disclosure Agreement shall be governed by the laws of Guam.
IN WITNESS WHEREOF, this Disclosure Agreement has been executed on behalf of the Authority and the Dissemination Agent by their duly authorized representatives as of the date first written above.

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

By _____________________________

Authorized Officer

[DISSEMINATION AGENT]

By _____________________________

Authorized Officer
CONTINUING DISCLOSURE EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: A.B. Won Pat International Airport Authority

Name of Bond Issue: A.B. Won Pat International Airport Authority 2013 General Revenue Bonds

Date of Issuance: _______ __, 2013

NOTICE IS HEREBY GIVEN that the Authority has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Agreement of the Authority, dated the Date of Issuance. [The Authority anticipates that the Annual Report will be filed by _______________.]

Dated: _______________

A.B. WON PAT GUAM INTERNATIONAL AIRPORT AUTHORITY

By ___________ [to be signed only if filed]
A.B. Won Pat International Airport Authority, Guam
General Revenue Bonds

BOND PURCHASE AGREEMENT

____________________, 2013

Board of Directors
A.B. Won Pat International Airport Authority, Guam
P.O. Box 8770
Tamuning, Guam 96931

Guam Economic Development Authority
ITC Building
590 South Marine Corps Drive, Suite 511
Tamuning, Guam 96931

Ladies and Gentlemen:

Citigroup Global Markets Inc. (the “Representative”), acting on behalf of itself and Wells Fargo Securities (collectively, the “Underwriters”), hereby offers to enter into this Bond Purchase Agreement with the A.B. Won Pat International Airport Authority, Guam (the “Authority”) for the purchase by the Underwriters and the sale by the Authority of its General Revenue Bonds specified below. This offer is made subject to acceptance thereof by the Authority prior to 11:59 p.m., prevailing time in New York, New York, on the date hereof, and, upon such acceptance, evidenced by the signature of a duly authorized officer of the Authority in the space provided below, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority and the Underwriters. Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Official Statement (as defined herein).

A. Purchase of the Bonds; Authorization.

1. Upon the terms and conditions and upon the basis of the representations and warranties herein set forth, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriters, all (but not less than all) of the Authority’s General Revenue Bonds, 2013 Series A (Non-AMT) (the “2013 Series A Bonds”), 2013 Series B (Non-AMT) (the “2013 Series B Bonds”), 2013 Series C (AMT) (the “2013 Series C Bonds”), 2013 Series D (Taxable) (the “2013 Series D Bonds”), and 2013 Series E (IAMT) (the “2013 Series E Bonds” and together with the 2013 Series A Bonds, 2013 Series B Bonds, the 2013 Series C Bonds, and 2013 Series D Bonds, collectively, the “2013 Bonds”), in the original aggregate principal amount of

255572.3 037427 AGMT
$, at an aggregate purchase price of $ (the “Purchase Price”), representing the principal amount of the 2013 Bonds, [plus a net original issue premium/less a net original issue discount] of $ and less an underwriters’ discount of $). The 2013 Bonds shall be dated the date of original issuance thereof (the “Dated Date”), shall mature on the dates (subject to prior redemption as described in the Official Statement hereinafter mentioned) and shall bear interest (from the Dated Date) at the rates set forth in the Official Statement, and shall be payable at the times and in the manner, and shall otherwise have the terms and provisions, set forth in the Official Statement.

2. The issuance, sale and delivery of the 2013 Bonds has been approved by Resolution No. ______ of the Authority adopted on _____, 2013 (the “GIAA Resolution”). The issuance and sale of the 2013 Bonds has been approved by the Guam Economic Development Authority (“GEDA”) pursuant to Resolution No. _____ adopted on ____________, 2013 (the “GEDA Resolution”). The 2013 Bonds shall be issued pursuant to Chapter 1 of Title 12 of the Guam Code Annotated (the “Act”). The 2013 Bonds shall be as described in and shall be issued and secured under and pursuant to an Indenture, dated as of September 1, 2003 (the “Master Indenture”), as supplemented and amended, including by a Third Supplemental Indenture, dated as of ____________, 2013 (the “Third Supplemental Indenture” and, together with the Master Indenture, the “Indenture”), each by and among the Authority, Bank of Guam, as trustee (the “Trustee”) and U.S. Bank National Association, as co-trustee and paying agent and registrar (the “Co-Trustee”).

B. The Closing. The “Closing” shall take place at 11:45 p.m., Guam time on __________, 2013 (8:45 a.m., New York time, on __________, 2013), or on such other date or at such other time as shall have been mutually agreed upon by the Authority and the Representative as the date on or place at which the Closing shall occur (the “Closing Date”). At 8:45 a.m., New York time (or as soon thereafter as The Depository Trust Company (“DTC”) permits), on the Closing Date, the Authority will cause the 2013 Bonds in definitive form, duly executed and authenticated, to be delivered to the principal office of DTC in New York, New York. Simultaneously with such delivery, and provided that all conditions to the obligations of the Underwriters set forth in Section K hereof have been satisfied and the documents referred to therein are in form and substance satisfactory to the Representative, the Underwriters will cause the Purchase Price of the 2013 Bonds to be paid in immediately available funds to the order of the Authority. The 2013 Bonds, bearing CUSIP numbers, will be in definitive form and registered in the name of “Cede & Co.” as nominee of DTC. There shall be one original 2013C Bond for each maturity of the 2013 Bonds and the 2013 Bonds will be delivered to the Co-Trustee, as FAST agent on behalf of DTC pursuant to DTC’s Fast Automated Securities Transfer program, at or before the date and time of the Closing. The failure of the 2013 Bonds to bear correct CUSIP numbers shall not be a basis for failure of the Underwriters to accept delivery of the 2013 Bonds.

C. Official Statement.

1. The Authority hereby consents to and confirms the prior use by the Underwriters of the Preliminary Official Statement (in printed or electronic form) dated __________, 2013, and any amendments or supplements thereto that shall be approved by the Authority, (the
“Preliminary Official Statement”), in connection with the public offering of the 2013 Bonds by the Underwriters, and further confirms the authority of the Underwriters to use, and consents to the use of, a final Official Statement (in printed or electronic form) with respect to the 2013 Bonds, to be dated the date hereof (or such other date as may be mutually agreed by the Authority and the Representative), and any amendments or supplements thereto that shall be approved by the Authority, in connection with the public offering and sale of the 2013 Bonds, to be dated the date hereof (or such other date as may be mutually agreed by the Authority and the Underwriter), and any amendments or supplements thereto that shall be approved by the Authority (the “Official Statement”), in connection with the public offering and sale of the 2013 Bonds. The Authority hereby represents and warrants that the Preliminary Official Statement previously furnished to the Representative was “deemed final” by the Authority as of its date with respect to the 2013 Bonds for purposes of Rule 15c2-12 (“Rule 15c2-12”), promulgated by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), except for the omission of such information as is specified in Rule 15c2-12(b)(1).

2. The Authority shall provide or cause to be provided to the Representative within seven (7) business days after the date of this Bond Purchase Agreement, or three (3) business days prior to the Closing, whichever comes first, ten (10) executed counterparts of the Official Statement and conforming copies of a final Official Statement in sufficient quantity to permit the Underwriters to comply with Rule 15c2-12 and other applicable rules of the SEC and the Municipal Securities Rulemaking Board (the “MSRB”).

3. The Authority hereby authorizes the Representative to file, and the Representative hereby agrees to file, the Official Statement with the MSRB through its EMMA system.

D. Amendments to Official Statement. The Authority covenants with the Underwriters to notify promptly the Representative if, during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period (as hereinafter defined), any event shall occur, or information comes to the attention of the Authority that would cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and if in the opinion of the Representative such event or information requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Representative, at the Authority’s expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the Authority and approved by the Representative, as the Representative may reasonably request and if such notification shall be given subsequent to the Closing Date, such additional legal opinions, certificates, instruments, and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

E. Public Offering. The Underwriters intend to make an initial public offering of all the 2013 Bonds at prices not in excess of the initial offering price or prices set forth in the Official
Statement; provided, however, that the Underwriters may change such initial offering price or prices as they deem necessary, in their sole discretion, in connection with the offering of the 2013 Bonds without any requirement of prior notice, and may offer and sell the 2013 Bonds to certain institutions at prices lower than those stated in the Official Statement.

F. **End of Underwriting Period.** For purposes of this Bond Purchase Agreement, the “End of the Underwriting Period” shall mean the earlier of the Closing Date or the date on which the Underwriters do not retain an unsold balance of the 2013 Bonds for sale to the public. The Representative will provide the Authority, upon request, such information as the Authority reasonably requires to determine whether the “end of the underwriting period” for the 2013 Bonds has occurred.

G. **Plan of Financing.**

1. The 2013 Bonds shall be issued and secured as described in Section A hereof, substantially in the form delivered to the Representative, with only such changes therein as shall be mutually agreed upon between the Authority and the Representative prior to Closing.

2. The 2013 Bonds are being issued by the Authority for the following purposes: (a) to refund the Authority’s outstanding General Revenue Bonds, 2003 Series A, 2003 Series B, 2003 Series C, and 2003 Series D (the “Refunded 2003 Bonds”), (b) to finance additions, extensions and improvements to the A.B. Won Pat Guam International Airport (the “Airport”), and (c) to pay certain expenses incurred in connection with the issuance of the 2013 Bonds.

H. **Secondary Market Disclosure.** The Authority agrees to comply with any and all rules and regulations currently in effect and which hereafter may be adopted by the SEC or the MSRB which are applicable to the 2013 Bonds relating to secondary market disclosure for the 2013 Bonds, including, but not limited to, Rule 15c2-12. To that end, the Authority will undertake, when required by such rules and regulations, pursuant to the Indenture and the Continuing Disclosure Certificate dated as of the Closing Date (the “Continuing Disclosure Certificate”), by and among the Authority, the Trustee and the Co-Trustee, to provide annual reports and notices of certain events as required therein. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Other than as described in the Preliminary Official Statement or the Official Statement, the Authority has never failed to comply with any previous undertakings to provide financial information or notices of material events in accordance with the Rule 15c2-12.

I. **Representations, Warranties and Covenants of the Authority.** The Authority represents and warrants to, and agrees with, each of the Underwriters that:

1. The Authority is duly organized and validly existing as a public corporation and autonomous instrumentality of the Government of Guam with full legal, right, power and authority to issue the 2013 Bonds pursuant to the Act.

2. The Authority has full legal right, power and authority to: (a) execute and deliver this Bond Purchase Agreement, (b) execute and deliver the Third Supplemental Indenture and
the Continuing Disclosure Certificate (collectively, the “Legal Documents”) on the Closing Date, (c) deliver the Preliminary Official Statement and execute and deliver the Official Statement, (d) issue, sell and deliver the 2013 Bonds to the Underwriters pursuant to the Indenture, as provided herein; (e) perform its obligations under the 2013 Bonds, the Master Indenture, the Legal Documents, and the Airline Operating Agreements, concession agreements, and other agreements described in the Official Statement under “AGREEMENTS FOR USE OF AIRPORT FACILITIES” (collectively, the “Airport Use Agreements”), and (f) to carry out and consummate all other transactions contemplated thereby and hereby.

3. By all necessary official action, the Authority has duly authorized and approved the preparation and distribution of the Preliminary Official Statement, the preparation, execution and delivery of the Official Statement, the execution and delivery of, and the performance of its obligations under the Master Indenture, the 2013 Bonds, this Bond Purchase Agreement, the Legal Documents, the Airport Use Agreements and the consummation by it of all other transactions contemplated by this Bond Purchase Agreement, the Master Indenture, the Legal Documents and the Airport Use Agreements. Upon execution and delivery by the Authority (assuming due authorization, execution and delivery by and enforceability against the other parties thereto), the Master Indenture, the Legal Documents, this Bond Purchase Agreement and the Airport Use Agreements will be in full force and effect and each will constitute the legal, valid and binding agreement or obligation of the Authority, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against the Authority.

4. The 2013 Bonds, when issued, authenticated and delivered in accordance with the Indenture, and sold to the Underwriters as provided herein, will constitute legal, valid and binding obligations of the Authority in conformity with and entitled to the benefit and security of the Indenture, and enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against the Authority.

5. The execution and delivery of the 2013 Bonds and the Legal Documents, and compliance with the provisions on the Authority’s part contained in the Master Indenture, the 2013 Bonds, the Legal Documents and the Airport Use Agreements, will not conflict with or constitute a breach of or default under any applicable law (including any provision of the Organic Act of Guam), administrative regulation, court order or consent decree of the Government of Guam or any department, division, agency or instrumentality thereof or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, indenture, agreement or other instrument to which the Authority is a party or may be otherwise subject.
6. The Authority is not in any material respect in breach of or default under any applicable law, administrative regulation, court order or consent decree of the Government of Guam or of the United States, or any agency or instrumentality of either of them, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture or this Bond Purchase Agreement) or other instrument to which the Authority is a party which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Master Indenture, the Legal Documents, this Bond Purchase Agreement or the Airport Use Agreements, and aside from those disclosed in the Preliminary Official Statement, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instrument.

7. All opinions, certifications, approvals, consents or orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, or the obtaining of which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the GIAA Resolution, the GEDA Resolution, the Legal Documents, the Airport Use Agreements or this Bond Purchase Agreement, the issuance of the 2013 Bonds or due performance by the Authority of its obligations thereunder, under the Master Indenture or hereunder, at this time have been duly obtained.

8. The 2013 Bonds, when issued, will conform to the descriptions thereof contained in the Preliminary Official Statement (except for the exclusion of pricing information) and in the Official Statement under the captions “THE 2013 BONDS” and Appendix E – “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE”; the proceeds of the 2013 Bonds will be applied generally as described in the Preliminary Official Statement (except for the exclusion of pricing information) and the Official Statement under the captions “INTRODUCTION” and “PLAN OF FINANCE”; and the Master Indenture and the Legal Documents conform in all material respects to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement.

9. The Preliminary Official Statement, as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12), did not and does not contain any untrue or misleading statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

10. At the time of the Authority’s acceptance hereof and (unless an event occurs of the nature described in Section D hereof) during the period from the date of this Bond Purchase Agreement to and including the date which is twenty-five (25) days following the End of the Underwriting Period for the 2013 Bonds, the Official Statement does not and will not contain any untrue or misleading statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
11. If the Official Statement is supplemented or amended pursuant to Section D hereof, at the
time of each supplement or amendment thereto and (unless subsequently again
supplemented or amended pursuant to such paragraph) at all times during the period from
the date of this Bond Purchase Agreement to and including the date which is twenty-five
(25) days following the End of the Underwriting Period for the 2013 Bonds (the “Update
Period”), the Official Statement, as so supplemented or amended, will not contain any
untrue or misleading statement of a material fact or omit to state a material fact required to
be stated therein or necessary to make the statements therein, in the light of the
circumstances under which they were made, not misleading.

12. To the best knowledge of the Authority, after due investigation and except to the extent
disclosed in the Preliminary Official Statement and the Official Statement, no action, suit,
proceeding, inquiry or investigation, at law or in equity, before or by any court,
governmental agency, public board or body is pending or, to the knowledge of the
Authority, threatened in any way (a) affecting the existence of the Authority or the title of
any official of the Authority to such person’s office, (b) seeking to restrain or enjoin the
issuance, sale or delivery of the 2013 Bonds or the collection of revenues or assets of the
Authority pledged or to be pledged to pay the principal of and interest or premium, if any,
on the 2013 Bonds or the pledge thereof, (c) contesting or affecting the validity or
enforceability of the Act, the GIAA Resolution, the GEDA Resolution, the Master
Indenture, the Legal Documents, this Bond Purchase Agreement, the Airport Use
Agreements, or the 2013 Bonds, or (d) contesting the completeness or accuracy of the
Preliminary Official Statement, the Official Statement or any supplement or amendment
thereto, the power or authority of the Authority with respect to the 2013 Bonds, the Master
Indenture, the Legal Documents, the Airport Use Agreements or this Bond Purchase
Agreement, or the exclusion of interest on the 2013 Series A Bonds, the 2013 Series B
Bonds, the 2013 Series C Bonds, and the 2013 Series E Bonds (collectively, the “2013
Tax-Exempt Bonds”) from gross income for federal income tax purposes, nor is there any
basis for any such action, suit, proceeding, inquiry or investigation, wherein an
unfavorable decision, ruling or finding would materially adversely affect the validity of the
Act, the GIAA Resolution, the GEDA Resolution, or the authorization, execution, delivery
or performance by the Authority of the 2013 Bonds, the Master Indenture, the Legal
Documents, the Airport Use Agreements, or this Bond Purchase Agreement.

13. The Authority will furnish such information, execute such instruments and take such other
action in cooperation with the Underwriters as the Underwriters may reasonably request:
(a) to qualify the 2013 Bonds for offer and sale under the Blue Sky or other securities laws
and regulations of such states and other jurisdictions as the Representative may designate
and (b) to determine the eligibility of the 2013 Bonds for investment under the laws of
such states and other jurisdictions, and the Authority agrees to make its best efforts to
continue such qualifications in effect so long as required for the distribution of the 2013
Bonds (provided that the Authority shall not be obligated to execute a general or special
consent to service of process or qualify to do business in connection with any such
qualification or determination in any jurisdiction), and will advise the Representative
immediately upon receipt by the Authority of any written notification with respect to the
suspension of the qualification of the 2013 Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

14. The Authority will comply with the requirements of the Tax Certificate executed by the Authority in connection with the delivery of the 2013 Tax-Exempt Bonds.

15. The Authority has the legal authority to apply and will apply, or will cause to be applied, the proceeds from the sale of the 2013 Bonds in accordance with and subject to all of the terms and provisions of the Act, and the Indenture, and will not take or omit to take any action which action or omission will materially adversely affect the exclusion from gross income for federal income tax purposes of the interest on the 2013 Tax-Exempt Bonds.

16. Any certificate signed by any officer of the Authority and delivered to the Underwriters pursuant to the Indenture or this Bond Purchase Agreement or any document contemplated thereby or hereby shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein and that such officer shall have been duly authorized to execute the same.

17. To the best knowledge of the Authority, there is no public vote or referendum pending or proposed, the results of which could in any way adversely affect the transactions contemplated by this Bond Purchase Agreement, the Act, the GIDA Resolution, the GEDA Resolution, the 2013 Bonds, or the Indenture or the validity or enforceability of the 2013 Bonds.

18. The Indenture creates a valid pledge of and grant of a security interest in the Revenues (as defined in the Indenture) purported to be pledged thereby.

19. Between the date of this Bond Purchase Agreement and the Closing, the Authority will not, without the prior written consent of the Underwriters, issue any bonds, notes or other obligations for borrowed money payable from the Revenues prior to or on a parity with the 2013 Bonds.

20. Between the date of this Bond Purchase Agreement and the Closing, the Authority will not take any action within or under its control that will cause any adverse change of a material nature in the enforcement or collection of the Revenues.

21. Prior to the Closing, the Authority will not take any action within or under its control that will cause any adverse change of a material nature in the enforcement or collection of the Revenues.

22. The Authority has complied with its obligations under Section 5.01 Capital Improvements under the Airline Operating Agreements in connection with additions, extensions and improvements to the Airport financed with the 2013 Bonds.

23. The financial statements of the Authority contained in the Preliminary Official Statement and the Official Statement fairly present the financial positions and results of operation of the Authority and the Airport as of the dates and for the periods therein set forth, and the
Authority has no reason to believe that such financial statements have not been prepared in accordance with generally accepted accounting principles.

J. **Conditions to Closing.** The Representative has entered into this Bond Purchase Agreement on behalf of itself and the other Underwriters in reliance upon the representations and warranties of the Authority contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority of its obligations hereunder at or prior to the Closing Date. Accordingly, the Underwriters' obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the 2013 Bonds are subject to the performance by the Authority of its obligations to be performed hereunder and under such aforesaid documents and instruments at or prior to the Closing, and are also subject to the following conditions:

1. The representations and warranties of the Authority contained herein will be true and correct on the date hereof, and on and as of the Closing Date with the same effect as if made on the Closing Date.

2. At the time of the Closing, the Act, the GEDA Resolution, the GIAA Resolution, the Master Indenture and the Legal Documents will be in full force and effect and will not have been amended, modified or supplemented, and the Official Statement will not have been amended, modified or supplemented, except as may have been agreed to by the Authority and the Underwriters.

3. At the time of the Closing, all necessary action of the Authority relating to the issuance of the 2013 Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented.

4. At or prior to the Closing, the Representative will have received each of the following documents:

   (a) The Official Statement executed by an authorized official of the Authority.

   (b) The Third Supplemental Indenture duly authorized, executed and delivered by the Authority, the Trustee and the Co-Trustee, together with a true and correct copy of the Master Indenture.

   (c) The Continuing Disclosure Certificate duly authorized, executed and delivered by the Authority.

   (d) The approving opinion, dated the Closing Date and addressed to the Authority, of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, in substantially the form attached to the Official Statement as Appendix C, and a reliance letter of such Counsel, dated the Closing Date and addressed to the Underwriters, to the effect that such opinion addressed to the Authority may be relied upon by the Underwriters to the same extent as if such opinion were addressed to them.
(e) An opinion, dated the Closing Date and addressed to the Underwriters, of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, to the effect that:
(i) this Bond Purchase Agreement has been duly executed and delivered by the Authority and, assuming due execution and delivery by and validity against the Underwriters, is a valid and binding agreement of the Authority, except that the rights and obligations thereunder may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases, and except that no opinion need be expressed with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Bond Purchase Agreement; (ii) the 2013 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”); and (c) the statements contained in the Official Statement under the captions “THE 2013 C BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE 2013 C BONDS,” “TAX MATTERS” and Appendices B and C thereto, excluding any material that may be treated as included under such captions by cross-reference, insofar as the statements contained under such captions express only summarize provisions of the Indenture and the form and content of the final opinion of such Counsel with respect to such 2013 Bonds, are accurate in all material respects.

(f) The opinion of counsel to the Trustee, dated the Closing Date and addressed to the Underwriters and the Authority, to the effect that: (i) the Trustee has been duly organized and is validly existing and in good standing under the laws of Guam with full corporate power to undertake the trusts of the Indenture; (ii) the Trustee has duly authorized, executed and delivered the Indenture and by all proper corporate action has authorized the acceptance of the trusts of the Indenture; (iii) assuming the corporate power and, legal authority of, and the due authorization, execution and delivery of the Third Supplemental Indenture by, the Authority and the Co-Trustee, the Indenture constitutes a valid and binding agreement of the Trustee enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors’ rights generally; (iv) no authorization, approval, consent or other order of any governmental agency or, to such counsel’s knowledge after due investigation, any other person or corporation is required for the valid authorization, execution and delivery of the Third Supplemental Indenture by the Trustee (except that such counsel need express no view as to federal or state securities laws); and (v) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body known to counsel to the Trustee to be pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee’s participation in, or in any way contesting the powers of the Trustee with respect to, the transactions contemplated by the 2013 Bonds, the Indenture or any other agreement, document, or certificate related to such transactions.
(g) The opinion of counsel to the Co-Truster, dated the Closing Date and addressed to the Underwriters and the Authority, to the effect that: (i) the Co-Truster has been duly organized as a national banking association and is validly existing and in good standing under the laws of the United States of America with all requisite corporate power to undertake the trusts of the Indenture; (ii) the Co-Truster has duly authorized, executed and delivered the Third Supplemental Indenture and has taken all necessary corporate action to authorize the execution and delivery of the Master Indenture and the Third Supplemental Indenture and the performance of its obligations thereunder; (iii) assuming the corporate power and legal authority of, and the due authorization, execution and delivery of the Indenture by, the Authority and the Trustee, the Indenture constitutes a valid and binding agreement of the Co-Truster enforceable against the Co-Truster in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, moratorium or other similar laws or equitable principles relating to or limiting creditors' rights generally; (iv) the 2013 Bonds have been validly authenticated by the Co-Truster in its capacity as Registrar under the Indenture; (v) to the best knowledge of such counsel, no authorization, approval, consent or other order of any governmental agency or any other person or corporation is required for the valid authorization, execution and delivery of the Third Supplemental Indenture by the Co-Truster or the authentication of the 2013 Bonds (except that such counsel need express no view as to federal or state securities laws); and (vi) to the best knowledge of such counsel, there is no litigation pending against the Co-Truster to be pending or threatened against or affecting the Co-Truster to restrain or enjoin the Co-Truster's participation in, or in any way contesting the powers of the Co-Truster with respect to, the transactions contemplated by the 2013 Bonds, the Indenture or any other agreement, document, or certificate related to such transactions.

(h) An opinion of counsel to the Authority, dated the Closing Date and addressed to the Underwriters singularly or together, to the effect that: (i) the Authority is on the Closing Date a public corporation and an autonomous instrumentality of the Government of Guam and has full legal right, power and authority to enter into the Bond Purchase Agreement and the Continuing Disclosure Certificate, and perform its obligations under the Bond Purchase Agreement, the Master Indenture and the Legal Documents, to authorize, issue and sell the 2013 Bonds, to collect and enforce the collection of Revenues and to carry out and consummate all transactions required of it as contemplated by this Bond Purchase Agreement, the Master Indenture and the Legal Documents; (ii) the GIAA Resolution was duly adopted on __________ 2013, at a regular or special meeting of the Board of GIAA duly called for such purpose and has not been amended or repealed; (iii) the Bond Purchase Agreement and the Legal Documents have been duly approved and authorized by the Authority and each has been duly executed and delivered and the Bond Purchase Agreement, the Master Indenture and the Continuing Disclosure Certificate are each in full force and effect as of the Closing Date; (iv) this Bond Purchase Agreement has been duly authorized, executed and delivered by and constitutes a valid and binding obligation of the Authority enforceable in accordance with its terms (but such opinion as to enforceability may be qualified
with respect to bankruptcy, insolvency and other laws affecting creditors’ rights or remedies); (v) the execution and delivery of the Legal Documents and the Bond Purchase Agreement, and the consummation of the transactions contemplated thereby, by the Master Indenture and hereby, and the compliance with the provisions thereof and hereof, will not conflict with or constitute on the part of the Authority a breach of or a default under any existing law, administrative regulation, court order or consent decree of the Government of Guam or any department, division, agency or instrumentality of the United States to which the Authority is subject, or any agreement, resolution or instrument to which the Authority is a party or may otherwise be subject; (vi) the pledge of Revenues pursuant to the Act, and the Indenture creates a valid first priority lien in favor of the Trustee for the benefit of the Bondholders; (vii) all approvals, consents or orders of any governmental authority, board, agency or commission having jurisdiction the obtaining of which would constitute a condition precedent to the performance by the Authority of its obligations under this Bond Purchase Agreement, the Master Indenture, the Legal Documents or the 2013 Bonds and which can reasonably be obtained by the time of Closing have been obtained; (viii) other than as disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation or proceeding, pending (with service of process having been received by the Authority or otherwise known to such counsel) or, to the knowledge of such counsel, threatened (either in Guam, state or federal courts), (a) to restrain or enjoin the execution or delivery of the 2013 Bonds or the general collection of Revenues, (b) in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person’s office, (c) seeking to restrain or to enjoin the issuance, sale or delivery of the 2013 Bonds, or the collection of Revenues of the Authority pledged or to be pledged to pay the principal of and interest or premium, if any, on the 2013 Bonds, or the pledge thereof, or (d) in any way contesting or affecting the validity or enforceability of the 2013 Bonds, the Master Indenture, the Legal Documents or this Bond Purchase Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Authority or its authority with respect to the 2013 Bonds, the Master Indenture, the Legal Documents or this Bond Purchase Agreement; (ix) as of the date of the Official Statement and as of the Closing Date, the statements contained in the Official Statement under the captions “INTRODUCTION,” “THE AUTHORITY,” “AGreements FOR USE OF AIRPORT FACILITIES - Passenger Terminal Building Concessions and Revenue Arrangements - Duty Free Concessions,” “LITIGATION” and “CONTINUING DISCLOSURE” are accurate in all material respects; and (x) counsel to the Authority has no reason to believe that either the Preliminary Official Statement, as of its date and as of the date hereof, or the Official Statement, as of its date and as of the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except for the financial statements and other financial and
statistical data included in the Preliminary Official Statement and the Official Statement and the Appendices thereto, as to which no view need be expressed).

(i) An opinion of counsel to GEDA, dated the Closing Date and addressed to the Underwriters and the Authority, to the effect that: (i) the GEDA Resolution was duly adopted on ________, 2013, at a regular or special meeting of GEDA duly called for such purpose and has not been amended or repealed; and (ii) there is no litigation or proceeding pending (with service of process having been received by GEDA or otherwise known to such counsel) or, to the knowledge of such counsel, threatened against GEDA in any way affecting the existence of GEDA, the title of any official of GEDA to such person’s office, or seeking to restrain or to enjoin the issuance, sale or delivery of the 2013 Bonds or in any way contesting or affecting the validity or enforceability of the 2013 Bonds or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of GEDA or its authority with respect to the 2013 Bonds.

(j) A certification by the Guam Compiler of Laws to the effect that [Bill No. 1 (2-S)/Public Law No. ___] was duly passed by the Guam Legislature on July 31, 2013 and signed by the Governor on ________, 2013, and that such public law has not been further amended or repealed and is now in full force and effect.

(k) The opinion of Hawkins Delafield & Wood LLP, counsel to the Underwriters, dated the Closing Date, to the effect that: (i) the 2013 Bonds are exempt from registration under the Securities Act and the Indenture is exempt from qualification under the Trust Indenture Act; (ii) without having undertaken to determine independently or to assume responsibility for the accuracy, completeness or fairness thereof, and based solely on such counsel’s participation in telephone conferences at which representatives of the Authority, GEDA, Bond Counsel, the Airport Consultant, and the Representative were at various times present, nothing has come to such counsel’s attention that would lead it to believe that the information and statements (except for (A) any information relating to CUSIP numbers, any financial, accounting, statistical, economic or demographic data or forecasts, projections, estimates, assumptions or expressions of opinion, the financial statements and the information relating to DTC and its book-entry system included in the Preliminary Official Statement and the Official Statement and (B) the Appendices to each, as to which no view need be expressed) in the Preliminary Official Statement, as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12), or the Official Statement, as of its date and as of the Closing Date, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) the form of Continuing Disclosure Certificate meets the requirements of Rule 15c2-12 as to form.

(l) A certificate of the Trustee dated the Closing Date and signed by a duly authorized officer of the Trustee, in form and substance satisfactory to the Underwriters, to the
effect that: (i) to the best of such officer’s knowledge, no litigation is pending or threatened (in territorial, state or federal courts) to restrain or enjoin the authentication or delivery of the 2013 Bonds or to restrain or enjoin the Trustee from performing its obligations under the Master Indenture and the Legal Documents; and (ii) to the best of such officer’s knowledge, after due investigation, no event affecting the Trustee has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date of such certificate the statements or information contained in the Official Statement or which should be reflected therein in order to make the statements and information therein not misleading in any material respect.

(m) A certificate of the Co-Trustee dated the Closing Date and signed by a duly authorized officer of the Co-Trustee, in form and substance satisfactory to the Underwriters, to the effect that: (i) to the best of such officer’s knowledge, no litigation is pending or threatened (in territorial, state or federal courts) to restrain or enjoin the authentication or delivery of the 2013 Bonds or to restrain or enjoin the Co-Trustee from performing its obligations under the Master Indenture or the Legal Documents; and (ii) to the best of such officer’s knowledge, after due investigation, no event affecting the Co-Trustee has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date of such certificate the statements or information contained in the Official Statement or which should be reflected therein in order to make the statements and information therein not misleading in any material respect.

(n) A certificate dated the Closing Date and signed by an authorized official of the Authority to the effect that: (i) the representations, warranties and covenants of the Authority contained herein are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) no event materially adversely affecting the Authority has occurred since the date of the Official Statement; (iii) the Preliminary Official Statement, as of its date and as of the date hereof (excluding any information permitted to be omitted pursuant to Rule 15c2-12), and the Official Statement, as of its date and as of the Closing Date, did not and does not contain any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iv) the Authority has complied with this Bond Purchase Agreement and has satisfied all the conditions on its part herein to be performed or satisfied at or prior to the Closing; and (v) there is no litigation or proceeding pending or, to the knowledge of the Authority, threatened and having merit (either in Guam, state or federal courts) (A) to restrain or enjoin the execution or delivery of the 2013 Bonds or the general collection of Revenues, or (B) in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person’s office, or seeking to restrain or to enjoin the issuance, sale or delivery of the 2013 Bonds, or the pledge of Revenues, or in any way contesting or affecting the validity or enforceability of the 2013 Bonds, the Legal Documents or this Bond Purchase Agreement, or contesting in any way the completeness or
accuracy of the Preliminary Official Statement or the Official Statement, or contesting the power of the Authority or its authority with respect to the 2013 Bonds, the Master Indenture, the Legal Documents or this Bond Purchase Agreement.

(o) Three counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the 2013 Bonds.

(p) Certified copies of the GIAA Resolution and the GEDA Resolution.

(q) A Tax Certificate in form satisfactory to Bond Counsel.

(r) Evidence that the 2013 Bonds have been assigned ratings of at least ___ and ___ by Standard & Poor’s Ratings Services and Moody’s, respectively.

(s) [Such documents necessary for the issuance of the 2013 Bonds pursuant to 3.05(B)(1) of the Master Indenture, as amended by the Third Supplemental Indenture].

(t) A certificate dated the Closing Date and signed by an authorized official of the Authority to the effect that upon the issuance of the 2013 Bonds there will not be issued and outstanding indebtedness of the Authority that would result in a violation of the debt limit provision of Section 11 of the Organic Act of Guam.

(u) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations, warranties and covenants of the Authority contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Authority.

(v) A letter addressed to the Authority from Leigh Fisher Associates, dated the date of the Closing, to the effect that the Airport Consultant consents to (i) the use and inclusion of the Report of the Airport Consultants dated __________ included as Appendix ___ to the Preliminary Official Statement and the Official Statement; and (ii) the references to such firm in the Preliminary Official Statement and the Official Statement.

(w) [A letter addressed to the Underwriters from __________, independent certified public accountants, in form and substance satisfactory to the Underwriters and their counsel and dated the date on or before the Closing to the effect that, as of the date of such letter, (i) they are independent certificate public accountants within the meaning of the Code of Professional Ethics of the American Institute of Certified Public Accountants; and (ii) they consent to the inclusion of their report to the Authority dated ______ (the “Financial Statements”) as Appendix ___ to the Preliminary Official Statement and the Official Statement for the 2013 Bonds and]
to all references to such firm and such Financial Statements in the Preliminary
Official Statement and the Official Statement.]

All of the opinions, letters, certificates, instruments and other documents
mentioned above or elsewhere in this Bond Purchase Agreement will be deemed to be in
compliance with the provisions hereof if, but only if, they are in form and substance satisfactory
to the Underwriters. The opinion of Orrick, Herrington & Sutcliffe LLP that is first referred to in
Section K.4(d) shall be deemed satisfactory if it is substantially in the form of Appendix C to the
Official Statement.

If the Authority is unable to satisfy the conditions to the obligations of the
Underwriters to purchase, to accept delivery of and to pay for the 2013 Bonds contained in this
Bond Purchase Agreement, or if the obligations of the Underwriters to purchase, to accept
delivery of and to pay for the 2013 Bonds are terminated for any reason permitted by this Bond
Purchase Agreement, this Bond Purchase Agreement will terminate and neither the Underwriters
nor the Authority will be under further obligation hereunder, except that the respective obligations
of the Authority and the Underwriters set forth in Section M and the representations, warranties
and covenants of the Authority contained in Section I shall continue in full force and effect,
provided that such representations and warranties shall be understood to have been made as of the
date of this Bond Purchase Agreement.

K. Termination. The Underwriters shall have the right to cancel their obligation to purchase the
2013 Bonds if between the date hereof and the Closing:

1. legislation shall have been newly enacted or introduced by the Congress of the United
States or the legislature of the Government of Guam or shall have been reported out of
committee of either body or be newly pending in committee of either body, or a decision
shall have been rendered by a court of the United States or the Government of Guam or the
Tax Court of the United States, or a ruling, resolution, regulation, or temporary regulation,
release, or announcement shall have been made or shall have been proposed to be made by
the Treasury Department of the United States or the Internal Revenue Service, or other
federal or state authority, with respect to federal or state taxation upon revenues or other
income of the general character of that to be derived by the Authority from its operations,
or upon interest received on obligations of the general character of the 2013 Bonds that, in
the Representative’s reasonable judgment, materially adversely affects the market for the
2013 Bonds, or the market price generally of obligations of the general character of the
2013 Bonds, or the ability of the Underwriters to enforce contracts for sale of the 2013
Bonds; or

2. there shall exist any event or circumstance that in the Representative’s reasonable
judgment makes either untrue or incorrect in any material respect any statement or
information in the Official Statement or is not reflected in the Official Statement but
should be reflected therein in order to make any statement of material fact therein not
misleading in any material respect; or

3. there shall have occurred: (A) any new material outbreak or escalation of hostilities
(including, without limitation, an act of terrorism) involving the United States or the
declaration by the United States of a national emergency or war occurs; or (B) the occurrence of any other calamity or crisis or any change in the financial, political or economic conditions in the United States or elsewhere (including, but not limited to, an escalation of hostilities that existed prior to the date hereof), if the effect of any such event specified in clause (A) or (B), in the reasonable judgment of the Representative, makes it impracticable or inadvisable to proceed with the offering or the delivery of the 2013 Bonds on the terms and in the manner contemplated in the Preliminary Official Statement or the Official Statement; or

4. there shall be in force a general suspension of trading on the New York Stock Exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of determination by that Exchange or by order of the SEC or any other governmental authority having jurisdiction that, in the Representative's reasonable judgment, makes it impracticable for the Underwriters to market the 2013 Bonds or enforce contracts for the sale of the 2013 Bonds; or

5. a general banking moratorium shall have been declared by federal or state authorities having jurisdiction and be in force that, in the Representative's reasonable judgment, makes it impracticable for the Underwriters to market the 2013 Bonds or enforce contracts for the sale of the 2013 Bonds; or

6. legislation shall be enacted or actively considered for enactment, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation, or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the 2013 Bonds or any comparable securities of the Authority, any obligations of the general character of the 2013 Bonds, or the Legal Documents are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or would be in violation of any provision of the federal securities laws; or

7. there shall have been since the date hereof any material adverse change in the affairs or financial condition (except for changes that the Official Statement discloses are expected to occur) of the Authority that in the Representative's reasonable judgment will materially adversely affect the market for the 2013 Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2013 Bonds; or

8. there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters established by the New York Stock Exchange, the SEC, any other federal or Government of Guam agency or the Congress of the United States, or by Executive Order; or

9. a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the 2013 Bonds, including all the
underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the 2013 Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act; or

10. there shall have occurred after the signing hereof either a financial crisis or a default with respect to the debt obligations of the Authority or any political subdivision of the Government of Guam thereof or proceedings under the bankruptcy laws of the United States or of the Authority shall have been instituted by the Authority or any agency or political subdivision of the Government of Guam, in either case the effect of which, in the reasonable judgment of the Representative, is such as to materially and adversely affect the market price or the marketability of the 2013 Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2013 Bonds; or

11. there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Bond Purchase Agreement has published a rating (or has been asked to furnish a rating) on the 2013 Bonds, which action reflects a change or possible change, in the ratings accorded such 2013 Bonds; or

12. a material disruption in securities settlement, payment or clearance services shall have occurred and be continuing; or

13. any material change other than the inclusion of information permitted to be excluded by Rule 15c2-12 shall have been made between the Preliminary Official Statement and the Official Statement, except any change that has been accepted by the Representative.

L. Payment of Expenses.

1. The Underwriters shall be under no obligation to pay, and the Authority shall pay from available funds or direct the Trustee under the Indenture to pay from the proceeds of the 2013 Bonds (to the extent permitted under applicable law) or from other funds of the Authority, certain expenses set forth in this Section that are incidental to the performance of the Authority’s obligations hereunder, including but not limited to, all expenses in connection with the printing of the Preliminary Official Statement, the Official Statement, and any amendment or supplement to either thereof; all expenses in connection with the printing, issuance, and delivery of the 2013 Bonds; the fees and disbursement of Bond Counsel, GIAA Counsel, GEDA Counsel and any auditors and accountants; the fees and disbursements of the Trustee and the Co-Trustee and their respective counsel; all expenses in connection with obtaining a rating or ratings for the 2013 Bonds; all expenses of the Authority in connection with the preparation, printing, execution, and delivery, and any recording or filing required by Bond Counsel, of the Legal Documents, this Bond Purchase Agreement, and any Financing Statement or notice with respect thereto; the Authority’s administrative fees; GEDA’s fees established by Guam law or rule; fees for preparation of a blue sky memorandum relating to the 2013 Bonds; and all other expenses and costs of the Authority incident to its obligations in connection with the authorization, issuance, sale, and distribution of the 2013 Bonds. The Authority acknowledges that a portion of the
Underwriters’ discount represents reimbursement of the Underwriters for reasonable expenses incurred by the Underwriters on behalf of the Authority’s employees which are incidental to implementing this Bond Purchase Agreement, including but not limited to, meals, transportation, lodging, entertainment, closing dinner and related events for such employees.

2. The Representative shall pay the costs of qualifying the 2013 Bonds for sale in various states chosen by the Representative, all advertising expenses in connection with the public offering of the 2013 Bonds, and all other expenses incurred by it or the other Underwriters in connection with the public offering and distribution of the 2013 Bonds, including the fees and disbursements of their counsel.

M. Indemnification.

1. The Authority agrees to indemnify and hold harmless the Underwriters and each person, if any, who controls (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) the Underwriters and their directors, officers, agents, and employees against any and all losses, claims, damages, liabilities, and expenses arising out of a breach of any of the Authority’s material representations included in this Bond Purchase Agreement (including a breach the result of which would require in connection with a public offering of the 2013 Bonds any security to be registered under the Securities Act or any indenture to be qualified under the Trust Indenture Act), or a breach of the Continuing Disclosure Certificate, or any statement or information in the Preliminary Official Statement or in the Official Statement (excluding therefrom the information under the caption “UNDERWRITING” and the information about DTC and its book-entry system) that is or is alleged to be untrue or incorrect in any material respect, or any material omission or alleged material omission of any statement or information under the foregoing headings in the Preliminary Official Statement or the Official Statement which is required to be stated therein or is necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading. The foregoing indemnity agreement shall be in addition to any liability that the Authority may otherwise have.

The Underwriters will indemnify and hold harmless the Authority, each of its members, directors, officers, and employees, and each person who controls the Authority within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, to the same extent as the foregoing indemnity from the Authority to the Underwriters, but only with reference to written information relating to the Underwriters furnished by them specifically for use in the preparation of the Preliminary Official Statement or the Official Statement. This indemnity agreement will be in addition to any liability which the Underwriters may otherwise have. The Authority acknowledges that the statements under the caption “UNDERWRITING” in the Preliminary Official Statement and the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriters for inclusion in the Preliminary Official Statement and the Official Statement.

2. In case any claim shall be made or action brought against an indemnified party for which indemnity may be sought against any indemnifying party, as provided above, the indemnified party shall promptly notify the indemnifying party in writing setting forth the
particulars of such claim or action and the indemnifying party shall assume the defense thereof, including the retaining of counsel acceptable to such indemnified party and the payment of all expenses and shall have the right to negotiate and consent to settlement. An indemnified party shall have the right to retain separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of such indemnified party unless the employment of such counsel has been specifically authorized by the indemnifying party or the indemnifying party shall not have employed counsel reasonably acceptable to the indemnified party to have charge of the defense of such action or proceeding or the indemnified party shall have reasonably concluded that there may be defenses available to it which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action or proceeding on behalf of the indemnified party), in any of which events, such legal or other expenses shall be borne by the indemnifying party. No party shall be liable for any settlement of any action effected without its consent, but if settled with the consent of the indemnifying party or if there is a final judgment for the plaintiff in any action with or without written consent of the indemnifying party, the indemnifying party agrees to indemnify and hold harmless the indemnified parties to the extent of the indemnities set forth above from and against any loss or liability by reason of such settlement or judgment.

If the indemnification provided for in Section N.1 is unenforceable or is unavailable to an indemnifying party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) of the type subject to indemnification herein, then the indemnifying party shall, in lieu of indemnifying such person, contribute to the amount paid or payable by such person as a result of such losses, claims, damages or liabilities (or actions in respect thereof). In the case of the Authority and the Underwriters, contribution shall be in such proportion as is appropriate to reflect the relative benefits received by the Authority, on the one hand, and the Underwriters, on the other, from the sale of the 2013 Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law then the indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Authority, on the one hand, and the Underwriters, on the other, in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or action in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Authority, on the one hand, and the Underwriters, on the other, shall be deemed to be in the same proportion as the total proceeds of the sale of the 2013 Bonds paid to the Authority pursuant to Section A.1 hereof (before deducting expenses) bear to the underwriting discount received by the Underwriters (the difference between the initial public offering price for the 2013 Bonds appearing on the cover page of the Official Statement and the price to be paid therefor by the Underwriters as set forth therein under the caption "UNDERWRITING"). The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Authority or the Underwriters and the parties’ relative intent, knowledge, access to information, and opportunity to correct or prevent such untrue statement or omission. The
Authority and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection. The amount paid or payable by any person as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other expenses reasonably incurred by such person in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this paragraph, however, the Underwriters shall not be required to contribute an amount in excess of the amount by which such initial public offering price exceeds the Underwriter’s discount of purchase of the 2013 Bonds pursuant to this Bond Purchase Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 10(b) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

N. **No Advisory or Fiduciary Role.** The Authority acknowledges and agrees that: (i) the purchase and sale of the 2013 Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction between the Authority and the Underwriters, (ii) in connection with such transaction and with the discussions, undertakings and procedures leading up to the consummation thereof, each Underwriter is and has been acting solely as a principal and not as an agent or fiduciary of the Authority, (iii) the Underwriters have not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading up to the consummation thereof (irrespective of whether an Underwriter or any affiliate of an Underwriter has provided other services or is currently providing other services to the Authority on other matters), (iv) the Authority has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering of the 2013 Bonds and (v) this Bond Purchase Agreement expresses the entire relationship between the parties hereto with respect to the issuance and sale of the 2013 Bonds.

O. **Notices.** All notices provided for in this Bond Purchase Agreement shall be made in writing either by actual delivery of the notice into the hands of the parties entitled thereto, by confirmed facsimile transmission, or by sending the notice by air courier or mailing by certified or registered mail, return receipt requested, in the United States mail to the address as stated below (or at such other address as may have been designated by written notice) of the party entitled thereto. The notice shall be deemed to be received in case of actual delivery on the date of its actual receipt by the party entitled thereto, in case of delivery by facsimile, on the date receipt is confirmed, in case of delivery by air courier on the date of delivery, and in case of mailing, on the date of receipt by United States mail, postage prepaid.

All communications hereunder, except as herein otherwise specifically provided, shall be in writing and mailed or delivered to the Authority at the address set forth above and to the Underwriters at the following addresses:
P. **Governing Law.** This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the state of New York.

Q. **Miscellaneous.** This Bond Purchase Agreement is made solely for the benefit of the signatories hereto (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. The term “successor” shall not include any holder of any 2013 Bonds merely by virtue of such holding. All representations, warranties, agreements; and indemnities contained in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of delivery of and payment for the 2013 Bonds, and any termination of this Bond Purchase Agreement.

[Signature Page Follows]
R. **Counterparts.** This Bond Purchase Agreement may be executed in counterparts with the same force and effect as if all signatures appeared on a single instrument.

Very truly yours,

**CITIGROUP GLOBAL MARKETS INC,**
as Representative, on behalf of itself and Wells Fargo Securities.

By: 

Timothy Rattigan
Managing Director

---

**ACCEPTED:**

**A.B. WON PAT GUAM INTERNATIONAL AIRPORT AUTHORITY**

By: 

---

**GUAM ECONOMIC DEVELOPMENT AUTHORITY**

By: 

---
APPENDIX A

MATURITY SCHEDULE

<table>
<thead>
<tr>
<th>Maturity (January 1)</th>
<th>Principal Amount ($)</th>
<th>Interest Rate (%)</th>
<th>Yield (%)</th>
<th>Price (%)</th>
</tr>
</thead>
</table>

\[^{c}\] Priced to par call on__________________.

REDEMPTION PROVISIONS
ESCROW AGREEMENT

by and between the

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

and

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

GUAM INTERNATIONAL AIRPORT AUTHORITY

Dated as of [_______] 1, 2013
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>SECTION 1. Creation of Escrow Fund</td>
<td>1</td>
</tr>
<tr>
<td>SECTION 2. Deposit to the Escrow Fund</td>
<td>2</td>
</tr>
<tr>
<td>SECTION 3. Investment of Escrow Fund</td>
<td>2</td>
</tr>
<tr>
<td>SECTION 4. Creation of Lien on Escrow Fund</td>
<td>2</td>
</tr>
<tr>
<td>SECTION 5. Use of Escrow Fund</td>
<td>2</td>
</tr>
<tr>
<td>SECTION 6. Notice of Redemption</td>
<td>3</td>
</tr>
<tr>
<td>SECTION 7. Transfer of Excess Funds</td>
<td>3</td>
</tr>
<tr>
<td>SECTION 8. Liability of Escrow Agent</td>
<td>3</td>
</tr>
<tr>
<td>SECTION 9. Sufficiency of Escrow</td>
<td>4</td>
</tr>
<tr>
<td>SECTION 10. Records and Reports</td>
<td>4</td>
</tr>
<tr>
<td>SECTION 11. Successor Escrow Agent</td>
<td>5</td>
</tr>
<tr>
<td>SECTION 12. Termination</td>
<td>5</td>
</tr>
<tr>
<td>SECTION 13. Tax Status of Interest on Bonds</td>
<td>5</td>
</tr>
<tr>
<td>SECTION 14. Severability</td>
<td>6</td>
</tr>
<tr>
<td>SECTION 15. Successors and Assigns</td>
<td>6</td>
</tr>
<tr>
<td>SECTION 16. Compensation of Escrow Agent</td>
<td>6</td>
</tr>
<tr>
<td>SECTION 17. Governing Law</td>
<td>6</td>
</tr>
<tr>
<td>SECTION 18. Business Day</td>
<td>6</td>
</tr>
<tr>
<td>SECTION 19. Headings</td>
<td>6</td>
</tr>
<tr>
<td>SECTION 20. Counterparts</td>
<td>6</td>
</tr>
<tr>
<td>SECTION 21. Amendment</td>
<td>6</td>
</tr>
<tr>
<td>SCHEDULE I—Required Payments</td>
<td>9</td>
</tr>
<tr>
<td>SCHEDULE II—Investments and Securities</td>
<td>10</td>
</tr>
<tr>
<td>APPENDIX A—Form of Notice of Redemption</td>
<td>A-1</td>
</tr>
</tbody>
</table>
ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of [_______] 1, 2013 (the "Escrow Agreement"), is by and between the A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM (the "Authority"), a duly organized public corporation and autonomous instrumentality of the government of Guam, and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America and qualified to accept and administer the duties of the Escrow Agent (as defined herein) hereby created, as Co-Trustee under the Indenture hereinafter identified (the "Co-Trustee"), acting as escrow agent hereunder (in such capacity, the "Escrow Agent").

WITNESSETH:

WHEREAS, the Authority has heretofore issued its Guam International Airport Authority General Revenue Bonds, 2003 Series A, 2003 Series B and 2003 Series C (collectively, the "Series 2003 Bonds") pursuant to an indenture, dated as of September 1, 2003, by and among the Authority, Bank of Guam, as successor trustee (the "Trustee"), and the Co-Trustee (as supplemented and amended, the "Indenture"); and

WHEREAS, the A.B. Won Pat International Airport Authority, Guam, General Revenue Bonds, 2013 Series A (the "2013 Series A Bonds"), 2013 Series B (the "2013 Series B Bonds"), 2013 Series C (the "2013 Series C Bonds" and, together with the [2013 Series A Bonds and 2013 Series B Bonds,] the "Refunding Bonds") are being issued pursuant to the Indenture, including as supplemented by a third supplemental indenture, dated as of [August] 1, 2013, by and among the Authority, the Trustee and the Co-Trustee, for the purpose, among others, of providing moneys to refund and redeem or pay upon the maturity thereof the Series 2003 Bonds which are currently outstanding in the aggregate principal amount of $[_______] (the "Refunded Bonds"); and

WHEREAS, in order to accomplish the defeasance of the Refunded Bonds in accordance with Article X of the Indenture, the Authority will deposit, or cause to be deposited, a portion of the proceeds of the Refunding Bonds and certain moneys on deposit in the funds and accounts established pursuant to the Indenture with the Escrow Agent in accordance with this Escrow Agreement; and

WHEREAS, the Authority has approved the issuance, sale and delivery of the Refunding Bonds and the deposit of the proceeds thereof and such other moneys in accordance with this Escrow Agreement;

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants hereinafter set forth, the parties hereto agree as follows:

SECTION 1. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund designated as the "Guam International Airport Authority General Revenue Bonds, 2003 Escrow Fund" (the "Escrow Fund") to be held in the custody of the Escrow Agent in trust under this Escrow Agreement for the benefit of the owners of the Refunded Bonds. All securities, investments and moneys in the Escrow Fund are hereby irrevocably pledged to meet the payment requirements

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set forth in Schedule I attached hereto and made a part hereof, subject to the provisions of Sections 5 and 7 hereof.

SECTION 2. Deposit to the Escrow Fund. Concurrently with the execution and delivery of this Escrow Agreement, the Authority shall deposit, or cause to be deposited, with the Escrow Agent the sum of $[___________] ($[___________]) to be derived from the proceeds of the Refunding Bonds, and $[___________] to be derived from the moneys on deposit with the Co-Trustee in the funds established under the Indenture. The Escrow Agent shall, on the same date, apply a portion of such amount to purchase certain noncallable securities and investments, all as set forth in Schedule II attached hereto and made a part hereof (the “Escrowed Securities”), which securities the Authority represents are Federal Securities permitted under the Indenture for purposes of defeasing the Refunded Bonds, maturing on the dates and in the amounts necessary, together with other amounts on deposit in the Escrow Fund, to make the payments described in Section 5. Any amount in the Escrow Fund not so applied to purchase such Escrowed Securities shall be held in the Escrow Fund as uninvested cash.

SECTION 3. Investment of Escrow Fund. The Escrow Agent will purchase the Escrowed Securities in the name of the Escrow Agent as provided in Section 2 above and will hold such Escrowed Securities and any earnings received thereon in the Escrow Fund and disburse such amounts as provided herein. The Escrow Agent shall collect amounts due and shall apply such amounts as needed to make the payments and transfers required by this Escrow Agreement, but otherwise shall have no power or duty to sell, transfer or otherwise dispose of the Escrowed Securities or cash held under the terms of this Escrow Agreement.

In the event that at any time the Authority is of the opinion that for purposes of Section 13 it is necessary to restrict or limit the yield on the investment of any moneys held by the Escrow Agent pursuant to this Escrow Agreement, the Authority shall instruct the Escrow Agent in writing, and the Escrow Agent shall take such action as it may be directed in accordance with such instructions; provided, however, that no such action shall impair the ability of the Escrow Agent to apply necessary amounts in the Escrow Fund for the purposes set forth in Section 5 below.

SECTION 4. Creation of Lien on Escrow Fund. The Escrow Fund created hereby shall be irrevocable, and the Escrow Agent is hereby appointed to act for the benefit of the holders of the Refunded Bonds, which holders are hereby granted an exclusive lien on the Escrow Fund and all moneys and investments from time to time held therein for the payment of amounts described in Section 5 below. The Escrow Agent shall hold such moneys and investments for the sole benefit of the holders of the Refunded Bonds separate and apart from, and not commingled with, any other moneys or investments.

SECTION 5. Use of Escrow Fund. The Escrow Agent shall apply amounts in the Escrow Fund at such times and in such amounts as is necessary to transfer to the paying agent for the Refunded Bonds amounts to pay for maturing Refunded Bonds and Refunded Bonds called for redemption as well as interest due according to Schedule I attached hereto.

SECTION 6. Notice of Redemption. The Authority hereby irrevocably instructs the Escrow Agent to give notice of redemption on August [29], 2013 of the Refunded Bonds.
maturing after October 1, 2013. Such notice of redemption shall be given not less than thirty (30) nor more than sixty (60) days before October 31, 2013 in the manner required by Section 4.03 of the Indenture, shall be substantially in the form set forth in Appendix A attached hereto and made a part hereof and shall otherwise be in conformity with any applicable requirements of the Indenture.

SECTION 7. Transfer of Excess Funds.

(a) Interest income and other amounts received by the Escrow Agent as payments on the Escrowed Securities shall be held as part of the Escrow Fund to be used for the purposes set forth in Section 5 of this Escrow Agreement and shall be held uninvested.

(b) If the Escrow Agent receives a report of a certified public accountant or firm of certified public accountants acceptable to the Authority to the effect that the money and investments in the Escrow Fund, including earnings thereon, will be in excess of the amount necessary to pay all of the Refunded Bonds when due by reason of maturity or optional redemption, and an opinion of nationally recognized bond counsel that the transfer described in this sentence is permitted by law and will not affect the exclusion from gross income of interest on such Refunded Bonds or the Refunding Bonds for federal income tax purposes, the Escrow Agent shall, upon written direction of the Authority, transfer the amount of such excess to the Authority.

SECTION 8. Liability of Escrow Agent.

(a) The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to this Escrow Agreement in compliance with the provisions hereof. The Escrow Agent shall have no lien whatsoever on the Escrow Fund or moneys on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Escrow Agreement or otherwise.

(b) The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of any moneys deposited into the Escrow Fund or Escrowed Securities purchased at the direction of the Authority to pay the principal of and premium, if any, and interest on the Refunded Bonds.

(c) In the event of the Escrow Agent’s failure to account for any of the Escrow Fund or moneys received by it, said Escrow Fund or moneys shall, nevertheless, be and remain in trust for the holders of the Refunded Bonds or portions thereof, as herein provided.

(d) The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Escrow Agreement and no implied duties or obligations shall be read into this Escrow Agreement against the Escrow Agent.

(e) The Escrow Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, and shall be protected as stated in this Escrow Agreement, in acting, or refraining from acting, upon written notice, instruction, request, certificate, document, report or opinion furnished to the Escrow Agent and reasonably believed by the Escrow Agent to have been signed or presented by the proper party, and it need not
investigate any fact or matter stated in such notice, instruction, request, certificate, document, report or opinion.

(f) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Escrow Agreement.

(g) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the Authority) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(h) The Escrow Agent shall not be responsible for any of the recitals or representations contained herein, in the Indenture or in the Refunding Bonds.

(i) The Escrow Agent may become the owner of, or acquire any interest in, any of the Refunding Bonds with the same rights that it would have if it were not the Escrow Agent and may engage or be interested in any financial or other transaction with the Authority.

(j) The Escrow Agent shall be afforded the same rights and protections afforded the Co-Trustee under the Indenture, including, without limitation, those set forth in Article VIII thereof.

(k) The Escrow Agent shall not be liable for any action or omission of the Authority under this Agreement, the Indenture or otherwise.

(l) No provision of this Escrow Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder or in the exercise of its rights or powers.

SECTION 9. Sufficiency of Escrow. The Authority agrees that if for any reason the investments and moneys and other funds in the Escrow Fund are insufficient or otherwise unavailable to pay timely principal of, premium, if any, and interest on, the Refunded Bonds, the Authority shall continue to be liable therefor in accordance with the terms of the Refunded Bonds and the Indenture. The Escrow Agent shall in no manner be responsible for the Authority’s failure to make any deposit to cure any deficiency.

SECTION 10. Records and Reports. The Escrow Agent will keep books of record and account in which correct entries shall be made of all transactions made by it relating to the receipts, disbursements, allocations and application of the money and Escrow Securities deposited to the Escrow Fund and all proceeds thereof. Such books shall be available for inspection at reasonable hours and under reasonable conditions upon reasonable prior notice by the Authority and the owners of the Refunded Bonds.

SECTION 11. Successor Escrow Agent. Any corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, consolidation or reorganization to which the Escrow Agent shall be a party or any company to which the Escrow
Agent may sell or transfer all or substantially all of its corporate trust business (so long as such company meets the requirements set forth below), shall be the successor Escrow Agent under this Escrow Agreement without the execution or filing of any paper or any other act on the part of the parties hereto, anything herein to the contrary notwithstanding.

The Escrow Agent may resign by notifying the Authority in writing at least 30 days before the effective date of such resignation. The Authority may remove the Escrow Agent and appoint a successor Escrow Agent by notifying the Escrow Agent in writing. No such resignation or removal shall be effective until a successor Escrow Agent meeting the requirements set forth in the next paragraph has delivered an acceptance to the Authority and the Escrow Agent of (a) its appointment and (b) the cash and securities held under the terms of this Escrow Agreement. If the Authority does not appoint a successor Escrow Agent, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Escrow Agent.

Any Escrow Agent appointed under the provisions of this Section in succession to the Escrow Agent shall be a trust company or bank having the powers of a trust company doing business which has a combined capital and surplus of at least seventy-five million dollars ($75,000,000), and is subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this paragraph the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Escrow Agent shall cease to be eligible in accordance with the provisions of this paragraph, the Escrow Agent shall resign immediately in the manner and with the effect specified in this Section.

SECTION 12. Termination. This Escrow Agreement shall terminate when all payments required to be made by the Escrow Agent under the provisions of Section 5 hereof shall have been made and any moneys and investments remaining in the Escrow Fund at the time of such termination shall have been transferred to the Authority and the Escrow Agent has provided a final account statement to the Authority.

SECTION 13. Tax Status of Interest on Bonds. The Authority covenants and agrees for the benefit of the holders of the Refunded Bonds that it will not perform or permit to be performed anything or any act in such manner as would cause interest on the Refunded Bonds or the Refunding Bonds to be included in the gross income of the recipients thereof for federal income tax purposes under the Internal Revenue Code of 1986 (the “Code”), and, in particular, it will not use any of the proceeds received from the sale of the Refunding Bonds, directly or indirectly, in any manner which would result in such Refunding Bonds being classified as “arbitrage bonds” within the meaning of Section 148(a) of the Code.

SECTION 14. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.
SECTION 15. **Successors and Assigns.** All of the covenants and agreements in this Escrow Agreement contained to be performed by or on behalf of the Authority or the Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 16. **Compensation of Escrow Agent.** For acting under the Escrow Agreement, the Escrow Agent shall be entitled to payment of fees for its services and reimbursement of reasonable disbursements and advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with its services under this Escrow Agreement in accordance with the Escrow Agent’s fee schedule as agreed to with the Authority; provided, however, that such amount shall never be deducted or payable from, or constitute a lien or charge against or upon the Escrow Fund.

SECTION 17. **Governing Law.** This Escrow Agreement shall be governed by the applicable laws of Guam; provided, however, that the administration of the trusts duties imposed upon the Escrow Agent by the Escrow Agreement and the rights, duties and obligations of the Escrow Agent hereunder shall be governed by, and construed in accordance with the laws of the jurisdiction in which the Escrow Agent has its corporate trust office.

SECTION 18. **Business Day.** Whenever under the terms of this Escrow Agreement the performance date of any act to be done hereunder shall fall on a day which is a Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close, the performance thereof on the next succeeding day which is not a Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close shall be deemed to be in full compliance with this Escrow Agreement.

SECTION 19. **Headings.** Any headings preceding the text of the several Sections hereof, and any table of contents appended to copies hereof, are for convenience of reference only and shall not constitute a part of this Escrow Agreement, nor shall they affect its meaning, construction or effect.

SECTION 20. **Counterparts.** This Escrow Agreement may be executed in any number of counterparts, each of which for all purposes shall be deemed to be one original and all of which shall together constitute but one and the same instrument.

SECTION 21. **Amendment.** The parties hereto may, without the consent of or notice to the holders of the Refunded Bonds, enter into such amendments to this Escrow Agreement that shall not adversely affect the rights of such holders hereunder and shall not be inconsistent with the terms and provisions of this Escrow Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Escrow Agreement;

(b) to grant to, or confer upon the Escrow Agent, for the benefit of the holders of the Refunded Bonds, any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon the Escrow Agent;
(c) to subject to this Escrow Agreement additional funds, revenues, securities or properties;

(d) to conform this Escrow Agreement to the provisions of any law or regulation governing the exclusion from gross income of interest on the Refunded Bonds or the Refunding Bonds for federal income tax purposes in order to maintain their such exclusion; and

(e) to make any other change determined by the Authority to be not materially adverse to the holders of the unpaid Refunded Bonds. In making such determination, the Authority and the Escrow Agent may rely on the opinion of legal counsel.
IN WITNESS WHEREOF, the A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM and U.S. BANK NATIONAL ASSOCIATION have caused this Escrow Agreement to be executed by their duly authorized officers as of the date first above written.

A.B. WON PAT INTERNATIONAL
AIRPORT AUTHORITY, GUAM

By _______________________
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent

By _______________________
Authorized Officer
SCHEDULE I—Required Payments

(See Attached)
SCHEDULE II—Investments and Securities

(See Attached)
APPENDIX A

Form of Notice of Redemption

RESCINDABLE NOTICE OF REDEMPTION OF
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
General Revenue Bonds,

NOTICE is hereby given to the owners of the Guam International Airport Authority General Revenue Bonds, 2003 Series A, 2003 Series B and 2003 Series C (collectively, the “Bonds”) that the A.B. Won Pat International Airport Authority, Guam (the “Authority”) has duly called for redemption all of the outstanding Bonds maturing on or after October 1, 2013 and will redeem such Bonds on [ ], 2013 (the “Redemption Date”), prior to the stated maturity. From and after the Redemption Date, interest on the Bonds will cease to accrue.

The Bonds shall become due and payable on the Redemption Date, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest to the Redemption Date, upon presentation and surrender, with a written instrument of transfer duly executed by the registered owner thereof or by such registered owner’s attorney duly authorized in writing, at the following address:

[U.S. BANK TO CONFIRM ADDRESS INFORMATION]

If by Mail: (Registered Bonds) If by Mail: (Bearer Bonds) If by Hand or Overnight Mail:
Corporate Trust Services Corporate Trust Services 180 East Fifth Street
P. O. Box 64111 4th Floor - Bond Drop Window St. Paul, MN 55164-0111 St. Paul, MN 55164-0452 St. Paul, MN 55101

The Bonds to be redeemed mature on the dates, are in the principal amounts, and bear the CUSIP numbers, as set forth below: [TO COME]

2003 Series A

<table>
<thead>
<tr>
<th>Maturity Dates</th>
<th>Date of Issue</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>CUSIP Number</th>
</tr>
</thead>
<tbody>
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<td></td>
<td>$</td>
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</tr>
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2003 Series B

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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>(October 1)</td>
<td></td>
<td>$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2003 Series C

<table>
<thead>
<tr>
<th>Maturity Dates (October 1)</th>
<th>Date of Issue</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>CUSIP Number</th>
</tr>
</thead>
</table>

The Authority may, at its option, at any time prior to the Redemption Date, rescind and cancel this notice of redemption.

Dated this [____] day of [August] 2013.

By U.S. Bank National Association, as Co-Trustee